ENTERTAINMENT (INTERNATIONAL) LIMITED
644, Aurora colony, Road No.3, Banjara Hills, Hyderabad - 5000 034. INDIA
Tel: +91-40-23553726 & 27 Fax:+91-40-23552594
CIN: L92113TG2007PLC053585

October 9, 2018

To,

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: Annual report for the year 2017-18

Pursuant to Reg. 34 of SEBI (Listing Obligations and Disclosure Requirements Regulations) 2015, we enclose herewith Annual report for the year 2017-2018 duly approved and adopted by the members in the 11th Annual General Meeting (AGM) held on Saturday, September 29, 2018 at 2.30 p.m. IST at Hotel 'The Plaza', 6-3-870, Balayogi Paryatak Bhavan, Greenlands, Begumpet, Hyderabad - 500 016.

This is for your information and records, please.

Thanking you,

Yours faithfully,
For **DQ Entertainment (International) Limited**

Annie

Annie Jodhani
Company Secretary

Encl: as above

DQ ENTERTAINMENT (INTERNATIONAL) LIMITED

Annual Report – 2018

Imagination and Beyond

DQE IP’S

ON THE MOVE

CONTENTS

COMPANY INFORMATION

DIRECTORS

Tapaas Chakravarti
Chairman, Managing Director and Chief Executive Officer

Rashida Adenwala
Professional and Non – Independent Director

S. Sundar
Non – Executive and Independent Director

B. N. Sirish
Non – Executive and Independent Director

Auknoor Goutam
Non – Executive and Independent Director

REGISTERED OFFICE

644, Aurora Colony, Road No. 3,
Banjara Hills, Hyderabad – 500 034
Telephone: +91-40-23553726&27
Fax No. +91-40-23552594
Website: www.dqentertainment.com
CIN No: L92113TG2007PLC053585

STATUTORY AUDITORS

M/s MSKA & Associates, Chartered Accountants
(Formerly known as M/s MZSK & Associates)
Manbhum Jade Towers,
II Floor, 6-3-1090/A/12 & 13
Somajiguda, Hyderabad 500 0082
Tel: +91 40 30242999

REGISTRAR & SHARE TRANSFER AGENT

Karvy Computershare Pvt. Ltd.
Karvy Selenium Tower B, Plot No 31 & 32,
Gachibowli, Financial District, Nanakramguda,
Serilingampally Hyderabad - 500 032.
Telephone: +91 40 6716 2222
Facsimile: +91 40 2300 1153
Email: einward.ris@karvy.com
Website: www.karvycomputershare.com

COMPANY SECRETARY

Annie Jodhani
644, Aurora Colony,
Road No.3, Banjara Hills,
Hyderabad – 500 034.

BOARD OF DIRECTORS

TAPAAS CHAKRAVARTI
CMD & CEO

Tapaas Chakravarti has nearly three decades of experience in overall management of Corporate Affairs. He is the founder promoter of the Company. Tapaas began his career with Sandoz India Limited (now Novartis, a Swiss Multinational) and later joined STP Limited, an infrastructure company. Tapaas has held senior positions in Sales and Projects at Coats of India, (a British multinational). He was Head of Special Projects for Sriram Group where he developed countrywide contract manufacturing activities. Tapaas is a science graduate with Post Graduate Qualification in Business Management.

He has Executive Produced from creativity to final delivery marquee brands such as The Jungle Book franchise,The New adventures of Peter Pan franchise, 5 Children & IT franchise, Robin Hood – Mischief in Sherwood,Lassie and Friends, Pinky and Perky, Twisted Whiskers, Iron Man, animated Charlie Chaplin, Little Prince and many more titles. He was able to develop strong working relationship with Disney group USA and most of the Disney channels world-wide which resulted into production of 5 long seasons of Mickey Mouse Clubhouse, 1 season of Sheriff Callie Wild West, 3 seasons of Miles from Tomorrow Land, 1 season of Puppy Dog Tales while Mickey Mouse Roadster Racers is still in production. Today, DQE's relationship with the major broadcasters like TF-1 and Canal Plus, France; ZDF, WDR, Super RTL, Germany; DeA Kids Group and RAI TV Italy and large number of broadcasters globally including Nickelodeon and Cartoon Network has resulted into steady flow of business for DQE's own Intellectual Properties (IP) and co-production IPs placement.

He brought numerous awards to the group - Red Herring Asia top 500 and Asia top 100 companies, Ernst & Young Entrepreneur of the Year 2009, Entrepreneur of the Year 2005 from Hyderabad Chapter of Indian Management Association, his productions have 16 EMMY nominations and then finally he lifted EMMY award in 2007 for Tutenstein. DQ Entertainment was adjudged "International studio of the year" in 2012 in Cartoons on the Bay, Italy. Recently awarded the Lifetime Achievement - Hall of fame award, Los Angeles for his contribution to the growth of the animation industry in India and his global outreach efforts in animation.

He is an active member of YPO (Young Presidents Organization), Hyderabad chapter. He is also an active member of Figli Del Mondo, Italy a known charitable organization for a global initiative towards rehabilitation of orphans. Also a member of AGAPE to house and educate and treat AID effected small children for last 10 years.

RASHIDA ADENWALA
Professional
Non-Independent Director

Rashida Adenwala has distinguished exposure and over two decades of experience in legal, corporate affairs, primary & secondary markets, private equity deals, corporate governance, finance & internal audit. She has been associated with DQ Entertainment since its foundation. She is founder partner of R & A Associates, a Practicing Company Secretaries firm established in 1996.

She is a certified trainer on Corporate Governance from the Global Corporate Governance Forum, an initiative of the International Financial Corporation. She has been conferred with Honorary 'IPA Proficiency Award" in the year 2014.

CA S.SUNDAR SRINIVASA RAGHAVAN

Non-Executive
Independent Director

CA S.Sundar Srinivasa Raghavan is the founder-partner of the Chartered Accountant firm S Sonny Associates based in Chennai, started in 1986. A Fellow Chartered Accountant, Sundar has over twenty years of post-qualification professional practice experience to his credit.

His key focus area is Statutory Audit and Internal Audit of Government Organizations,Public Sector Undertakings, Private Limited Companies apart from Public Sector and Private Sector Banks. He also has extensive exposure to Systems Audit, Credit Audit, Computer-to-Computer Link and Internet Based transaction Facility Audit. His firm is empanelled with Comptroller & Auditor General of India and RBI, among others. His firm is one of the Central Statutory Auditors of Syndicate Bank.

He was Chairman of Audit Committee of Chennai Central Co-Operative Bank Ltd., Tiruvannamalai District Central Co-operative Bank Ltd., Vellore District Central Co-operative Bank Ltd., and Kancheepuram District Central Cooperative Bank Ltd.

CA B.N. SIRISH

Non-Executive
Independent Director

CA B. N. Sirish is the founder partner of the Chartered Accountant firm M/s. Sirish & Co based in Hyderabad, started in 1989. He has experience of more than 25 years in the profession of Chartered Accountancy. His key focus areas are Statutory audits, Internal audits, Bank Branch Audits, Direct Taxes including international taxation, Indirect Taxes, NRI taxation, Foreign Collaborations Appeals, Management Advisory Services, Start-up Mentoring, Tax retainer and assignments for Public Sector Undertakings.

He has pursued Diploma course in Information Systems Audit-ISA and a Certificate course in International Taxation from the Institute of Chartered Accountants of India. He is a member of A.P. Tax Bar Association and International Fiscal Association.

AUKNOOR GOUTAM

Non-Executive
Independent Director

Auknoor Goutam has over 24 years of experience in Corporate - Leadership, Project Management, Human Resources Management, Administration, Operations, Finance, Technology adaptation, Strategy, Planning and alignment.

He has pursued executive education from Harvard Business School, Stanford Business School, India Institute of Management, Indian School of Business and Woxsen Business School, Corporate Directorship Certification from World Council for Corporate Governance, United Kingdom, Masters in Life sciences, MBA in Finance, Bachelors in Law, PG Diploma in Television production and Diploma in professional Photography.

He was awarded Professor Emeritus and Honorary Doctorate in Digital Film Technology from International University, Missouri, USA.

He has nearly three decades of experience in starting up to standing out technology adaptation and implementation, in education domain in India and USA. He has pioneered e-learning technology for Medical Education Content in India with a blend of 2D and 3D Animations.

DIRECTORS' REPORT

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting their Eleventh Annual Report on the business and operations of DQ Entertainment (International) Limited ("the Company" or DQE India) together with the Audited Statement of Accounts for the financial year ended March 31, 2018.

I. FINANCIAL RESULTS

During the year under review, performance of your company was as under:

INR in Mn

Particulars	Standalone		Consolidated	
	For the year ended 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Income from Production	939	837	616	747
Income from Distribution	20	27	186	197
Other Income	125	89	892	85
Total Income	1084	953	1694	1029
Total Expenditure	1371	1439	2062	3216
Profit before tax*	**(286)**	**(486)**	**(368)**	**(2187)**
Tax Expense (Current Tax+ Deferred Tax [Net of MAT credit entitlement])	220	7	220	7
Profit after tax	**(66)**	**(479)**	**(148)**	**(2180)**
EBIDTA	170	123	341	(334)

*Standalone: Profit before tax and Profit after tax includes the exceptional item by way of notional foreign exchange of approximately INR 53.18 Mn for the period ended 31st March 2018 (2017: INR (105.75) Mn). Also, includes Bad debts written off worth Rs. 2.15 Mn. (2017: 17.25 Mn).

*Consolidated: Profit before tax and Profit after tax includes the exceptional item by way of notional foreign exchange of approximately INR 803.90 Mn for the period ended 31st March 2018 (2017: INR (363.07) Mn). Also, includes Bad debts written off worth Rs. 4.46 Mn. (2017: 545.61 Mn).

After adjustment of the notional loss and gain as well as the bad debts written off, the profit before tax and profit after tax is as under for the consolidated financials:

INR in Mn

	31 March 2018	31 March 2017
Adjusted Profit / (Loss) before tax	(1168)	(1279)
Adjusted Profit / (Loss) after Tax	(948)	(1271)
Cash & Cash Equivalent	118	194

2. PERFORMANCE AND OPERATIONS

Your Company has witnessed a complete business cycle. It has grown and expanded since 2003 until 2011 which was the golden period for the Company. However, in the year 2012, the Company got adversely impacted on account of the last worldwide recession cycle which extended over 4 years. This was a depression phase for the Company where some of our large customers did not commence any new production as a result of which we had to source work from smaller production studios in order to ensure capacity utilization of our large manpower. Unfortunately, due to the extended recessionary period these smaller production houses could not sustain themselves and were not able to pay our dues. This resulted in steep increase in our debtors and we suffered severe financial crisis. In fact, a number of companies in our domain, globally, had to close down their operations. Your Company could sustain itself because of its foresightedness to get into own content development which helped us through these very stressful times.

Slowly from 2016, the Company has been able to redefine and rewrite the future after four years of downtrend and is on the path to recovery. The Company has emerged much stronger and now cautiously does business with particular clients who are capable enough to pay our dues on time. Our focus on improving operational efficiencies and the consolidation of artistic and technical skill sets continues, with productivity improvements being recognized across all processes of production.

The financial year 2018 has been a significant progressing year in terms of all growth aspects and your Directors are quite hopeful to achieve new milestones of achievement in the years to come. Your Company has a strong order book of production for the next two to three years and also has strong growth plans on the licensing and merchandising front.

Operational Highlights for the FY 2017-18:

Animation:

- Third season of our flagship property, The Jungle Book is in production as a result of the demand from the broadcasters after a successful run of season 1 & 2. The entire season is planned to be delivered by end of 2018.
- DQE's new IP, 5 & IT "**The Psammy Show**" (52x11') TV series co-produced by Disney, Germany, Disney, France and Method Animation France, is now in production. The entire series is planned to be delivered by third quarter of FY 2018-19.
- Our very first Digital 90 min movie, "**Peterpan – The quest for the Never Book**" has been completed and is very well received by the distributors globally. We have succeeded to sell the movie for theatrical release in North America, Latin America, Middle East and North Africa, South Korea, Japan, Vietnam, Russia and CIS countries, Hungary and other European and ASEAN countries as well.
- Another own new IP "**Toadlly Awesome**" is in development stage and will go into production soon.
- Second Season of Robin Hood is being co-produced with Method Animation, France, as Robin Hood season 1, saw great success in the market in more than 130 countries.
- **Disney Projects:** Puppy Dog Pals – season I has been completed and season II is in production. Similarly, Mickey Mouse and the Roadster Racers (MRR) – season I has been completed and season II is in production. Miles from Tomorrow land – season III has been completed and successfully delivered worldwide and Doc McStuffins – season V is in production. Couple of new projects from Disney is in the development stage and are expected to go into production soon.
- **Co-production contracts:** Miraculous Lady Bug – season III and Power Players – season I are in production stage with Method Animation and Zagtoons. Further, Season II of 7D & Me – produced by Method Animation and supported by DQE, ZDF, RAI and France TV a hybrid show combining high quality CGI with live action footage is in production as season I was well received by the distributors.
- **Other projects completed:** Super 4 – season II based on Playmobil Toy with Method Animation, France and Zak Storm- TV series – season I by Zag Toons in co-production with Method Animation has been completed and successfully delivered worldwide.

- **Projects in development stage:** Pio the Chick TV series, an adaptation from Pulcino Pio (the hugely successful online musical sensation) with Rai Commercial, Italy in partnership with DQE, Italian producer Gruppo Alcuni and Planeta Jr, Spain. Ghost Force and Pixie Girl are the two major projects which will go into production soon.

Distribution:

- DQE's Distribution and Licensing division has been quite actively working towards the distribution of our new and existing IP's.

- **5&IT - The Psammy Show :** Disney Germany and Disney France are on board as broadcast partners for the TV series while a discussion is on-going with Disney EMEA, Disney ASIA and LAT AM for around 118 countries. Also there are huge merchandising opportunities once the world wide broadcasting deals are executed.

- **Jungle book season 3** is widely being distributed around the world and is already committed by broadcasters who acquired the season 1 and 2 from us for more than 160 countries.

- **Robin Hood season 1**, saw great success in the market in more than 130 countries and has great ratings everywhere. The second season, which is currently in production is being distributed at the moment and our team is very confident of closing many distribution deals soon.

- The Company has signed an exclusive deal with Chiliad Procons to launch Jungle Book themed indoor theme parks across India. The Jungle Book TV series would be the franchise's first global expansion via India that will debut in Mumbai in 2018, Delhi in 2019 and further expand across major metro cities over the next few years. The Park will have a unique touch to it; its rides would be mostly inspired by The Jungle Book tales and its culture.

- The Company has recently signed Music Publishing deal with one of the well renowned Music Company i.e, Universal Music for three of its major IPs namely, Jungle Book Season III, 5 & IT "The Psammy Show" and Toadlly Awesome.

- On the licensing and merchandising front, efforts are on to penetrate the European and American markets including Latin America with wide range of product categories for Jungle book, Peterpan and Robin Hood.

3. DIVIDEND

Considering the current losses of the Company, the Board has not recommended any dividend to the equity shareholders of the Company for the financial year 2017 -18.

4. SHARE CAPITAL

The authorized share capital of the Company as on 31st March, 2018 was Rs. 800,000,000/- divided into 80,000,000 equity shares of Rs.10/- each and paid-up capital was Rs. 792,830,000/- divided into 79,283,000 equity shares of Rs.10/- each.

The Company has neither issued shares with differential rights as to dividend, voting or otherwise nor issued shares (including sweat equity shares) to the employees or Directors of the Company, under any Scheme.

5. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter called the SEBI (LODR) Regulations, 2015] is presented in a separate section forming part of the Annual Report.

6. CORPORATE GOVERNANCE

The report on Corporate Governance as stipulated under the SEBI (LODR) Regulations, 2015 forms an integral part of this Report. The requisite certificate from the Practicing Company Secretary of the Company confirming compliance with the conditions of corporate governance is attached to the report on Corporate Governance.

The declaration by CEO/CFO that the Board Members and Senior Management Personnel have complied with the Code of Conduct forms part of the Annual Report.

7. DETAILS OF SUBSIDIARIES/JOINT VENTURES/ ASSOCIATE COMPANIES

DQ Entertainment (Ireland) Limited is the wholly owned subsidiary of the Company in Ireland. DQ Entertainment USA, LLC is the step down wholly owned subsidiary Company in USA. Further, there has been no material change in the nature of the business of the subsidiaries.

DQ Entertainment (International) Films Limited is a Joint Venture between DQ Entertainment (International) Limited and DQ Entertainment Plc, which was formed for the production and distribution of the Jungle Book Feature Film. The sharing ratio of DQE Plc is 60% and DQE India is 40% in the JV. The objective to form the JV was to benefit from the synergies of both the companies and to ensure that the interests of all the stakeholders are aligned.

There are no associate companies of DQE India within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). Method Animation S.A.S. is an associate company of DQ Entertainment (Mauritius) Limited, the Holding Company.

In accordance with Section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014, a separate statement containing the salient features of the financial statements of the subsidiary Companies and Joint Venture in Form AOC-I is annexed to this Board's Report as **Annexure- I**.

Business highlights of DQ Entertainment (Ireland) Limited ("DQE Ireland")

DQ Entertainment (Ireland) Limited is engaged in the business of content development including all production activities for animation and live action for TV series, home video and various other media. During the FY 2017-18, it has achieved a turnover of Rs. 165.82 Mn. Further, DQE Ireland has incurred of loss of Rs. 155.45 Mn. Primary reason for the loss is the huge finance cost payable to the Bond holders. However, the Company has a positive operating profit. Your Company is quite hopeful for DQE Ireland in the years to come.

Business highlights of DQ Entertainment USA, LLC ("DQE USA")

DQE USA is a wholly owned subsidiary of DQE Ireland. There has been no activity in the Company during the year.

Business highlights of DQ Entertainment (International) Films Limited ("DQE Films")

DQ Films is a Joint Venture between DQ Entertainment (International) Limited and DQ Entertainment Plc. There has been no activity in the Company during the year.

Consolidated Financial Statements

The consolidated financial statements is prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 and as amended from time to time and other relevant provisions of the Companies Act, 2013.

As per the provisions of Section 136 of the Companies Act, 2013, the Company has placed its financial statements including the consolidated financial statements and separate audited accounts of its subsidiaries on its website www.dqentertainment.com.

8. DIRECTORS' RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 134(3) (C) OF THE COMPANIES ACT, 2013

Your Directors state that:

a) in the preparation of the annual accounts for the year ended March 31, 2018, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the Company for the year ended on that date;

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors have prepared the annual accounts on a 'going concern' basis;

e) the Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively; and

f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

9. TRANSACTIONS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis and were in compliance with the applicable provisions of the Act and the Listing Regulations.

All Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature. A statement of all Related Party Transactions is placed before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure II** in Form AOC-2 and the same forms part of this report.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board is disseminated on the website of the Company www.dqentertainment.com.

10. EXTRACT OF ANNUAL RETURN

As provided under Section 92(3) of the Act, the extract of annual return is given in **Annexure III** in Form MGT-9, which forms part of this report and the same is placed in the website of the Company at www.dqentertainment.com.

11. TRANSFER OF UNCLAIMED / UNPAID AMOUNTS TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

During the year, application money of Rs. 3,29,920/- (Rupees Three lakhs twenty nine thousand nine hundred and twenty only) lying as unpaid/unclaimed for seven years was transferred to Investor Education and Protection Fund pursuant to the provisions of the Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016.

Further, investor wise details of the unclaimed amount were uploaded on IEPF portal. Investors whose money has been transferred to IEPF can now claim their money from the IEPF authority by following the refund procedure as detailed on the website of IEPF Authority www.iepf.gov.in.

12. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure - IV** of this Report in the format prescribed in the Companies (CSR Policy) Rules, 2014. The Policy is available on Company's web-site at www.dqentertainment.com.

13. RISK MANAGEMENT

The Company is exposed to inherent uncertainties owing to the sectors in which it operates. The Company's Risk Management process focuses on ensuring that these risks are identified on a timely basis and addressed. The Company has developed and implemented a Risk Management policy, which includes:

- ensuring that all the current and future material risk exposures of the company are identified, assessed, quantified, appropriately mitigated and managed;
- establishing a framework for the company's risk management process and to ensure the group wide implementation;
- ensuring systematic and uniform assessment of risks related with the intellectual property and production services rendered;
- enabling compliance with appropriate regulations, wherever applicable, through the adoption of best practices and
- assuring business growth with financial stability.

The Risk Management Policy was reviewed and approved by the Audit Committee. The Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives.

14. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board meetings and Annual General Meetings.

15. INTERNAL FINANCIAL CONTROLS

The Company has an internal control system, commensurate with the size, scale and complexity of its operations. The details on the internal control system are more elaborately explained in the Management's Discussion and Analysis Report.

16. DIRECTORS & KEY MANAGERIAL PERSONNEL

a. Appointment

The Board based on the recommendation of the Nomination and Remuneration Committee appointed Ms. Annie Jodhani as Company Secretary and Compliance Officer of the Company w.e.f. June 6, 2017.

Further, the Board based on the recommendation of the Nomination and Remuneration Committee approved the appointment of senior management personnel namely, Mr. Manoj Mishra as Chief Operating Officer w.e.f June 1, 2017 and Mr. C.S. Rajaram as President – Global Productions w.e.f June 4, 2018.

b. Retirement by rotation

In accordance with the provisions of the Act and the Articles of Association of the Company, Ms. Rashida Adenwala, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible has offered herself for re–appointment.

c. Resignation

There were no resignations of the Directors or Key Managerial Person during the year under review.

d. Board evaluation

Pursuant to the provisions of the Act, the SEBI (LODR) Regulations, 2015 and the policy adopted by the Company for performance evaluation, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees i.e., Audit, Nomination & Remuneration, Stakeholders' Relationship and Corporate Social Responsibility.

The performance of the Board and Committees was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board/ committee composition and structure, effectiveness of Board/committee processes, information and functioning, etc.

The Board and the nomination and remuneration committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In a separate meeting of Independent Directors, performance of non-independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of executive Directors and non-executive Directors.

The performance of Board, its Committees and individual Directors were found satisfactory.

e. Board Diversity

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us retain our competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors. The Board Diversity Policy is available on our website www.dqentertainment.com

f. Policy on Directors' Appointment, Remuneration and Other Details

The Company's policy on Directors' appointment, remuneration and other matters as provided in Section 178(3) of the Act is given as **Annexure V**, which forms part of this report.

g. Familiarization programme of Independent Directors

The details of programme for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, and related matters are put up on the website of the Company www.dqentertainment.com.

Further, at the time of appointment of an independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities as a Director. The format of the letter of appointment is available on our website www.dqentertainment.com

h. Declaration by Independent Directors

The Company has received necessary declaration from each independent Director under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

17. MEETINGS OF THE BOARD

Four meetings of the Board of Directors of the Company were held during the financial year 2017-18. These Board meetings were held on May 30, 2017 which was adjourned to June 6, 2017 due to lack of quorum, August 11, 2017, December 8, 2017 and February 14, 2018. For further details, please refer report on Corporate Governance of this Annual Report.

18. AUDITORS AND AUDITORS' REPORT

a. Statutory Auditors

The present term of office of the statutory auditor of the Company, namely, M/s. MSKA & Associates., Chartered Accountants (Formerly known as MZSK & Associates, Chartered Accountants) expires at the conclusion of the ensuing Annual General Meeting (AGM); however the audit firm is eligible for re-appointment.

The re-appointment of MSKA & Associates., Chartered Accountants, as recommended by the Audit Committee and approved by the Board, is proposed for another term of three years i.e. from the conclusion of the Eleventh AGM upto the conclusion of the Fourteenth AGM to be conducted in the year 2021, thus completing the aggregate period of 10 years as per the provisions of Companies Act, 2013.

M/s. MSKA & Associates., Chartered Accountants has confirmed their eligibility under Section 141 of the Companies Act, 2013 and the rules framed thereunder for re-appointment as Auditors of the Company. The appointment is accordingly proposed in the Notice of the forthcoming AGM vide item no. 3.

The Board has placed on record its sincere appreciation for the services rendered by M/s MSKA & Associates., Chartered Accountants, as Statutory Auditors of the Company.

During the year under review, the Auditors' Report does not contain any qualification, reservation or adverse remark. No frauds have been reported by the auditors in terms of Section 143(12) of the Act. The Statutory Auditors have laid out emphasis of matter with regard to carrying value of intangible assets and carrying value of investment in wholly owned subsidiary (DQ Entertainment (Ireland) Limited).

The Auditors have mentioned in its report regarding the irregular deposit of statutory dues with the appropriate authorities. The Board explained that due to paucity of funds, dues could not be paid regularly and now all efforts are made to deposit the dues regularly on time with the appropriate authorities.

b. Secretarial Auditors

Mr. R. Ramakrishna Gupta of M/s. PI & Associates, Practicing Company Secretaries, New Delhi, was appointed by the Board to conduct the secretarial audit of the Company for the financial year 2017 –18, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The secretarial audit report forms part of the Annual Report as **Annexure VI** to the Board's report.

The following observations were given by the Secretarial auditor to which the Board has shared the following explanations:

a) There was a delay in submitting the financial results to BSE limited and National Stock Exchange of India Ltd (NSE) for the quarter and financial year ended 31st March, 2017. The Company has submitted the financial results on 6th June, 2017 as against the due date of 30th May, 2017 prescribed under regulation 33 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015. The company has been imposed a penalty of Rs. 35,000 (Thirty Five Thousand only) by NSE, and the same has been paid by the company.

Explanation: The Company shall ensure that going forward, Audit Committee and Board meeting for considering and approving the quarterly results shall be conducted within the timelines as prescribed in the SEBI (LODR) Regulations, 2015.

b) The company has not published newspaper Advertisement/information in English language national daily newspaper for the adjourned Board Meeting held on 6th June, 2017 for approving the Financial Statements for the quarter and financial year ended 31st March, 2017 as required under regulation 47 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

Explanation: The Company shall ensure that going forward, utmost care shall be taken to publish the required information both in English language national daily newspaper and vernacular language daily newspaper.

c) There are delays in submission of Monthly, Quarterly and Annual Performance reports with Software Technology Park of India (STPI).

Explanation: The Company shall ensure that going forward the reports with STPI shall be submitted within the due date.

d) There are instances of delays in filing of Softex forms with Software Technology Park of India (STPI).

Explanation: The Company shall ensure that going forward the Softex forms shall be filed with STPI within the due dates.

19. COMMITTEES

The Board has formed the following Committees:

(i) Audit Committee
(ii) Nomination and Remuneration Committee
(iii) Corporate Social Responsibility Committee
(iv) Stakeholders Relationship Committee

The details of the membership and attendance of the meetings of the above Committees of the Board are included in the Corporate Governance Report, which forms part of this report.

20. VIGIL MECHANISM

As part of our corporate governance practices, the Company has formulated a Whistle Blower Policy to provide Vigil Mechanism for employees including Directors of the Company to report genuine concerns. The provisions of this policy are in line with the provisions of the Section 177(9) of the Act and SEBI (LODR) Regulations, 2015. The whistle blower policy may be accessed on the Company's website www.dqentertainment.com.

21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has duly complied with the provision of section 186 of the Companies Act, 2013 and Rules made thereunder. The particulars of loans, guarantees and investments have been disclosed in the financial statements.

22. DEPOSITS

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

23. PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014

The particulars as prescribed under Sub–section (3)(m) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, are given hereunder:

(i) Energy Conservation: The operations of the Company involve low energy consumption. The Company has undertaken various energy efficient practices to conserve energy and strengthened the Company's commitment towards becoming an environment friendly organisation.

(ii) Technology Absorption: We have developed following in-house plug-ins to maximize technology absorption at minimal cost.

- **The 3ottle:** It is a market competing software that is being developed for its CGI animation requirements such as hyper realistic lighting.

- **Global Lighting Process (GLP):** It automates the process of developing lighting asset to reduce rendering hours by 20%

- **GATEWAY software:** It is one of its kinds for complete automation of processes, live updates on productivity and status of project as well as server data management and facilitates backup. This robust and secured tool has helped to increase efficiency to a new level.

This automation process and software and hardware development will result in considerable savings of operational costs to company due to reduced human effort and time while not compromising on quality.
Amount in INR

(iii) Research & Development: The Company constantly endeavors to be more efficient and effective in planning of production activities for achieving and maintaining the highest standards of quality.

(iv) Foreign Exchange Earnings and Outgo:

Amt. in INR

Particulars	For the year ended	For the year ended
	31March18	31March17
Earnings in Foreign Currency		
Income from production	938,728,707	806,901,075
Other income	5,376,128	4,365,839
Distribution Income	13,598,631	19,762,427
Expenditure in Foreign Exchange (Subject to deduction of tax where applicable)		
Overseas business travel	3,200,659	3,588,971
Production Expenses	8,941,555	9,525,250
Consultancy and other expenses	1,486,550	338,899
Financial Charges	7,206,741	-

Note: The above figures have been extracted from standalone financial statements, both for current and previous year.

24. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The information required under Section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended is provided as **Annexure VII** to the Board's report.

The information required pursuant to Section 197(12) of the Act read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, in respect of the employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered Office of the Company during business hours on working days of the Company upto the date of the ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary in this regard.

25. GOING CONCERN

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

26. MATERIAL EVENT RECORDED SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

There are no material changes and commitments affecting the financial position of the Company, which has occurred between the end of the financial year of the Company i.e. March 31, 2018 and the date of the Directors' Report.

27. INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2014

Your Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

28. DISCLOSURE WITH RESPECT TO UNCLAIMED SUSPENSE ACCOUNT

The following are the details that are required to be provided under Schedule V (F) of the SEBI (LODR) Regulations, 2015:

No. of Shareholders and outstanding shares in the suspense account in the beginning of the year	No. of Shareholders approached for transfer of shares during the year	No. of Shareholders to whom shares were transferred and no. of shares transferred	No. of shareholders and the no. of outstanding shares in the suspense account at the end of the year
2 shareholder and 160 shares	1 shareholder	1 shareholder and 80 shares	1 shareholder and 80 shares

29. GREEN INITIATIVE

Electronic copies of the Annual Report 2017 –18 and Notice of the 11th Annual General Meeting are sent to all members whose email addresses are registered with the Company / Depository Participant(s). For members who have not registered their email addresses, physical copies of the Annual Report 2018 and the Notice of the 11th Annual General Meeting are sent in the permitted mode. Members requiring physical copies can send a request to the Company.

We encourage the other shareholders and request them to support us on this nationwide Green Initiative by registering/updating their email addresses with their Depository Participant(s) as required for receiving the notices and other documents via email.

The Company provides e–voting facility to all its members to enable them to cast their votes electronically on all resolutions set forth in the Notice. The instructions for e–voting are provided in the Notice.

30. ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation for the assistance and co–operation received from the banks, Government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by every member of the DQE family.

Hyderabad
August 03, 2018

For and on behalf of the Board
DQ Entertainment (International) Limited

Tapaas Chakravarti
CMD & CEO

FORM NO. AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 as amended)

Statement containing salient features of the financial statement of subsidiaries/associate companies/ joint ventures

PART "A": SUBSIDIARIES

Name of the Subsidiary	DQ Entertainment (Ireland) Limited	DQ Entertainment USA, LLC
The date since when subsidiary was acquired	November 12, 2008	October 13, 2015
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	March 31, 2018	March 31, 2018
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Euro & INR 79.87	USD & INR 64.82
Share capital	INR1,167,503,270	INR 129,440
Reserves & Surplus	INR (453,496,266)	INR (507,340)
Total assets	INR 6,199,878,064	INR 15,557
Total Liabilities	INR 5,485,871,060	INR 393,457
Investments	NIL	NIL
Turnover	INR 165,817,239	NIL
Profit/(Loss) before taxation	INR (155,450,965)	INR (378,358)
Provision for taxation	NIL	NIL
Profit/(Loss) after taxation	INR (155,450,965)	INR (378,358)
Proposed Dividend	NIL	NIL
Extent of shareholding	100%	100%

NOTES:
1. Names of subsidiaries which are yet to commence operations: N.A.
2. Names of subsidiaries which have been liquidated or sold during the year - N.A

PART "B": ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	**DQ Entertainment (International) Films Limited** (Joint Venture)
1. Latest audited Balance Sheet Date	March 31, 2018
2. Date on which the Associate or Joint venture was associated or acquired	November 19, 2012
3. Shares of Associate/Joint Ventures held by the company on the year end	
Number of shares	1,155,553 Shares of Euro 1 each
Amount of Investment in Associates/Joint Venture	Rs. 89,245,345
Extend of Holding %	29%
4. Description of how there is significant influence	DQ Entertainment (International) Films Limited is a Joint Venture between DQ Entertainment (International) Limited and DQ Entertainment plc.
5. Reason why the associate/joint venture is not Consolidated	Consolidated
6. Net worth attributable to Shareholding as per latest audited Balance Sheet	Rs.(427,148)
7. Profit / Loss for the year	Rs.4,245
i. Considered in Consolidation	YES
i. Not Considered in Consolidation	NO

NOTES:
1. Names of associates or Joint ventures which are yet to commence operations: N.A.
2. Names of associates or Joint ventures which have been liquidated or sold during the year - N.A.

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No 105047 W

For and on behalf of the Board of Directors
DQ Entertainment (International) Limited
CIN:L92113TG2007PLC053585

Ananthakrishnan G
Partner
(M.No 205226)

Tapaas Chakravarti
CMD & CEO
DIN:00559533

Sanjay Choudhary
Chief Financial officer

Place: Hyderabad
Date: 30.05.2018

S.Sundar
Director
DIN:03170456

Annie Jodhani
Company Secretary
Membership No : A42431

FORM NO. AOC-2

Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1	Details of contracts of arrangements or transactions not at arm's length basis:									
Sr. No.	Name(s)of the related party	Nature of relationship	Nature of Transaction	Duration of the transactions	Salient features of the Transactions	Transactions value	Justification for transaction	Date(s) of approval by the Board	Amount paid as advances	Date of special resolution
1	NIL	NIL	NIL	NIL	NA	NIL	NIL	NIL	NIL	NIL

2	Details of contracts of arrangements or transactions at arm's length basis:							
Sr. No.	Name(s) of the related party	Nature of relationship	Duration of the transactions	Nature of Transaction	Transactions value	Amount paid as Advances	Date(s) of approval by the Board	Date of special resolution
1.	DQ Entertainment (Ireland) Limited	Wholly owned Subsidiary	April 2017 – March 2018	Pre- Production / Production Services	322,915,852	-	The related party transactions are in ordinary course of business and are at arm's length basis. These are reported to the Audit Committee at their quarterly meetings.	The material related party transactions were approved by the members through Postal Ballot process on 31st March 2015.
				Professional services	5,376,138	-		
				Total	**328,291,990**	-		
2.	Method Animation S.A.S.	Associate Company	April 2017 – March 2018	Development, production and distribution of the animated series	209,378,887	-	The related party transactions are in ordinary course of business and are at arm's length basis. These are reported to the Audit Committee at their quarterly meetings.	The material related party transactions were approved by the members vide Postal Ballot on 31st March 2015 and the same was placed before shareholders for approval in the Annual General meeting held on September 30, 2016.

Hyderabad
August 03, 2018

For and on behalf of the Board

Tapadas Chakravarti
CMD & CEO

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN
As on 31.03.2018
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i)	CIN	**L92113TG2007PLC053585**
ii)	Registration Date	13/04/2007
iii)	Name of the Company	DQ Entertainment (International) Limited
iv)	Category / Sub-Category of the Company	Company Limited by shares / Indian Non-Government Company
v)	Address of the Registered Office and contact details	644, Aurora Colony, Road No.3, Banjara Hills, Hyderabad-500 034, Telangana Tel No. +91-40-23553726 & 27 Fax: +91-40-23552594
vi)	Whether listed company Yes / No	Yes
vii)	Name, address and contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana Tel No. +91-40-67161585

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Animation	5911	97.93%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No	Name & Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable section
1.	DQ Entertainment (Mauritius) Limited	-	Holding	75	2(46)
2.	DQ Entertainment (Ireland) Limited	-	Subsidiary	100	2(87)
3.	DQ Entertainment USA LLC	-	Subsidiary	100	2(87)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 01/04/2017				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2018				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	VIII)	(IX)	(X)	(XI)
(A)	**PROMOTER AND PROMOTER GROUP**									
(1)	INDIAN									
(a)	Individual /HUF	246	0	246	0.00	247	0	247	0.00	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(1) :	**246**	**0**	**246**	**0.00**	**247**	**0**	**247**	**0.00**	**0.00**
(2)	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	59461972	0	59461972	75.00	59461972	0	59461972	75.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(2)	**59461972**	**0**	**59461972**	**75.00**	**59461972**	**0**	**59461972**	**75.00**	**0.00**
	Total =A(1)+A(2)	**59462218**	**0**	**59462218**	**75.00**	**59462219**	**0**	**59462219**	**75.00**	**0.00**
(B)	**PUBLIC SHAREHOLDING**									
(1)	**INSTITUTIONS**									
(a)	Mutual Funds /UTI	633864	0	633864	0.80	0	0	0	0.80	-0.80
(b)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00

(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	25134	0	25134	0.03	0	0	0	0.00	-0.03
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others:	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(1) :	**658998**	**0**	**658998**	**0.83**	**0**	**0**	**0**	**0.00**	**-0.83**
(2)	**NON-INSTITUTIONS**									
(a)	Bodies Corporate	7532718	0	7532718	9.50	4282060	0	4282060	5.40	-4.10
(b)	Individuals									
	(i) Individuals holding nominal share capital upto Rs.1 lakh	6831248	3	6831251	8.62	7345240	3	7345243	9.26	0.65
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	4383546	0	4383546	5.53	7795837	0	7795837	9.83	4.30
(c)	Others									
	Clearing members	135197	0	135197	0.17	17756	0	17756	0.02	-0.15
	Non Resident Indians	109116	0	109116	0.14	194022	0	194022	0.24	0.11
	Foreign companies	0	128624	128624	0.16	0	128624	128624	0.16	0.00
	NBFC	900	0	900	0.00	650	0	650	0.00	0.00
	NRI Non-Repatriation	40402	0	40402	0.05	46559	0	46559	0.06	0.01
	Trusts	30	0	30	0.00	10030	0	10030	0.01	0.01
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2)	**19033157**	**128627**	**19161784**	**24.17**	**19692154**	**128627**	**19820781**	**25.00**	**0.83**
	Total B=B(1)+B(2)	**19692155**	**128627**	**19820782**	**25.00**	**19692154**	**128627**	**19820781**	**25.00**	**0.00**
	Total (A+B)	**79154373**	**128627**	**79283000**	**100.00**	**79154373**	**128627**	**79283000**	**100.00**	**0.00**
(C)	Shares held by custodians for ADRs & GDRs	0	0	0	0	0	0	0	0.00	0.00
	GRAND TOTAL (A+B+C)	**79154373**	**128627**	**79283000**	**100.00**	**79154373**	**128627**	**79283000**	**100.00**	-

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year 1/04/2017			Shareholding at the end of the year 31/03/2018			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	DQ Entertainment (Mauritius) Limited	59461972	75.00	75.00	59461972	75.00	75.00	0.00
2.	Tapaas Chakravarti	41	0.00	0.00	42	0.00	0	0.00
3	Rashmi Chakravarti	41	0.00	0.00	41	0.00	0	0.00
4.	Nivedita Chakravarti	41	0.00	0.00	41	0.00	0	0.00
5.	Sumedha Saraogi	41	0.00	0.00	41	0.00	0	0.00
6.	A Ramakrishna	41	0.00	0.00	41	0.00	0	0.00
7.	N Laxminarayana	41	0.00	0.00	41	0.00	0	0.00
	Total	**59462218**	**75.00**	**75.00**	**59462218**	**75.00**	**75.00**	**0.00**

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

Sl no.	For Each of the top 10 shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No of shares	% of total shares of the company	No.of shares	% of total shares of the Company
1.	DQ Entertainment (Mauritius) Limited				
	At the beginning of the year	59461972	75.00	59461972	75.00
	At the end of the year			59461972	75.00
2.	Tapaas Chakravarti	41	0.00	41	0.00
	Sale on 23.06.2017	41	0.00	0	0.00
	Purchase on 21.01.2017	42	0.00	42	0.00
	At the end of the year			42	0.00
3.	Rashmi Chakravarti				
	At the beginning of the year	41	0.00	41	0.00
	At the end of the year			41	0.00

4.	Nivedita Chakravarti				
	At the beginning of the year	41	0.00	41	0.00
	At the end of the year			41	0.00
5.	Sumedha Saraogi				
	At the beginning of the year	41	0.00	41	0.00
	At the end of the year			41	0.00
6.	A Ramakrishna				
	At the beginning of the year	41	0.00	41	0.00
	At the end of the year			41	0.00
7.	N Laxminarayana				
	At the beginning of the year	41	0.00	41	0.00
	At the end of the year			41	0.00

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl no.	For Each of the top 10 shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No of shares	% of total shares of the company	No.of shares	% of total shares of the Company
1.	Krishna Devi Goenka				
	At the beginning of the year	0	0.00	0	0.00
	Purchase on 25.08.2017	700000	0.88	700000	0.88
	Sale on 27.10.2017	700000	0.88	0	0.00
	Purchase on 19.01.2018	1000000	1.26	1000000	1.26
	At the End of the year			1000000	1.26
2.	Ganpati Dealcom Private Ltd				
	At the beginning of the year	0	0.00	0	0.00
	Purchase on 19.01.2018	1000000	1.26	1000000	1.26
	Sale on 09.02.2018	1000000	1.26	0	0.00
	Purchase on 23.03.2018	800000	1.01	800000	1.01
	At the End of the year			800000	1.01
3.	Ashok Kumar Goenka				
	At the beginning of the year	0	0.00	0	0.00
	Purchase on 25.08.2017	700000	0.88	700000	0.88
	Sale on 27.10.2017	700000	0.88	0	0.00

	Purchase on 26.01.2018	1000000	1.26	1000000	1.26
	Sale on 02.03.2018	1000000	1.26.	0	0.00
	Purchase on 16.03.2018	800000	1.01	800000	1.01
	At the End of the year			800000	1.01
4.	Goenka Securities Pvt Ltd				
	At the beginning of the year	0	0.00	0	0.00
	Purchase on 19.01.2018	495120	0.62	495120	0.62
	Purchase on 26.01.2018	4880	0.01	500000	0.63
	Sale on 02.03.2018	500000	0.63	0	0.00
	Purchase on 16.03.2018	800000	1.01	800000	1.01
	At the End of the year			800000	1.01
5.	Manjusha Anil Lodha				
	At the beginning of the year	25532	0.03	25532	0.03
	Purchase on 16.06.2017	3700	0.00	29232	0.04
	Purchase on 23.02.2018	456403	0.58	485635	0.61
	Purchase on 23.03.2018	215410	0.27	701045	0.88
	At the End of the year			701045	0.88
6.	ABL Infrastructure				
	At the beginning of the year	227029	0.29	227029	0.29
	Purchase on 21.04.2017	100	0.00	227129	0.29
	Purchase on 28.04.2017	3000	0.00	230129	0.29
	Purchase on 12.05.2017	900	0.00	231029	0.29
	Purchase on 26.05.2017	14327	0.02	245356	0.31
	Purchase on 02.06.2017	101562	0.13	346918	0.44
	Purchase on 09.06.2017	7500	0.01	354418	0.45
	Purchase on 16.06.2017	23802	0.03	378220	0.48
	Purchase on 23.06.2017	25606	0.03	403826	0.51
	Purchase on 07.07.2017	10019	0.01	413845	0.52
	Purchase on 14.07.2017	1131	0.00	414976	0.52
	Purchase on 04.08.2017	4946	0.01	419922	0.53
	Purchase on 25.08.2017	31000	0.04	450922	0.57
	Purchase on 01.09.2017	8450	0.01	459372	0.58

	Purchase on 08.09.2017	11348	0.01	470720	0.59
	Purchase on 22.09.2017	33879	0.04	504599	0.64
	At the End of the year			504599	0.64
7.	Rajesh Goenka				
	At the beginning of the year	0	0.00	0	0.00
	Purchase on 25.08.2017	700000	0.88	700000	0.88
	Sale on 27.10.2017	700000	0.88	0	0.00
	Purchase on 26.01.2018	500000	0.63	500000	0.63
	At the End of the year			500000	0.63
8.	Ritu Goenka				
	At the beginning of the year	0	0.00	0	0.00
	Purchase on 25.08.2017	700000	0.88	700000	0.88
	Sale on 27.10.2017	700000	0.88	0.	0.00
	Purchase on 26.01.2018	500000	0.63	500000	0.63
	At the End of the year			500000	0.63
9.	N.G Industries Limited				
	At the beginning of the year	0	0.00	0	0.00
	Purchase on 25.08.2017	193000	0.24	193000	0.24
	Sale on 27.10.2017	193000	0.24	0	0.00
	Purchase on 26.01.2018	500000	0.63	500000	0.63
	Sale on 09.03.2018	500000	0.63	0	0.00
	Purchase on 23.03.2018	500000	0.63	500000	0.63
	At the End of the year			500000	0.63
10.	Varsha Goenka				
	At the beginning of the year	0	0.00	0	0.00
	Purchase on 25.08.2017	275346	0.35	275346	0.35
	Purchase on 01.09.2017	92982	0.12	368328	0.46
	Purchase on 08.09.2017	9962	0.01	378290	0.48
	Purchase on 15.09.2017	250	0.00	378540	0.48
	Purchase on 19.01.2018	93000	0.12	471540	0.59
	Sale on 02.03.2018	200000	0.25	271540	0.34
	Purchase on 16.03.2018	460	0.00	272000	0.34
	At the end of the year			272000	0.34

(v) Shareholding of Directors and Key Managerial Personnel:

Sl no.	For Each of the Directors & KMP	Shareholding at the beginning of the year 01/04/2017		Cumulative shareholding during the year 31/03/2018	
		No of shares	% of total shares of the Company	No of shares	% of total shares of the Company
1.	Mr.Tapaas Chakravarti, CMD & CEO				
	At the beginning of the year	41	0.00	41	0.00
	Sale on 23.06.2017	41	0.00	0	0.00
	Purchase on 21.07.2017	42	0.00	42	0.00
	At the End of the year			42	0.00
2.	Mr. Sanjay Choudhary, CFO				
	At the beginning of the year	1	0.00	1	0.00
	At the End of the year			1	0.00

No other Director/KMP holds any shares in the Company

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

INR in Lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	11476.70	702.78	0	12179.48
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	466.88	0	0	466.88
Total (i+ii+iii)	**11943.58**	**702.78**	**0**	**12646.36**
Change in Indebtedness during the financial year				
• **Addition**	**8069.54**	**0**	**0**	**8069.54**
• **Reduction**	**220.47**	**550.00**	**0**	**770.47**
Net Change	7849.07	550.00	0	7299.07
Indebtedness at the end of the financial year				
i) Principal Amount	18818.08	152.78	0	18970.86
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	974.57	0	0	974.57
Total (i+ii+iii)	**19792.65**	**152.78**	0	**19945.43**

Note: The Company has filed an application with the bankers for restructuring of its banking facilities (classified as NPA by the bankers) for further moratorium and rescheduling of repayments.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Amount in INR

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/Manager
		Mr. Tapaas Chakravarti (CMD &CEO)
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	10,000,000
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	1,008,000
	(c) Profits in lieu of salary under section 17(3) of Income- tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission	-
	- as % of profit	-
	- others, specify.	-
5.	Others, please specify	-
	Total (A)	**11,008,000**
	Ceiling as per the Act (@ 5% of profits calculated under Section 198 of the Companies Act, 2013).	19,000,000 (On the basis of effective capital calculated pursuant to schedule V of the Companies Act, 2013)

B. Remuneration to other directors:

Amount in INR

Sl.	Particulars of Remuneration	Name of Directors			Total Amount
		Fee for attending board/ committee meetings	Commission	Professional fee	
1.	Independent Directors				
	Mr. S. Sundar	7,35,000	-	-	7,35,000
	Mr. B.N.Sirish	6,75,000	-	-	6,75,000
	Mr. Auknoor Goutam	6,45,000	-	-	6,45,000
	Total (1)	20,55,000	-	-	20,55,000
2.	Professional Non - Independent Director				
	Ms. Rashida Adenwala	-	-	1,20,000	1,20,000
	Total (2)	**-**	**-**	**1,20,000**	**1,20,000**

	Total (B)=(1+2)	**20,55,000**	**-**	**1,20,000**	**21,75,000**
	Total Managerial Remuneration	**20,55,000**	**-**	**1,20,000**	**21,75,000**
	Overall Ceiling as per the Act*	-	-	-	-

*Note: As per the provisions of Sub Section (2) read with sub section (5) of Section 197 of the Companies Act, 2013, sitting fees paid to directors are to be excluded while calculating the overall managerial remuneration. Moreover, Ms. Rashida Adenwala, being a managerial person functioning in a professional capacity, the ceiling under Sec 197 of the Companies Act, 2013 is not applicable to her.

C. Remuneration to key managerial personnel other than MD/Manager/WTD

Amount in INR

Sl. no.	Particulars of	Key Managerial Personnel		
		Company Secretary	CFO	TOTAL
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	577,708	5,244,600	5,822,308
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961		39,600	39,600
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit			
	- others, specify			
5.	Others, please specify	-	-	-
	Total	**577,708**	**5,284,200**	**5,861,908**

There are no penalties/punishment/compounding of offences against the Company and its Directors and Officers for the year ended on 31st March, 2018.

Hyderabad
August 03, 2018

Tapadas Chakravarti
CMD & CEO

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

As prescribed under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014

1. A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programmes:

As per the CSR Policy of the Company, currently the CSR focus area for DQE is - promotion within the broad theme, specific areas such as school education, work shop on parenting skill, women empowerment, free medical camps, support to old aged homes and orphanage.
The CSR policy can be viewed on the website of the Company www.dqentertainment.com.

2. The Composition of the CSR Committee during the year:
(i) Mr. Auknoor Goutam – Chairman
(ii) Mr. Tapaas Chakravarti - Member
(iii) Ms. Rashida Adenwala – Member

3. Average net profit of the Company for last three financial years (2014-2015 to 2016-2017):
Loss of INR (599,386,734)/-

4. Prescribed CSR expenditure (two per cent of the amount as in item 3 above):
Not applicable in view of loss.

5. Details of CSR spend during the financial year:
(a) Total amount to be spent for the financial year: Not Applicable
(b) Amount unspent, if any: Not Applicable

(c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl.	CSR Projects or Activities identified	Sector in which the Project is covered	Projects or programs (1) Local Area or other (2) Specify the state or district where projects or programs were undertaken	Amount outlay (Budget) projects or program wise	Amount spent on the projects of programs Direct expenditure / Overheads on programs or projects	Cumulative Expenditure upto the reporting period	Amount spent Directly or through Implementing agency
				(Rs.)	(Rs.)	(Rs.)	(Rs.)
	-	-	-	-	-	-	-

6. In case the Company has failed to spend two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report:

Though the Company is not required to spend on CSR activities, it has taken various sessions on 'Right Parenting Skills' and 'Balika Suraksha' in different government schools in Hyderabad. Please refer HR section of the Annual report for more details on CSR activities.

7. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, would be in compliance with CSR objectives and Policy of the Company.

Hyderabad	**Tapaas Chakravarti**	**Auknoor Goutam**
August 03, 2018	CMD & CEO	Chairman – CSR Committee

NOMINATION & REMUNERATION POLICY

1. OBJECTIVE AND PURPOSE OF THE POLICY:

• To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.

• To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the entertainment industry.

• To carry out evaluation of the performance of directors, as well as Key Managerial and Senior Management Personnel.

• To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.

• To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage

2. DEFINITIONS:

• **Board** means Board of directors of the Company.

• **Directors** means directors of the Company.

• **Committee** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

• **Company** means DQ Entertainment (International) Limited.

• **Independent Director** means a director referred to in Section 149 (6) of the Companies Act, 2013.

• **Key Managerial Personnel (KMP)** means-
(i) Executive Chairman and / or Managing director;
(ii) Whole-time director;
(iii) Chief Financial Officer;
(iv) Company Secretary;
(v) Such other officer as may be prescribed under the applicable statutory provisions / regulations.

• **Senior Management** means personnel of the Company occupying the position of Chief Operating Officer (COO) or Vice President including Vice President of any division of the Company. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

3. APPLICABILITY

The Policy is applicable to
• Directors (Executive and Non- Executive)
• Key Managerial Personnel
• Senior Management Personnel

4. SCOPE OF THE COMMITTEE

The Committee shall:
• Formulate the criteria for determining qualifications, positive attributes and independence of a director.

• Identify persons who are qualified to become director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.

• Recommend to the Board, appointment and removal of director, KMP and Senior Management Personnel.

5. POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

• Appointment criteria and qualifications:
1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as director, KMP or at Senior Management level and recommend to the Board his / her appointment.

2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

3. The Company shall not appoint or continue the employment of any person as Whole-time director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

• Term / Tenure:

1. Managing director/Whole-time director:
- The Company shall appoint or re-appoint any person as its Executive Chairman, Managing director or Executive director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. Independent director:
- An Independent director shall hold office for a term up to a maximum of five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

- No Independent director shall hold office for more than two consecutive terms, but such Independent director shall be eligible for appointment after expiry of three years of ceasing to become an Independent director. Provided that an Independent director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.

- At the time of appointment of Independent director it should be ensured that number of Boards on which such Independent director serves is restricted to seven listed companies as an Independent director and three listed companies as an Independent director in case such person is serving as a Whole-time director of a listed company.

• Evaluation:
The Committee shall carry out evaluation of performance of every director, KMP and Senior Management Personnel at regular intervals (yearly).

• Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

• Retirement:

The director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

6. POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

• General:

1. The remuneration / compensation / commission etc. to the Whole-time director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

2. The remuneration and commission to be paid to the Whole-time director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules made thereunder.

3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time director.

4. Where any insurance is taken by the Company on behalf of its Whole-time director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

• Remuneration to Whole-time / Executive / Managing director, KMP and Senior Management Personnel:

1. Fixed pay:

The Whole-time director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to Provident Fund, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

2. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

3. Provisions for excess remuneration:

If any Whole-time director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

• **Remuneration to Non- Executive / Independent director:**

1. Remuneration / Commission:
The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.

2. Sitting Fees:
The Non- Executive / Independent director may receive remuneration by way of fees for attending meetings of Board or Audit Committee thereof. Provided that the amount of such fees shall not exceed Rs. One lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

3. Commission:
Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

4. Stock Options:
An Independent director shall not be entitled to any stock option of the Company.

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
DQ Entertainment (International) Limited
644, Aurora Colony,
Road No. 3, Banjara Hills,
Hyderabad, Telangana – 500034,

We have conducted the Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by DQ ENTERTAINMENT (INTERNATIONAL) LIMITED (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment. However there were no instances of External Commercial Borrowings.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit period)

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based

Employee Benefits) Regulations, 2014 notified on 28 October 2014; (Not applicable to the Company during the Audit Period)

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period).

(vi) Relying on the representations given by the Company and its officers with regard to other laws specifically applicable to the Company and its compliance and the limited review done by us, we opine that the Company has complied with the following laws;

- Software Technology Parks Scheme;
- Special Economic Zones Act, 2005;
- The Special Economic Zone Rules, 2006;
- Copyright Act, 1957;
- Trademarks Act, 1999;
- Information Technology Act, 2000;

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India

(ii) The Securities and Exchange board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations.

1. There was a delay in submitting the financial results to BSE limited and National Stock Exchange of India Ltd (NSE) for the quarter and financial year ended 31st March, 2017. The Company has submitted the financial results on 6th June, 2017 as against the due date of 30th May, 2017 prescribed under regulation 33 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015. The company has been imposed a penalty of Rs. 35,000 (Thirty Five Thousand only) by NSE, and the same has been paid by the company.

2. The company has not published newspaper Advertisement/information in English language national daily newspaper for the adjourned Board Meeting held on 6th June, 2017 for approving the Financial Statements for the quarter and financial year ended 31st March, 2017 as required under regulation 47 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

3. There are delays in submission of Monthly, Quarterly and Annual Performance reports with Software Technology Park of India (STPI).

4. There are instances of delays in filing of Softex forms with Software Technology Park of India (STPI).

We further report that;

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice of at least seven days is given to all directors to schedule the Board Meetings, the agenda and detailed notes on agenda were generally sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has filed an application with the Authorized Dealer Bank(s) for capitalization of dues amounting to USD 89,40,057 due from M/s. DQ Entertainment (Ireland) Limited a Wholly Owned Subsidiary.

For and Behalf of
PI & Associates

R. Ramakrishna Gupta
Partner
FCS No : 5523
C P No : 6696
Office No : T 202, Technopolis,
1-10-74/B, Chikoti Gardens, Begumpet,
Hyderabad – 500016,
Telangana, India

Date: 3rd August, 2018
Place: Hyderabad

This report is to be read with our letter of even date, which is annexed as "Annexure – A" and forms an integral part of this report

To,
The Members,
DQ Entertainment (International) Limited,
644, Aurora Colony, Road No. 3,
Banjara Hills, Hyderabad,
Telangana – 500 034.

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of **DQ Entertainment (International) Limited** ("the Company"). Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

7. We have relied up on the information provided by the Management with respect to related party transactions for its compliance.

For and Behalf of
PI & Associates

R. Ramakrishna Gupta
Partner
Partner
FCS No : 5523
C P No : 6696
Technopolis, T 202,
1-10-74/B, Begumpet,
Hyderabad – 500016,
Telangana, India

Date: 3rd August, 2018
Place: Hyderabad

Information required under Section 197(12) of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended

a. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year:

Non - Executive Directors	Ratio to median remuneration
Mr. S. Sundar	24.50
Mr. B.N.Sirish	22.50
Mr. Auknoor Goutam	21.50
Professional Director	
Ms. Rashida Adenwala	4.00
Executive Director	
Mr. Tapaas Chakravarti	366.93

b. The percentage increase in remuneration of each Director, chief executive officer, chief financial officer, company secretary in the financial year:

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Mr. S. Sundar	88.46%
Mr. B.N.Sirish	121.31%
Mr. Auknoor Goutam	138.89%
Mr. Tapaas Chakravarti	4.31%
Ms. Rashida Adenwala	-
Mr. Sanjay Choudhary, Chief Financial Officer	-
Ms. Annie Jodhani	-

c. The percentage increase/ (decrease) in the median remuneration of employees in the financial year: (12%).

d. The number of permanent employees on the rolls of Company as on March 31, 2018: 1404 including consultants.

e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Salaries were revised for few Associates & Consultants and there were also new joinees during the period. Hence, there has been an annual increase of 6% in the remuneration of the employees in FY 2017-18.

There is only one Whole Time Director i.e., the Managing Director. There has been an increase of 4.31% in the managerial remuneration for the financial year.

f. Affirmation that the remuneration is as per the remuneration policy of the Company: The Company affirms remuneration is as per the remuneration policy of the Company.

MANAGEMENT’S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

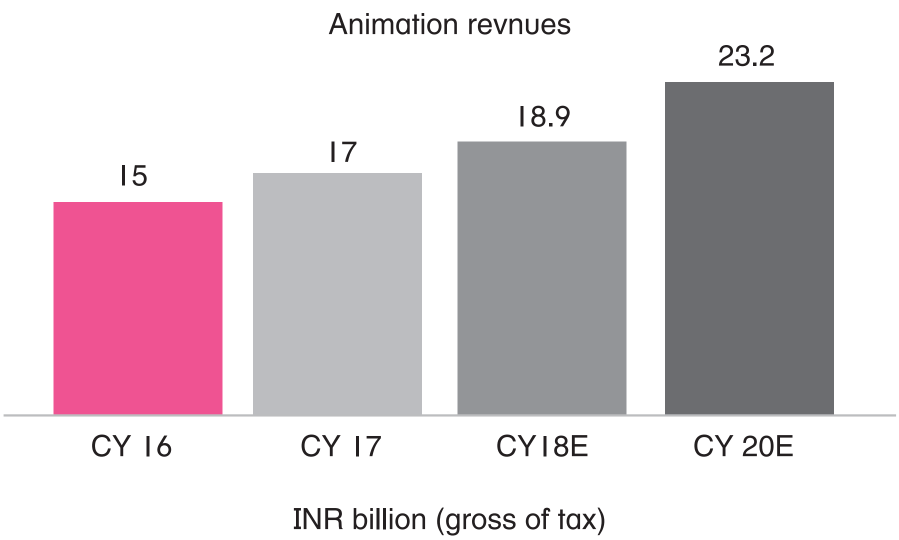
A. INDUSTRY STRUCTURE & DEVELOPMENT

Animation can be used to inspire, educate, inform & entertain. Animation is the creation of moving pictures/ images with the help of technology and/ or animation software. VFX refers to the creation of awesome effects & realistic environments in films by combining real-life images with animation using special software.

The animation industry has grown significantly over the years, not only supporting the growing Indian Media & Entertainment ("M&E") sector but also serving the world. India has emerged as a key animation development market.

The growth of the industry is expected to get a boost as Hollywood studios tap India's large pool of low-cost, English speaking animators who are familiar with the western culture. The present trend of increased consumption in tier II and tier III cities is creating even more opportunities for the industry.

The animation sector in India has been growing at a steady pace over the past few years and reached INR 17 billion in 2017, registering a growth of 13% over 2016. It is expected to grow at a CAGR of 11% till 2020.



Source: EY Analysis

Growth in the animation segment within the M&E industry is driven by:

 The increased share of domestic content in TV and related growth in domestic TV animation. This trend is expected to continue for another 2-3 years as there is going to be very high demand for varied domestic content across broadcast channels.

 The emergence of global digital platforms such as Netflix, Amazon and VooT and their associated spend on content globally and in India.

 Large animation studios picking up end-to end animation jobs and outsourcing less intensive parts to smaller studios in non-metro regions, leading to growth of many niche animation studios with turnover below INR 300 million.

Animation in international broadcasting — growing destinations

The volume and quality of offshore work for broadcast companies increased in 2017. Repeat business and cost reduction initiatives of international broadcasters are expected to further spur animation offshoring. India is now attracting work from geographies such as France, Germany and the Middle East, other than just the Americas and the UK, thus driving up the volume of international TV productions outsourced to India. Indian animation producers have also begun to create original IPs for a global TV and digital audience, commissioned by international studios and distributors.

Animation in international movies — India moving up the value chain

In recent years, there were a number of movies where Indian animation companies played a more prominent role, by executing larger and end-to-end projects on an international scale – giving both advantages of billing and margin enhancement. This escalation of India in the animation value chain was led by 3D animated characters, motion capture integrated animation work, end-to-end production sequences etc.

The key change driven by moving up the value chain is that India is differentiating itself from other destinations (such as China and Malaysia) by demonstrating better understanding of western sensibilities and smoother execution owing to a largely fluent English-speaking workforce.

The nature of contracts has also changed from fixed fee deals to co-production, revenue share and licensing arrangements. Initially, the revenue share was based on territorial rights with Indian studios ending up with less attractive sub-continental rights. Currently, co-production deals are being struck by select studios on a global revenue share model. This is enhancing the ability of studios to undertake large movie projects.

Cost arbitrage is still the key driver for animation of foreign movies in India. Industry discussions indicate that the cost of producing a full-length animated movie in the US is US$71 million- US$106 million, whereas the same work can be produced in India at US$13 million- US$22 million, a saving of approximately 80%. Many western countries are actively looking at destinations like India to develop animation movies with moderate budgets.

Animation in digital — led by children's content

The proliferation of digital platforms such as Netflix, Amazon Prime Video and VooT in India and their associated spend on content is increasing business for animation production houses in India. Amazon Prime Video partnered with the likes of DQ Entertainment to commission exclusive animated series of its popular IPs such as Jungle Book. Kids' entertainment channels and online offerings such as YouTube Kids, Sony LiV Kids and Power Kids are also targeting audience in this age group.

INDIA AS AN OUTSOURCING DESTINATION FOR ANIMATION AND VFX

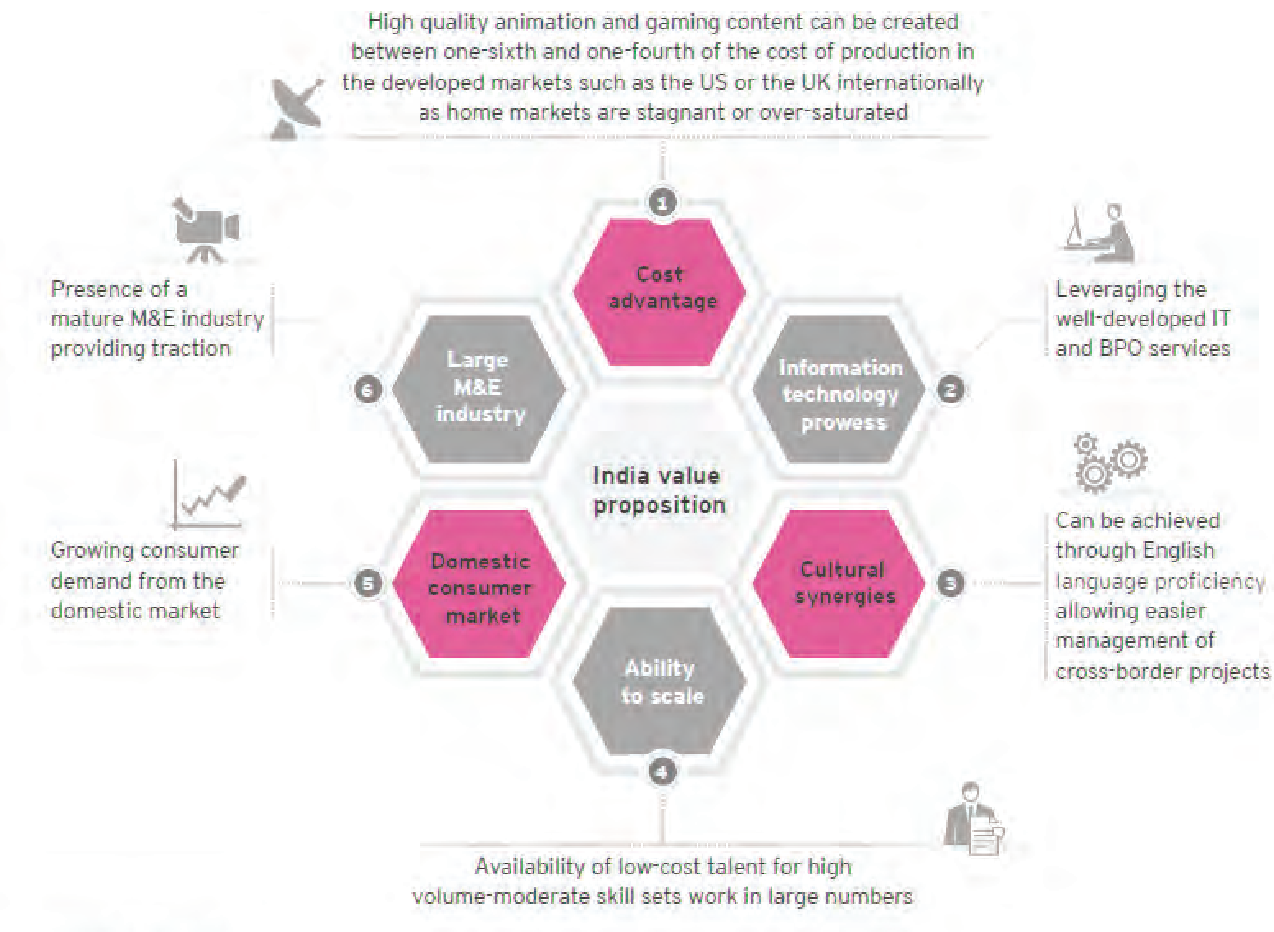
International projects account for over 70% of revenues

The Indian share in the global animation industry is less than 1%; however, it is expected to increase in the coming years. Yet, international projects account for 70%-80% of the Indian industry revenues.

Indian animation studios and companies are moving up the value chain and have started to create their own intellectual property rights. Global conglomerates such as Sony, Walt Disney and Warner Brothers have been outsourcing animation characters and special effects to Indian companies. The animation industry is 70% art and only 30% technology, leading to small enterprises driven by the passion of art bagging prominent deals.

India's value proposition – lower cost and higher quality

INDIA'S VALUE PROPOSITION – LOWER COST AND HIGHER QUALITY



Source: EY analysis

COMPARATIVE ESTIMATED COSTS FOR 30 MINUTES OF ANIMATED CONTENT (IN US$)

Content	India	Korea and the Philippines	North America
2D hand-drawn	45,000 - 50,000	60,750 - 67,500	180,000 - 200,000
3D	90,000	121,500	360,000
Backend Production	200,000	270,000	800,000
Flash Animation	20,000	27,000	80,000

SOURCE: INDUSTRY DISCUSSIONS

LICENSING AND MERCHANDISING (L&M)

Licensing and Merchandising (L&M) is a sizeable business globally, the Walt Disney Company is probably the largest character licensor in the world. India's L&M industry is making its presence felt and is poised to grow significantly in the coming years.

The L&M business has two models, one where IPs are not owned by the channel and they acquire rights for a particular tenure while paying royalty to the IP owner. Second, TV broadcasters create their own brands and hence own the IP rights enabling them to create consumer products and distribute it themselves.

Animation characters with strong brand values can be used for successful partnership with other brands, products and movies. The trend of partnership and collaboration with other brands is on an upsurge. Many product brands from FMCG, auto, insurance and others are proactively using characters like 'Chhota Bheem', 'Motu Patlu', 'Kris', etc for marketing campaigns.

The popularity of certain characters extends beyond TV screens to products, such as back-to-school products, accessories, toys, collectibles, clothing, footwear, bags and much more. Currently, L&M contributes mere 10 to 15 percent of the overall business revenues; however, this segment is poised to grow further in the coming years.

B. OPPORTUNITIES & CHALLENGES

I. Opportunities

No wonder, animation industry is touted as the 'next big thing' for economic growth following the country's already successful software and business process outsourcing. With Hollywood studios tapping into a large Indian pool of 'low-cost, English-speaking animators who are familiar with the western culture (thanks to Facebook and You Tube),' the animation industry has come a long way. You wouldn't be surprised to know that in fact, Indian animators are the ones who have created the crowd scenes and props for the TV series Game of Thrones and other Hollywood hits.

The animation industry has come a long way and now enjoys shows across genres ranging from slapstick comedy to superhero series to chase comedies to action adventures and musical comedies. With the audience group ranging from toddlers to teenagers, different genres allow animation studios and broadcasters to differentiate their offerings and attract larger audience base. To this end, we are currently working on fantasy adventure and an epic action adventure series.

With a string of successes in the animation space, the next big thing on radar is the Augmented reality/Virtual reality ("AR/VR") space. Maintaining the targets that we have set for ourselves and pushing the creative boundaries with every new production is critical for success. Blending the passion within the established scale both vertically and horizontally; across creative parameters and production volumes, while collapsing the hitherto known boundaries of geography will cumulatively drive the growth of this industry going forward.

The government is playing an active role to promote the animation industry

With the Animation, VFX, Gaming and Comics (AVGC) industry rising high globally, India is on its way of joining the list of countries that boast a robust animation landscape. Initiatives for the furtherance of the industry in India are being undertaken by the central and a number of state governments. Some of the major initiatives are:

- The Government of Maharashtra has proposed several provisions in its IT/ITeS policy to encourage the growth of the AVGC sector, including inviting global companies and concentrating on legal framework for IP creation and protection. India's first training institute devoted to animation, visual effects, gaming and comics is going to be established in Mumbai. In 2017, the government authorised to allot 20 acre of land in Goregaon Film City to set up the National Centre for Excellence for Animation, VFX, Gaming and Comics.

- Karnataka's AVGC Policy comprises developing a Centre of Excellence for stimulating AVGC education in the state and establishing Digital Art Centres to carry out digital art and animation curriculum in certain fine art schools across Karnataka.

- Government of Telangana is also aggressively supporting AVGC sector and is planning to set-up an incubation centre called 'Innovation in Multimedia, Animation, Gaming and Entertainment' (IMAGE) in Hyderabad, which would provide an ideal environment for businesses in the AVGC industry.

- The Government of Gujarat is pursuing investments to launch an AVGC lab in the state that would provide a number of facets in the Gujarat AVGC sector a technological boost.

II Key challenges

Lack of education and skilled workforce
As content creation for global audiences are expected to be key drivers of growth for the AVGC sector, majority of the incremental employment is expected to be in pre-production and distribution. This requires highly skilled persons equipped with the art of storytelling and character designing to appeal the audience's globally. In India today we do not have such talented script writers, designers, story boarders to create original globally acceptable content In the absence of adequate supply of talent, finding highly skilled professionals is a major challenge to sustain growth

Complicated and time-consuming process
Ideation and content creation is not a quick and easy process. It involves a complete visualization of the program and a process of storytelling that needs to be worked out before the production can be commenced. The genre needs more time and labour.

Lack of funding and subsidies
Despite a vast talented and potential pool, India does not produce a high percentage of animated films as it is unable to get the funding for creation of Intangible properties. Indian lending agencies still prefer traditional method of lending with adequate security cover. Further, there are no subsidies being offered currently to production houses in India, unlike western film makers which have huge subsidies available for production. The industry demands an initial high investment and this poses a major setback

Insufficient government support
The industry would benefit if measures such as reservation of a certain number of hours of domestically produced content on channels, 'must-carry' clause for kid's channels and tax benefits and treaties are provided by the government.

Intellectual Property protection
Outsourcers have always been concerned with the protection of their IP in India as we have failed to take stern action against IP infringement. The IP policy needs to be strengthened and companies operating in the outsourcing sphere need to take stringent steps to protect clients' IP rights.

C. OUR BUSINESS DIVISIONS

In order to map our specialized offerings better with the market opportunities, we have streamlined our business divisions broadly into Animation Production and Licensing & Distribution.

I Animation Production

a) Television
DQ Entertainment (DQE) is the largest animation production house in India. DQE's animation division creates, designs, and produces animation content for feature films, television, video (in 2D and 3D), and digital and online media. DQE is focused on providing higher-margin services by gradually shifting from production services towards content providing and intellectual property (IP) development.

DQE has co-produced with numerous major players in the media & entertainment (M&E) industry in Europe, US and Asia, some of which include: Walt Disney Group, Rai Commercial, ZeeQ Network India, Zag Toons, Method Animation, Saban Group, Wild Canary, France TV Group, ZDF (Zweites Deutsches Fernsehen) TV, JCC (Al Jazeera Children's Channel) TV, Telequebec, De Agostini, Cartoon Network group, and many others.

In the FY 2017-18 we concluded the production of several high quality shows and also commenced several new productions.

Production successfully completed and delivered

- **Puppy Dog Pals** – Season I, TV Series 19x23' with Wild Canary USA
- **Mickey Mouse Roadster Racer** – Season I, TV Series 26x22' with Disney Junior, USA
- **Miles From Tomorrow Land** – Season III, TV Series 30x22' with Wild Canary USA
- **Zak Storm** - TV Series 39x23' with Zag Toons S.A.R.L., USA and Method Animation, France
- **Super 4** – TV Series 52x12' with Method Animation, France
- **Miraculous Lady Bug** – Season II, TV Series 56x26' with Method Animation and Zagtoons.

Projects in Production

- **Robin Hood** – Mischief in Sherwood – Season II, TV Series 52x11' with Method Animation, France; Deagostini, Italy
- **5 & IT - The Psammy Show** - TV Series 52x11' with Disney, Germany and France; Method Animation, France

- **The Jungle Book** - Season III, TV Series 52x11' with Elipsanime and Canal+, France and ZDF Germany
- **Mickey Mouse Roadster Racer** – Season II, TV Series 26x22' with Disney Junior, USA
- **Doc McStuffins** – Season V, TV Series 11x22'with Brown Bag Films, UK.
- **Puppy Dog Pals** – Season II, TV Series 19x23' with Wild Canary USA
- **Power Players** – Season I, TV Series 78x11' with Method Animation and Zagtoons.
- **Seven Dwarfs & Me** – Season II, TV Series 26x26' with Method Animation and supported by DQE, ZDF, RAI and France TV.

In addition to the above projects we have more than 6-8 Projects in pipeline which are in the advances stage of negotiation and likely to commence production in the next 6 to 12 months.

b. Feature Film:

DQE's very first Digital 90 min movie, "Peterpan – The Quest for the Never Book" has been completed and is very well received by the distributors globally. We have succeeded to sell the movie for theatrical release in North America, Latin America, Middle East and North Africa, South Korea, Japan, Vietnam, Russia and CIS countries, Hungary and other European and ASEAN countries as well.

Amasia Entertainment LLC, USA, an independent motion picture entertainment company owned by Michael Helfant and Bradley Gallo has been signed up as Executive Producer to flagship 3D Stereoscopic Feature Film "Mowgli's Adventure". Negotiations are on with a US Distributor for distribution in US and Canada as well as with other European and Asian Distributors. Once the deal is in place and necessary finances are arranged, the production is expected to commence soon.

II. Licensing and Distribution

a. Broadcasting/ Merchandising / Licensing:

DQE has established partnerships for product licensing, merchandising, broadcasting & distribution world-wide of its own productions.. Major agencies include Amazon, Netflix, Discovery Family Channel USA, TF1 France, ZDF Germany, Planeta Jr. Spain, Planeta Jr Italy KIKA and WDR Germany, RAI Television Italy DEA Kids Italy and may more worldwide.

Please refer operational highlights section of the Board's report for details on major licensing and distribution deals entered by the Company during the year.

b. Digital

YouTube channels, Power Kids and Tiny Toonz, have been performing well with steady revenues. Power Kids showcases animated content for children 5 years and above while Tiny Toonz TV is for kids less than 5 years of age. The channels have collectively received over 189 million views in the year with the combined total number of watch time in minutes on both these channels being well over 903 million.

DQE also plans to launch its own kids specific Subscription Video on Demand Platform (SVOD) going forward.

D. OUTLOOK FOR THE FUTURE

The financial year 2018 has been a significant year for the Company as it is now again resurrecting itself from a very difficult phase of depression and is on the path of recovery and growth. Several new shows have been finalized and going into production. Our focus on improving operational efficiencies and the consolidation of artistic and technical skill sets continues, with productivity improvements being achieved across all processes of production. The production as well as distribution team has been working hard together to build on each other's strengths in producing and distributing high quality content. We look forward to communicating with shareholders on the future success of the organization.

E. RISKS AND CONCERNS

Some of DQE's key risks and their corresponding mitigation strategy have been highlighted below.

(i) Global economy risk

Since, DQE's more than 90% of the revenues are generated from global sales, it is exposed to various risks and uncertainties and also has access to opportunities through its global presence. The Group's performance, future prospects and cash flow generation could be materially impacted by any of these risks or opportunities.

- DQE is at risk to newer and cheaper outsourcing destinations emerging, whereby the production houses may look for options to outsource their work at the least cost. Thus the the economic environment, pricing pressures, and decreased employee utilization rates could negatively impact our revenues and operating results.

- Our revenues are highly dependent on clients primarily located in the North America and Europe. Any economic slowdown or other factors that affect the economic health of these countries may affect our business.

- Foreign exchange rates fluctuations and variation in interest rates may affect the results of our operations.

DQE has been operating in volatile business environment for more than a decade and its business model has evolved to deal with changes in the business outlook of its clients. Global clients prefer outsourcing and India is a preferred destination for outsourcing because of its compelling value proposition across people and technology.

(ii) Regulatory risk

Any changes in political ideologies, government Statutory legislation and policy can adversely impact the performance of the Company

DQE has operations in other countries as well. Any changes in local regulations of those countries can impact the profitability and growth of the Company.

DQE has been able to mitigate this risk quite well. DQE has a robust legal and secretarial team which has been complying with the required local regulations across multiple jurisdictions and till date the Company has not faced any compliance issues. Further, the animation sector is not excessively regularized and hence there is no threat in terms in such risk.

(iii) Competition risk

Animation companies including DQE have been operating under competitive environment for several years. The said risks has been largely mitigated on account of the business model adopted by DQE whereby the reliance on pure outsourcing work has considerably been reduced and the focus has been shifted to the development its own content and through co-production deals.

The Company has deep domain knowledge, skilled workforce, delivery capabilities and efficient sales force, and relationship managers to help retain its competitive position amongst peers.

DQE has received production, pre-production, and distribution work for animation and other content by several major media conglomerates such as Disney and other large European Studios. DQE aims to encompass more functions in the animation industry value chain through backward and forward integration to include pre- and post-production services, in addition to its traditional production services business. By integrating vertically, DQE can leverage its talent and expertise more effectively, lowering overall production costs and increasing profit margins.

A huge chunk of animation work is moving to China, where language used to be a barrier but is not an issue anymore. In terms of the nature of work, China as an animation destination is prominent for budget conscious companies. While India has the upper hand in 3D animation, a lot of 2D animation work is flowing to China. Further, the Philippines has also emerged as a major outsourcing competitor to India. Though relatively expensive, the Philippines studios provide good quality and consistent animation services.

(iv) Technological risk

Failure to access the newest technology or insufficient level of technology and poor/ inadequate internet infrastructure are the insecurity faced by Animation companies which leads to failure to complete the deliveries of projects within budget and on time.

DQE is perhaps the first, multi-product, multi-national & multi location animation production company, which has developed & implemented ERP solutions for production management - production scheduling, technical break down & costing, production process management, production tracking management scheme & wage management, purchase & inventory pipeline management. This software ensures optimum utilization of all resources as a common pool, for different divisions at multiple locations in India. The ERP solution is DQE's proprietary software and is derived from programmes like PERT and CPM. It helps to handle complex Production Pipeline Management with ease.

DQE's content creation is managed via a highly efficient and proprietary production and tracking system that significantly improves resource optimization. Against the backdrop of shrinking budgets and the recent global economic crisis, the Company has sustained qualitative growth in terms of content production and distribution, and has capitalized on opportunities in the global entertainment market place.

(v) Largely dependent on skilled force

Animation Industry is a highly manpower intensive industry requiring specialized skill sets. There are not many training schools in India offering such skill sets. DQE has set up its own School of Visual Arts (SVA) to mitigate this risk of the availability of skilled manpower. However it also faces the risk of poaching of its artists by other animation companies as DQ offers the best training at its SVA as well as on the job training.

F. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The adequacy of the internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company is monitored by the Internal Audit team both internal and external. Based on the report, the Internal Audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

The Audit Committee also met the Company's Statutory Auditors to ascertain their views on financial statements, including the financial reporting system, compliance to accounting policies and procedures, the adequacy and effectiveness of the internal controls and systems followed by the Company. The Management acted upon the observations and suggestions of the Audit Committee.

DQE has policies, procedures, control frameworks and management systems in place that map into the definition of Internal Financial Controls as detailed in the Companies Act, 2013. These have been established at the entity and process levels and are designed to ensure compliance to internal control requirements, regulatory compliance and appropriate recording of financial and operational information.

Internal Financial Controls that encompass the policies, processes and monitoring systems for assessing and mitigating operational, financial and compliance risks and controls over related party transactions, substantially exist. The Board reviews and certifies the effectiveness of the internal control mechanism over financial reporting, adherence to the code of conduct and Company's policies for which they are responsible and also the compliance to established procedures relating to financial or commercial transactions.

The CEO & CFO certification provided in the CEO & CFO certification section of the Annual Report discusses the adequacy of internal control system and their adequacy.

ISO Certified

We are one of the first Animation production house in South East Asia to be awarded with ISO Certification by Det Norske Veritas (DNV) under the Dutch Counsil for Accreditation (RvA). Since 2008, all our operating procedures are as per the ISO 9001:2008 and our systems were upgraded to ISO 9001: 2015 standards in 2017.

ISO Global Standards ensure that the products and services are process driven, reliable and of good quality. For business, they are the strategic tools that reduce costs by minimizing human errors and increasing productivity / efficiency. This is also helping our business development team to pitch in new projects.

Once in every quarter, internal audits are carried out by Core Process Improvement Group and an extensive & detailed external audit is being conducted by DNV once in every year.

The key objectives of ISO audit covers determination of the conformity of management systems with the standard. These audits also evaluate the effectiveness of the management system to ensure the organization is capable to meet applicable statutory, regulatory and contractual requirements, and achieve specified objectives.

G. CONSOLIDATED FINANCIALS - SEGMENTAL ANALYSIS

EQUITY AND LIABILITIES

I. Shareholder funds

a. Share Capital: The authorized share capital is Rs.800.00 million divided into 80,000,000 equity shares of Rs.10/- each. The issued, subscribed and paid up equity share capital is Rs.792.83 million divided into 79,283,000 equity shares of face value Rs.10/- each as at March 31, 2018. During the year there is no movement in share capital.

b. Other Equity: The other equity has decreased from Rs. 432.77 million to Rs. 276.52 million, a decrease of Rs. 156.25 million. The decrease is majorly on account of the loss for the year Rs. 148.39 million, which includes the impact of finance cost and the impairment of Intangibles. Foreign Currency Translation reserve (FCTR) has decreased by Rs. 20.30 million. The decrement impact is offset by an increase of Rs. 12.44 million on account of Securities premium and Other Comprehensive Balance.

II. Non-current Liabilities

a. Long term borrowings: The borrowings are classified based on its maturity period. Loans that are due for repayment within one year from 31 March 2018 are classified under current liabilities as 'current maturity of long term borrowings' and the balance are placed under 'long term borrowings'. However owing to the pending application for restructuring of the borrowings, all the term loans have been classified as Non-Current. The total amount of long term borrowings include bonds and loans from banks to the tune of Rs. 5,173.23 million as on 31st March, 2018 as against Rs. 4,169.19 million for the corresponding period in previous year.

i) Bank Borrowings :-
Total increase in Bank borrowings is INR 400.30 mn is mainly on account of reclassification of loan as long term from current liability.

ii) Bonds:-
Increase during the year of Rs. 603.74 mn largely relates to the interest on bonds of Rs.577.44 mn and Foreign Exchange impact of INR 26.30 mn.

b. Other Long term liabilities: The non-current Employee benefit obligations have increased from Rs. 115.13 million to Rs. 123.50 million largely on account of restatement of Employee benefit obligations as per the actuarial valuation.

c. Other non-current liabilities: It consist of Rent Equalization Reserve created as per the requirements of Ind As.

III. Current Liabilities

a. Short term borrowings: The short term borrowings are towards working capital needs as on 31st March 2018 and the outstanding amount stands at Rs. 958.01 million. There is a decrease from Rs. 1,169.95 million as on 31st March 2017 to Rs. 958.01 million as on 31st March, 2018 due to re-classification of into Long term loans.

b. Trade Payables: It mainly includes the Sundry creditors for services and expenses.

c. Other current liabilities: It consists of vehicle loan to the extent of Rs. 1.01 million, unearned revenue of Rs. 515.30 million, statutory dues payable of Rs. 205.97 million, other current liabilities for services - Rs. 124.46 million, salary payable - Rs. 63.39 million, advance from customers of Rs. 0.28 million, interest accrued of Rs. 98.53 million.

Note: Post the balance sheet date, the Company has made a significant payment towards statutory dues. It has made a payment of INR 72.22 million towards Provident Fund, INR 4.93 million towards TDS and INR 1.13 million towards GST.

d. Employee Benefit Obligations and Other Provisions - It consists of current portion of employee benefits which includes gratuity and leave encashment and provision for retakes.

e. Current Tax Liability – It relates to the Tax liability of previous year's net off the TDS receivable. We have paid income tax of INR 31.46 mn post the balance sheet date.

ASSETS

I. Non-current Assets

a. Fixed Assets:
i. Property Plant and Equipment : It consists of Plant & Machinery, Office equipment's, Furniture, Fixtures & Interiors, Vehicles and Leasehold improvements. The net block of tangible assets as on 31 March 2018 is Rs. 106.81 million as against Rs. 94.47 million in previous year. During the year, the Company added assets worth of Rs. 49.64 million and sold/written off of assets worth Rs. 4.60 million.

ii. Intangible Assets: Intangible assets Gross block consists of distribution rights to the extent of Rs. 3538.51 million and computer software to the extent of Rs. 17.68 million. During the year, the company capitalized intangible assets to the extent of Rs. 398.48 million. The net block of intangible assets is Rs. 2,353.01 million as against Rs. 2,330.58 million in previous year.

iii. Capital Work in Progress : The capital work in progress is towards land development and there is no movement in it during the current year.

iv. Intangible asset under construction – It consists of intangible assets in development / production. These assets once fully developed / produced, they shall be capitalized and then amortized. As on 31st March, 2018, Intangible assets under construction were to the tune of Rs. 4,279.28 million as against Rs. 3,713.86 million in the previous year.

b. Other Financial Assets – It consists of Security and other Collateral deposits of Rs. 42.99 million this year as against Rs. 31.06 million in the previous year.

c. Deferred Tax Asset : There is a deferred tax asset of Rs. 857.90 million as on 31st March, 2018 as against Rs. 831.26 million as on 31st March 2017. The increase in the deferred tax asset of Rs. 26.64 million is mainly on account of recognition of deferred tax asset on employee benefit obligations of Rs. 7.80 million, provision for doubtful debts of Rs. 1 million and addition to MAT Credit entitlement of Rs. 17.84 million as on 31st March, 2018.

d. Other Non-Current Assets – It consists of claims receivable pertaining to CENVAT and GST.

II. Current Assets

a.Trade Receivables: All receivables are good and wherever required management has provided for provision for doubtful debts (trade receivables are net of provision for bad and doubtful debts). The Debtors as of 31st March 2018 stand at INR 307.94 mn. as against INR 332.66 mn for the previous year.

Note : Your Company has submitted its application for write off of debts worth USD 30.49 Mn to its authorized dealer for onward submission to Reserve Bank of India. The Company is awaiting the approval for the same. The debtors mentioned above are after the effect of provision of write off of debt.

b. Cash and bank balances: Consists of balances with banks in current account & monies held in deposit against guarantees to customs authorities, Remittance in transit, Cash on hand. The balance as at 31st March 2018 is Rs.118.19 million

c. Other current assets: It consists of unbilled revenue of Rs. 410.90 million, which contains revenue pertaining to projects for which work is in progress, but invoice was not raised as the prescribed milestones as per the agreement were not achieved. It also includes loans and advances to employees and others and the current portion of prepaid expenses of Rs. 27.60 million.

RESULT OF OPERATIONS

1. Segmental Analysis

Revenue and expenses directly attributable to segments are reported under each reportable primary segment. The following table presents each segment's revenue as a percentage of total revenue and each segments result i.e. operating profit (excluding unallocated expenses) as a percentage of total segment result.

₹ in million

	Segmental revenue				Segment results			
	Fiscal 2018	Fiscal 2017	Fiscal 2018	Fiscal 2017	Fiscal 2018	Fiscal 2017	Fiscal 2018	Fiscal 2017
	₹ in millions		% of revenue		₹ in millions		% of segmental results	
Animation	615.81	747.47	76.83	79.16	80.44	-2,460.00	8.66	61.53
Distribution	185.69	196.76	23.17	20.84	-1,009.02	-1,538.26	-108.66	38.47
Total	**801.50**	**944.23**	**100.00**	**100.00**	**-928.58**	**-3,998.26**	**100.00**	**100.00**
Unallocated expenses	-	-	-	-	1426.57	2479.75	-	-
Interest and finance expense	-	-	-	-	- 866.52	- 668.76	-	-
Profit before tax	-	-	-	-	- 368.53	- 2,187.27	-	-

2. Revenue

In the year 2017-18, the revenues have decreased by 15% to Rs. 801.51 million from Rs. 944.23 million in financial year 2016-17.

Animation revenue has decreased by 18% from Rs. 747.47 million in 2016-17 to Rs. 615.81 million in 2017-18 and distribution revenue has decreased by 6% from Rs. 196.76 million in 2016-17 to Rs. 185.69 million in 2017-18.

3. Expenses:

Production expenses: Production expenses have decreased from Rs. 57.57 million in financial year 2016-17 to Rs. 33.00 million in the financial year 2017-18. The decrease is mainly on account of reduction in projects outsourced to third parties during the year.

4. Personnel Costs: The breakup of personnel costs is as follows

₹ in million

Personnel Costs	31 March 2018	31 March 2017
Salaries and wages	457.30	435.01
Contribution to provident fund	25.36	26.72
Staff welfare expenses	5.40	4.13
Gratuity	20.36	13.10
Compensated absences	3.40	3.01
Total	**511.82**	**481.98**

5. Administrative and Other Expenses:
Primarily consist of Professional and consultancy charges, Repairs and Maintenance, Rates and taxes, Auditors remuneration, Selling and distribution expenses, Directors remuneration, Travelling and conveyance expenses etc. There is a decrease of Rs. 883 mn in administration and other expenses during the year which is mainly on account of decrease in Bad debts written off and also on account of foreign exchange fluctuation gain in the reporting year as against the loss during the previous year.

6. Interest and Financial Charges:
Consist of bank charges and Interest on borrowings which include bonds, term loans and working capital. The increase in interest and financial charges by Rs.197.76 mn is on account of issuance of additional bonds in lieu of the interest, increase in cash credit limits and additional loan from banks.

7. Depreciation and Amortization:

₹ in million

Depreciation and Amortization	31-Mar-18	31-Mar-17
Tangible Assets	37.13	26.25
Intangible Assets	609.79	795.50
Total	**646.92**	**821.75**

The increase in depreciation on tangible assets is mainly due to asset additions during the current year. The depreciation on intangible assets is considerably decreased mainly due to decrease in impairment of assets. During the year ended 31 March 2018, Rs.248.76 million is the impairment charge in intangible assets as against Rs.452.66 million in previous years. The remaining increase is on account of amortization of intangible assets.

8. Profit before interest, depreciation and tax ("PBIDT")
The PBIDT for the year under review stands at Rs. 341.01 million as compared to Rs. (333.68) million in the previous year. PBIDT as a % of total revenue has increased from (35.34)% in the previous year to 42.55 % for the current year ended 31 March 2018. The increase in PBIDT is mainly due to decrease in production expenses and bad debts written off and further owing to an increase in the capitalized expenses.

9. Profit after tax:
During the year there is a profit/(loss) after tax of Rs. (148.39) million as against a profit/(loss) of Rs.(2180.16) million in 2016-17. The loss during the year is on account of reasons quoted as above.

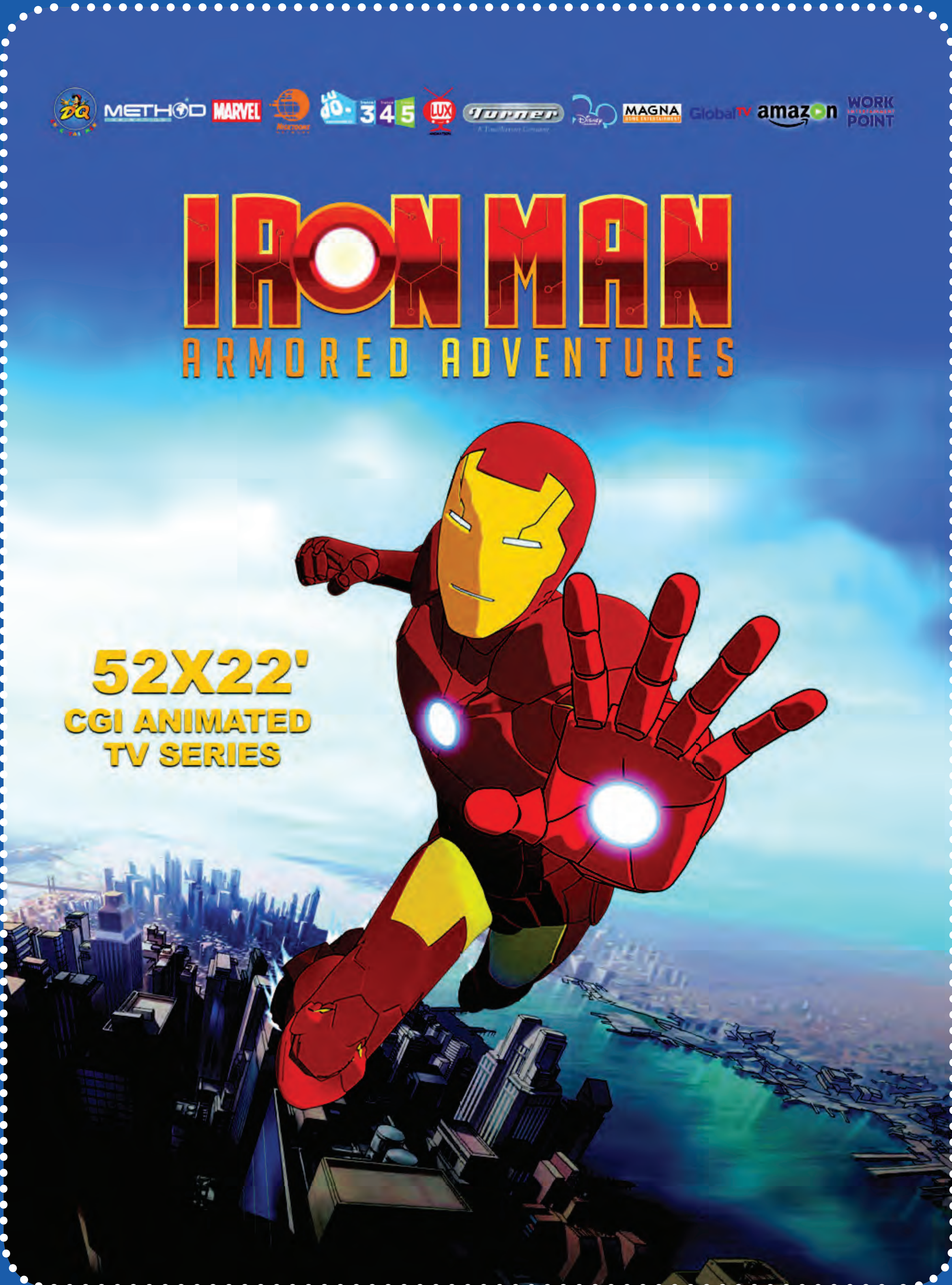
Disclosure of Accounting Treatment:
In the preparation of financial statements, no treatment different from that prescribed in the Indian Accounting Standards has been followed.

The Group has adopted the Indian Accounting Standards (Ind AS) from April 1 , 2017 and these financials have been prepared in accordance with the Indian Accounting Standards (Ind-AS) 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.

H. HUMAN RESOURCES

Please refer to the HR Section of the Annual Report for a detailed discussion on human resources.

NOTE: Statements in this Management Discussion and Analysis of Financial Condition and Results of Operations of the Company describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events.



HUMAN RESOURCES

HUMAN RESOURCES AT DQE

"Human Resources are like natural resources; they're often buried deep. You have to go looking for them, they're not just lying around on the surface. You have to create the circumstances where they show themselves."

- Ken Robinson

HR @ DQE

HR department at DQE oversee the most important component of a successful business (i.e. productive & thriving workforce). The role of human resource management @ DQE is to organize manpower so that they can effectively perform the assigned tasks. Looking at people as assets is part of contemporary human resource management at DQE.

Our focus is to forecast manpower requirements both for the future demand and the right deployment of skills in line with the strategic objectives of the organization. Analysis of employment trends; replacement needs of employees; performance of employees; growth and expansion plans of the organization and employee turnover are some of the critical factors considered for manpower planning.

HR APPROACHES @ DQE:

HR at DQE can be defined as the facilitator of right work force deployment in line with strategic Organizational goals and objectives.

HR will strive to create an atmosphere of fostering innovation, flexibility and competitive advantage through robust processes such as hiring right talent, retaining and rewarding personnel, Training, periodic open house sessions, spot appreciation rewards etc.

Hiring Right Talent:
It is our endeavor to spot the right talent in the market and bring them on-board. Identifying the best right talent who can fit within our culture and contribute to the organizational growth is a challenge, which our recruitment team has always strived to meet the expectations.

Retaining & Rewards: Employee retention is the most challenging task for HR. Key employee retention is equally critical for the long-term growth and success of our Organization.

Steps taken to retain the Critical Skill:

- We provide a platform for employees to speak their mind freely within the organization and we also make sure employees know what we expect from them.
- We strongly believe that employees and their performance are the building blocks on which our company is built, with a culture of team spirit & collaboration in the workplace.
- We encourage and entrust our employees by giving higher responsibilities that allow them to grow and gain new skills. Mostly our lateral hires are from within and also recognize future leaders by generously promoting in-house talent.

Training: HR proactively identifies various software / tools which are required to service our international clients and from time to time we impart technical training for our employees, so that they are abreast with the industry.

INITIATIVES & ACCOMPLISHMENTS:

Introduction of the Weekly Project Reviews and Monthly Meetings (Supervisors, Quality Incharges & Production Support Team):

DQE believes that Communication is an essential tool for any organization. It is the life line that binds individuals, departments and organizations together in achieve common objective. Communication allows us to convey information that will direct the direction of the company, its vision by expressing the goals we hope to obtain, thus introduced the monthly meeting where the team is being informed of important company update. It is also a platform for the participants to discuss about the issues and status of their respective projects and come up with solutions/conclusions.

Introduction of Mentors:
DQE identified the importance of mentorship in learning the art and craft of Animation, thus we introduced mentors. Mentors are the employees who have the experience in execution of international projects, longevity in the industry and variety of studio experiences who can give the guidance to the aspiring Artists.

The primary focus of a mentor is to monitor the fresh trainee's performance on a regular basis. Mentor facilitates the trainees to participate in team/technical discussions and express their thoughts freely. If any Trainee is not performing up to the expected level, the mentor helps him/her by giving another opportunity or probably other role and ensures that the trainees deliver their best.

Introduction of Quality Incharge:
A single brain sometimes cannot take all the decisions alone. One needs the assistance and guidance of others to accomplish the assigned task within the time frame.

Thus, we introduced Quality Incharge role in DQE - who looks after the team's performance along with respective supervisor. This role is primarily to focus on planning technical meetings with all project concerned, to rectify and clear all the technical issues before starting an episode, review of team output before being submitted to the next process.

EMPLOYEE ENGAGEMENT/ WELFARE ACTIVITIES

- General Health Camp was conducted in April'2017 by Star Hospitals in view of World Health Day. Around 300 Employees attended this Health Camp at DLF and received free diagnosis and prescribed medicines. Two Specialist Doctors (Cardio and General Specialists), 4 Nurses, 3 Technicians and 2 Support Staff attended & extended their medical services in this Camp. In the Camp, the Para Medical Team from Star Hospitals checked Height, Weight, BMI, Blood Pressure, Blood Sugar, ECG and did the 2D Echo Test for all the attendees. The Specialist Doctors examined all the employees, counselled and prescribed medicines for the health complaints of the employees. All prescribed medicines were distributed.

- ESI Health camp was conducted in July'2017 by Insurance Medical Services (ESI) team. Around 520 Employees attended the same and benefited through this health camp. Tests for BP, RBS, EYE, ECG, HIV, HBSAG, HCV, HB, WBC & TROP T were conducted. Our Associates and Consultants received free diagnosis and availed the prescribed medicines.

- Self - Defense Session For Female Associates conducted in Octobet'2017. This session us given by Mr.Harsha Dandamudi, who is an Instructor from White Dragon Martial Arts, USA. He explained simple techniques on how to protect oneself from the most common attack situations by being more aware of our environment and surroundings. Using simple tricks and actions would allow one to outsmart the attacker and ensure our safety. He answered all the queries of the Associates on Self-Defense.

TRAINING & DEVELOPMENT - ILEAD

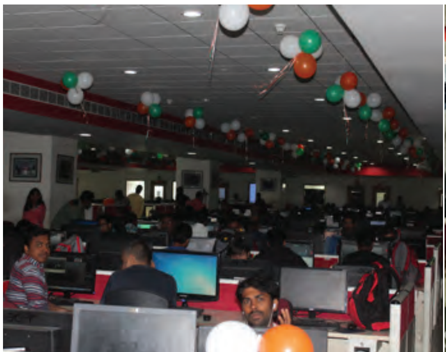
- Team building activity for the Middle & Senior Management - 'Together Everyone Achieves More'
- A session on "Stress Management" was organized by the world renowned Brahma Kumari's for the Middle & Senior Management.
- Middle Management group attended a Workshop on "You Can Do More" conducted in ICRISAT, Hyderabad.
- A Training Session on "Lighting Skills" was conducted for all Lighting Artists.
- A Workshop on "Acting Skills for Animators" was conducted.
- A Workshop on "Personal Leadership Skills" was conducted for Middle Management.
- Blender software Training For Lightening, Animation, Modeling Artists




ASSOCIATE ENGAGEMENT ACTIVITIES FY2017-18

International System Admin Appreciation Day Celebrations. Nostristeris video, cota, paris

DQE Championship Trophy 2017Cricket



Independence Day Celebrations

Fun Friday @ KOLKATA

Fun Friday @ DLF

Women's Day Celebrations @ DLF

Holi Celebrations @ DLF

Christmas Celebrations @ LT

Christmas Celebrations @ AC1

CORPORATE SOCIAL RESPONSIBILITY – DQ SMILE FOUNDATION

Right Parenting Skills at Government Schools in Hyderabad

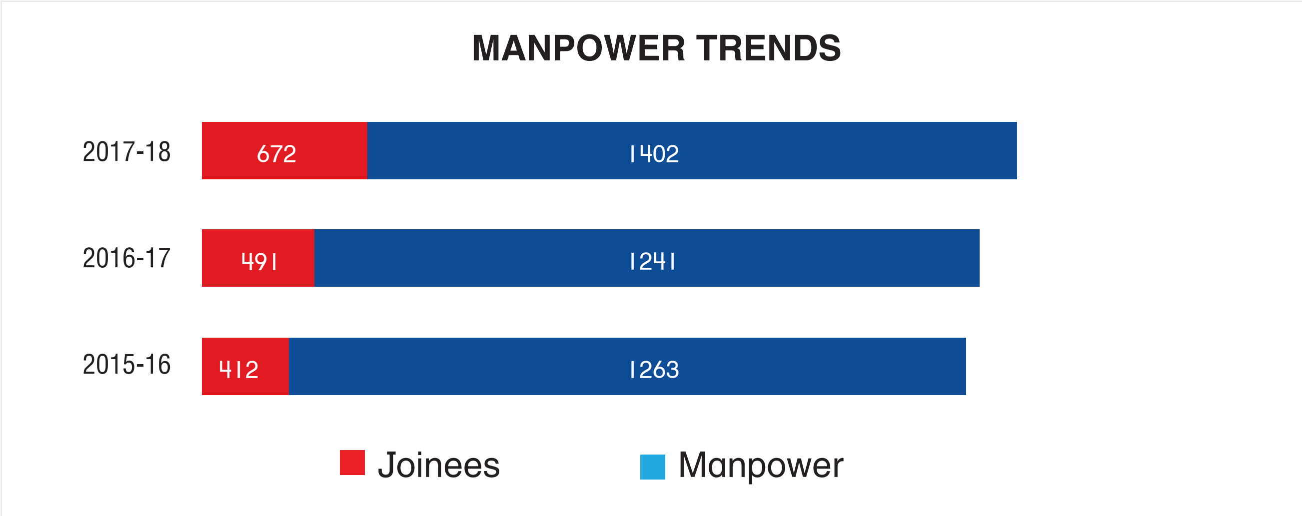
DQSF has been conducting many workshops at various Government Schools on “Importance of Right Parenting Skills”. Till date, more than 800 parents have been benefited through these workshops.

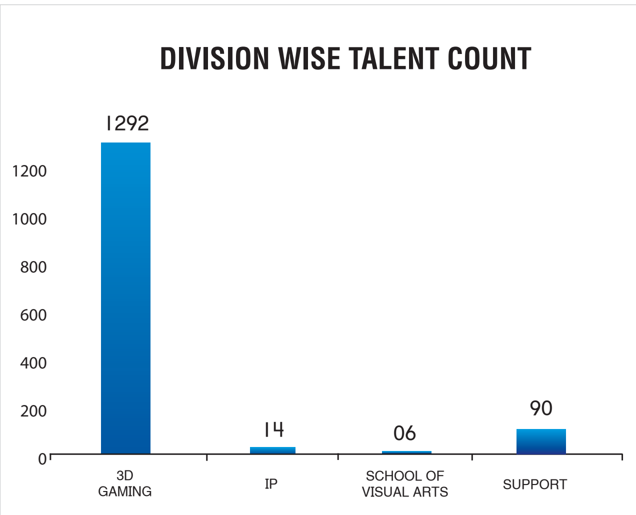
These sessions are initiated to train the parents of lower income group on all life skills for betterment in their living standards. The most common topics that are addressed are importance of personal hygiene in children, significance and importance of breakfast for children, good manners, discipline at home and school, value and importance of saving money, saying ‘No’ to bad habits like smoking and drinking.

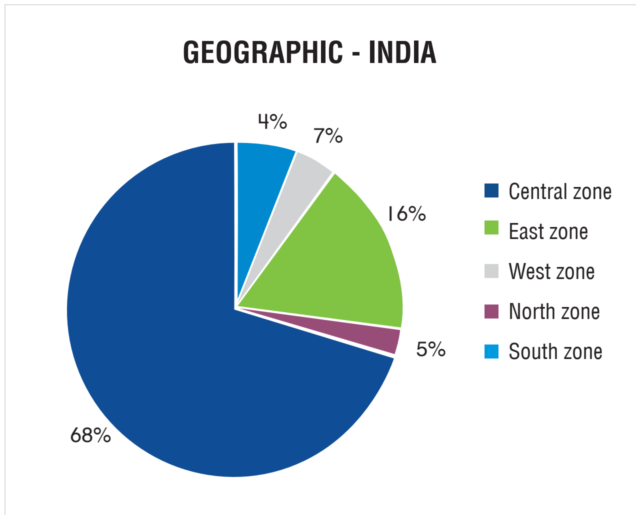
The topics even include, compulsory education for girl children, sibling rivalry, anger management, creating a suitable atmosphere for kids to study and grow, maintaining good relations within the family and neighbours, spending quality time with children and telling them about the good things in life, to develop as role models. Certain necessary stress bursting exercises are also taught in these sessions.

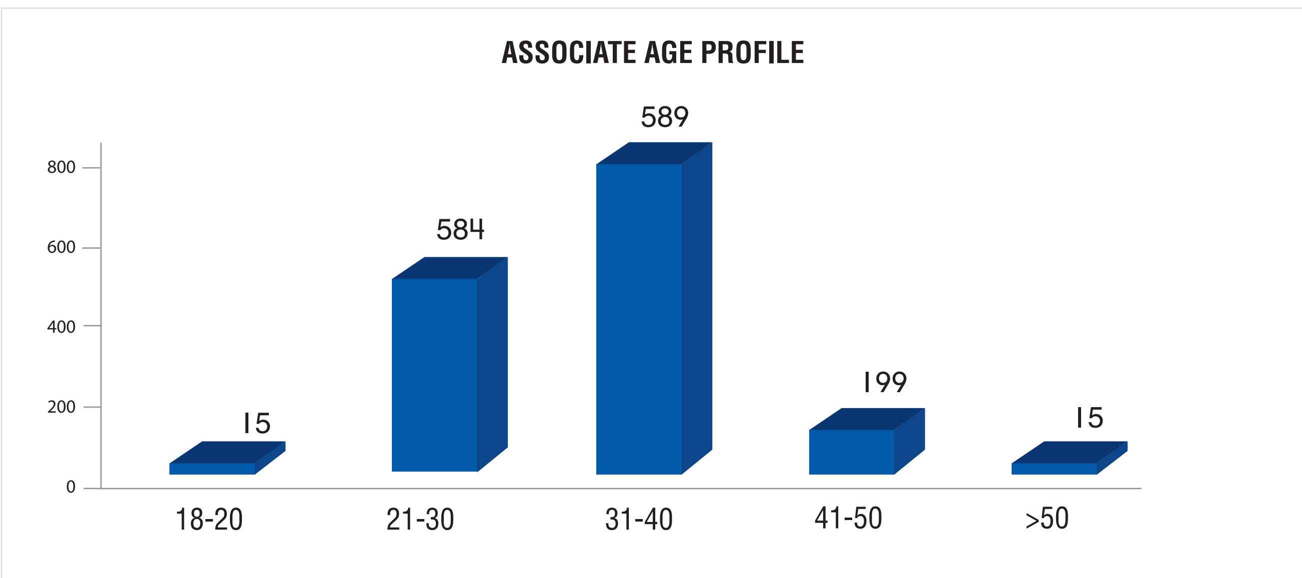
In this current financial year, these workshops were conducted in different Government Schools at Mekalmandi –Secundrabad, NBT Nagar – Banjara Hills, BJR Nagar – Film Nagar, Shaikpet and Ambedkar Nagar in Hyderabad where around 400 parents participated.

DEMOGRAPHICS (AS ON 31 MARCH 2018):









CORPORATE GOVERNANCE

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

At DQE, Corporate Governance is not merely a legal compulsion. Corporate Governance is essentially a system by which companies are governed and controlled by the management under the direction and supervision of the Board in the best interest of all stakeholders. It is not mere compliance of laws, rules and regulations, but also the application of best management practices and adherence to the highest ethical principles in all its dealings, to achieve the objects of the Company, enhance stakeholder value and discharge its social responsibility.

These are articulated through Company's Code of Conduct, Corporate Governance Guidelines and charters of various sub-committees of the Board. The Company is in compliance with the requirements stipulated under SEBI (LODR) Regulations, 2015 with regard to corporate governance.

2. CODE OF CONDUCT:

In its pursuit for excellence, the Company has a code of conduct for Board Members and Senior Management team and a code of conduct for prevention of Insider Trading in securities of the Company. The copies of both these codes are available on the Company's website. All the Board members and Senior Management personnel have affirmed compliance with the code for the financial year ending 31st March 2018.

3. BOARD OF DIRECTORS:

(i) The Board of Directors along with its Committees provides leadership and guidance to the Company's management and also directs, supervises and controls the performance of the Company.

(ii) As on March 31, 2018, the Company has 5 Directors. Of the 5 Directors, one is the promoter, three (i.e. 60%) are Independent and Non-Executive Directors and one is a Non-Independent, Professional director. The composition of the Board is in accordance with SEBI (LODR) Regulations, 2015 and Companies Act, 2013.

(iii) None of the Directors on the Board hold Directorships in more than ten public companies. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he /she is a Director. Necessary disclosures regarding committee positions in other public companies as on March 31, 2018 have been made by the Directors.

(iv) Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015. An Independent Directors meeting was convened on February 14, 2018, in accordance with the provisions of section 149(8) read with schedule IV of the Companies Act, 2013, Secretarial Standards -1 as issued by Institute of Company Secretaries of India and Regulation 25(3) and 25(4) of the SEBI (LODR) Regulations, 2015.

(v) The maximum tenure of the Independent Directors is in compliance with the Companies Act, 2013. All the Independent Directors have confirmed that they meet the "independence" criteria as mentioned under SEBI (LODR) Regulations, 2015 and Section 149 of the Companies Act, 2013. The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company. Details of familiarization programme of Independent Directors are available on the website of the Company at www.dqentertainment.com.

(vi) None of the Independent Directors have any material pecuniary relationship or transactions with the Company and there are no inter-se relationships between any of the Directors.

(vii) Four (4) Board Meetings were held during the year and the gap between two meetings did not exceed one hundred and twenty (120) days. The dates on which the said meetings were held are as follows: May 30, 2017 which was adjourned to June 6, 2017 due to lack of quorum; August 11, 2017; December 8, 2017 and February 14, 2018. The Board has periodically reviewed compliance reports of all laws applicable to the Company, prepared by the Company and appropriate steps taken by the Company, where applicable.

(viii) None of the independent Directors are serving as independent Directors in more than seven listed companies.

(ix) Except for Mr. Tapaas Chakravarti, who holds 42 shares out of which 41 shares are held as nominee of DQ Entertainment (Mauritius) Limited, none of the Directors hold any shares in the Company. The Company has not issued any shares or convertible debentures to Directors.

(x) The names and categories of the Directors on the Board, their attendance at Board meetings held during the year and the number of Directorships and committee chairmanships / memberships held by them in other public companies as on March 31, 2018 are given herein below:

Name of Director	Category	Number of Board meetings during the year 2017-18		Whether attended last AGM held on September 28, 2017	Number of Directorships in other Public Companies ^	Number of Committee position held in other Public Companies #	
		Held	Attended			Chairman	Member
Mr. Tapaas Chakravarti DIN 00559533	Promoter, Executive	5	4	Yes	Nil	Nil	Nil
Ms. Rashida Adenwala DIN 00008212	Non Independent, Professional	5	5	Yes	Nil	Nil	Nil
Mr. S. Sundar DIN 03170456	Independent, Non- Executive	5	5	Yes	Nil	Nil	Nil
Mr. B.N.Sirish DIN 02023568	Independent, Non- Executive	5	5	Yes	Nil	Nil	Nil
Mr. Auknoor Goutam DIN 02652304	Independent, Non- Executive	5	5	Yes	Nil	Nil	Nil

^ Other Directorships do not include Directorships of private limited companies, Section 8 companies and of companies incorporated outside India.

Chairmanships / memberships of Board committees shall include only audit committee and stakeholders' relationship committee.

4. AUDIT COMMITTEE:

The primary objective of the audit committee is to monitor and provide an effective supervision of the management's financial reporting process, to ensure accurate and timely disclosures, with the highest level of transparency, integrity and quality of financial reporting.

The Audit Committee of the Company is constituted in line with the provisions of section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015 as amended from time to time.

The Committee comprises of 3 (three) Directors, out of which 2 (two) are Independent Directors and 1 (one) is Non-Independent, Professional Director, all of whom are financially literate and have relevant finance and/or audit exposure. Mr. S Sundar, Chairman of the Committee is a qualified Chartered Accountant and has expertise in the field of finance, accounting and audit areas. The quorum of the Committee is two members or one-third of its members, whichever is higher. The Chairman of the Audit Committee has also attended the last Annual General Meeting of the Company.

The composition of the Audit committee and the details of meetings attended by its members are given below:

Name	Category	Number of meetings during the financial year 2017-18	
		Held	Attended
Mr. S. Sundar (Chairman)	Independent, Non-Executive	4	4
Mr. B.N.Sirish	Independent, Non-Executive	4	4
Ms. Rashida Adenwala	Non - Independent, Professional	4	4

The Audit Committee met four times during the year on May 30, 2017 which was adjourned to June 6, 2017 due to lack of quorum; August 11, 2017; December 8, 2017 and February 14 2018. The maximum gap between any two meetings was less than 120 days.

Generally, the Statutory Auditor, Chief Financial Officer and Internal Auditor of the Company were invitees to the meetings of the Committee held in the financial year 2017-18. The Company Secretary acts as secretary to Audit Committee.

The Audit Committee carries out its role and review of information as stipulated in Part C of Schedule II of SEBI (LODR) Regulations, 2015. The scope of activity of the Committee is also in consonance with the provisions of Section 177 of the Companies Act, 2013. The role of the Audit Committee is broadly as under:

1. Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2. Recommendation for appointment, remuneration and scope of work of auditors of the Company;

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

   a. Matters required being included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013

   b. Changes, if any, in accounting policies and practices and reasons for the same

   c. Major accounting entries involving estimates based on the exercise of judgment by management

   d. Significant adjustments made in the financial statements arising out of audit findings

   e. Compliance with listing and other legal requirements relating to financial statements

   f. Disclosure of related party transactions

   g. Modified opinion(s) in the draft audit report

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;

8. Approval or any subsequent modification of transactions of the Company with related parties;

9. Scrutiny of inter-corporate loans and investments;

10. Valuation of undertakings or assets of the Company, wherever it is necessary;

11. Evaluation of internal financial controls and risk management systems;

12. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;

13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

14. Discussion with internal auditors of any significant findings and follow up there on;

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18. To review the functioning of the Whistle Blower mechanism;

19. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;

20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

21. Any other matters as delegated by the Board of Directors from time to time.

5. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee has been empowered with the role and functions as per the provisions specified under sub-part A of Part D of Schedule II of SEBI (LODR) Regulations, 2015 including the appointment and finalizing the remuneration of senior level employees of our Company. The purpose of the Committee is to monitor the Company's nomination process of the senior level management and to identity and review the individuals capable of serving in the Board level or senior management team of the company.

The Committee comprises of 3 (three) Directors, out of which 2 (two) are Independent Directors and 1 (one) is Non-Independent, Professional Director. Mr. S. Sundar is the Chairman of the Committee. The quorum of the Committee is two members or one-third of its members, whichever is higher. The Chairman of the Nomination and Remuneration Committee has also attended the last Annual General Meeting of the Company.

The composition of the Nomination and Remuneration Committee and the details of meetings attended by its members are given below:

Name	Category	Number of meetings during the financial year 2017-18	
		Held	Attended
Mr. S. Sundar (Chairman)	Independent, Non-Executive	3	3
Mr. Goutam Auknoor	Independent, Non-Executive	3	3
Ms. Rashida Adenwala	Non - Independent, Professional	3	3

The Nomination & Remuneration Committee met three times during the year on May 30, 2017 which was adjourned to June 6, 2017 due to lack of quorum; August 11, 2017 and February 14, 2018. The Company Secretary acts as secretary to Nomination and Remuneration Committee.

The terms of reference of Nomination and Remuneration Committee include:

1. Formulation of the criteria for determining qualifications, positive attributes and Independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;

3. Devising a policy on Board diversity;

4. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

Performance evaluation criteria for Independent Directors:
The Nomination & Remuneration Committee and the Board evaluated the performance of Independent Directors in terms of the provisions of the Act, the SEBI (LODR) Regulations, 2015 and the policy adopted by the Company for performance evaluation. The criteria for evaluation included attendance, level of participation, commitment, effective management of relationship with stakeholders, independence of judgement, integrity and maintenance of confidentiality by Independent Directors.

6. DETAILS OF REMUNERATION TO DIRECTORS:

(i) All the non-executive Directors of the Company are paid sitting fees in the following manner.

Type of Meeting	Sitting Fees (per meeting)
Board Meeting	Rs. 1,00,000/-
Audit Committee	Rs. 50,000/-*
Nomination & Remuneration Committee	Rs. 30,000/-
Corporate Social Responsibility Committee	Rs. 40,000/-
Stakeholders Relationship Committee	Rs. 10,000/-
Separate Meeting of Independent Directors	Rs. 75,000/-

*Sitting fees for Audit Committee was revised in the Board meeting held on December 8, 2017. Prior to December 8, 2017, the Audit Committee members were paid sitting fees @ Rs. 30,000/- (Rupees Thirty Thousand) per meeting.

(ii) The criteria for making payment to Non-executive Directors are contained in Nomination & Remuneration policy of the Company, which forms part of the Board's report as **Annexure V**.

(iii) The details of the salary paid to the executive/non-executive Directors of the Company are as follows:

(a) Remuneration to whole-time Director of the Company:

Name of the Director	Salary and allowances (Rs.)	Other perquisites (Rs.)	Commission (Rs.)	Total (Rs.)
Mr. Tapaas Chakravarti	10,000,000	1,008,000	Nil	11,008,000

(b) Rem uneration paid to non-whole time Directors of the Company:

Name of the Director	Sitting fees (Rs.)	Professional fees (Rs.)	Total (Rs.)
Mr. S. Sundar	7,35,000	-	7,35,000
Mr. B.N.Sirish	6,75,000	-	6,75,000
Mr. Auknoor Goutam	6,45,000	-	6,45,000
Ms. Rashida Adenwala	-	120,000	120,000
Total	**20,55,000**	**120,000**	**21,75,000**

(iv) No stock options were granted to the Directors during the financial year 2017-18.

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Corporate Social Responsibility Committee has been constituted to formulate and recommend to the Board of Directors, a corporate social responsibility policy which shall indicate the activities to be undertaken by the company, recommend the amount of expenditure to be incurred on such activities and monitor the corporate social responsibility policy of the company from time to time.

The Committee comprises of 3 (three) Directors, out of which 1 (one) is Independent Director; 1 (one) is Promoter & Executive Director and 1 (one) is Non-Independent, Professional Director. Mr. Auknoor Goutam, Non-Executive & Independent Director is the Chairman of the Committee. The quorum of the Committee is two members or one-third of its members, whichever is higher. The Chairman of the Corporate Social Responsibility Committee has also attended the last Annual General Meeting of the Company.

The Corporate Social Responsibility Committee of the Company comprises of the following members:

Name	Category	Number of meetings during the financial year 2017-18	
		Held	Attended
Mr. Auknoor Goutam (Chairman)	Independent, Non-Executive	2	2
Mr. Tapaas Chakravarti	Promoter and Executive	2	2
Ms. Rashida Adenwala	Non - Independent, Professional	2	2

The Corporate Social Responsibility Committee meeting met two times during the year on May 30, 2017 which was adjourned to June 6, 2017 due to lack of quorum and February 14, 2018. The Company Secretary acts as secretary to Corporate Social Responsibility Committee.

The terms of reference of Corporate Social Responsibility Committee include:

1. Demonstrate commitment to the common good through responsible business practices and good governance.

2. Set high standards of quality in the delivery of services in the social realm.

3. Engender a sense of empathy and equity among employees of DQE to motivate them to give back to the society

8. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Company has formed Stakeholders Relationship Committee as per the requirements of section 178(5) of the Companies Act, 2013 and Regulation 20 of the SEBI (LODR) Regulations, 2015. The Committee is entrusted with the responsibility to resolve the grievances of stakeholders and strengthening of Investor relations.

The Committee shall consider and resolve the grievances of the security holders including complaints related to transfer of shares, non-receipt of annual report, non-receipt of declared dividends and such other matters as may from time to time be required by an statutory, contractual or other regulatory requirements to be attended to by such Committee.

The Committee comprises of 3 (three) Directors, out of which 1 (one) is Independent, Non- executive Director; 1 (one) is Promoter & Executive Director and 1 (one) is Non-Independent, Professional Director. Mr. S Sundar, Independent and non-executive Director is the Chairman of the Committee. The quorum of the Committee is two members or one-third of its members, whichever is higher. The Chairman of the Stakeholders Relationship Committee has also attended the last Annual General Meeting of the Company.

Name	Category	Number of meetings during the financial year 2017-18	
		Held	Attended
Mr. S Sundar (Chairman)	Independent, Non-Executive	1	1
Mr. Tapaas Chakravarti	Promoter and Executive	1	1
Ms. Rashida Adenwala	Non - Independent, Professional	1	1

The Committee met once during the year on February 14, 2018. Necessary quorum was present for the meeting. The Company Secretary acts as secretary to Corporate Social Responsibility Committee. Further, Grievances relating to Stakeholders / Investors may also be forwarded to the Company Secretary and Compliance officer of the Company at investors@dqentertainment.com.

Details of investor complaints received and resolved from April, 2017 to March, 2018 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
0	0	0	0

The Investors can also raise complaints in a centralized web-based complaints redress system called "SCORES". Under this system, all complaints pertaining to companies are electronically sent through SCORES and the companies are required to view the complaints pending against them and submit Action Taken Report (ATRs) along with supporting documents electronically in SCORES. As on March 31, 2018, there is no complaint pending from equity shareholder(s) under SCORE or at any other forum/ platform.

9. GENERAL BODY MEETINGS:

(i) Location and time where last three Annual General Meetings held:

Year	Date	Venue	Time	Special Resolution(s) passed
2016-17	28.09.2017	Hotel 'The Plaza', 6-3-870, Tourism Plaza, Greenlands, Begumpet, Hyderabad – 500 016	2.30 p.m.	1) To approve re-appointment of Mr. Tapas Chakravarti as CMD & CEO of the Company.
2015-16	30.09.2016	Hotel 'The Plaza', 6-3-870, Tourism Plaza, Greenlands, Begumpet, Hyderabad – 500 016	3.15 p.m.	1) To approve revision in remuneration of Mr. Tapas Chakravarti, CMD & CEO
2014-15	30.09.2015	Hotel 'The Plaza', 6-3-870, Tourism Plaza, Greenlands, Begumpet, Hyderabad – 500 016	2.30 p.m.	Alteration of Articles of Association

(i) Postal Ballot: No resolution was passed through postal ballot during the year.
(ii) No resolution is proposed to be conducted through postal ballot at the ensuing AGM

10. MEANS OF COMMUNICATION:

The quarterly, half-yearly and annual financial results are generally published in Financial Express/Business Standard (national dailies) and in Nava Telangana (vernacular (Telugu) daily).

The Annual Report and the financial results are also displayed on the Company's website www.dqentertainment.com.

The official press releases of the Company are sent to all the stock exchanges where the shares of the Company are listed through e-mail for information of the public at large and are also posted on the Company's website.

11. GENERAL SHAREHOLDER INFORMATION:

(i) Annual General Meeting
Date: Saturday, September 29, 2018
Time: 2.30 p.m.
Venue: 'The Plaza', 6-3-870,
Balayogi Paryatak Bhavan, Begumpet,
Hyderabad - 500 016.

(ii) The financial year of the Company is from April 01 to March 31 of the following year.

(iii) Listed at:
BSE Limited, Floor 25, P. J. Towers, Dalal Street, Mumbai 400 001.

National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400 051.

Listing fees for the financial year 2017-18 has been paid to all the Stock Exchanges, where the shares of the Company are listed.

(iv) Stock Codes/Symbol at BSE Limited: 533176 and National Stock Exchange of India Limited: DQE

(v) Date of Book Closure: 22nd day of September 2018 to 29th day of September 2018.

(vi) Market Price Data & Performance in comparison to Broad based indices i.e., SENSEX, NIFTY

The equity shares of the Company were listed on the BSE Limited (BSE) on March 29, 2010.

The equity shares of the Company were listed on the National Stock Exchange of India (NSE) Limited on June 20, 2011.

The monthly high and low of the market price of the equity shares of the Company having a face value of Rs.10/- each on the BSE & NSE for the period from April 1, 2017 to March 31, 2018 and comparison of performance to broad based indices i.e., SENSEX, NIFTY are as follows:

	BSE SENSEX		DQ share price on BSE		No. of shares traded	Turnover (Rs.)
Month	High Price	Low Price	High Price	Low Price		
April 2017	30184.22	29241.48	25.85	21.05	366,007	8,510,482
May 2017	31255.28	29804.12	22.05	17.25	465,679	9,230,565
June 2017	31522.87	30680.66	18.65	13.3	464,432	7,196,598
July 2017	32672.66	31017.11	16.32	13.75	220,249	3,249,027
August 2017	32686.48	31128.02	14.8	11.5	7,599,279	99,953,028
September 2017	32524.11	31081.83	21.19	12.3	13,36,383	22,707,866
October 2017	33340.17	31440.48	23.8	15.75	6,111,431	133,646,339
November 2017	33865.95	32683.59	21.9	15.4	1,082,638	20,793,551
December 2017	34137.97	32565.16	22.45	17.4	722,763	14,530,660
January 2018	36443.98	33703.37	20.7	17	5,518,271	99,279,768
February 2018	36256.83	33482.81	17.55	14	1,932,261	28,866,985
March 2018	34278.63	32483.84	14.84	11.22	3,263,377	42,545,062

	NSE NIFTY		DQ share price on NSE		No. of shares traded	Turnover (Rs.)
Month	High Price	Low Price	High Price	Low Price		
April 2017	9367.15	9075.15	25.8	20.9	1,162,651	27,295,310.15
May 2017	9649.6	9269.9	22.05	17.5	552,767	10,946,390.05
June 2017	9709.3	9448.75	18.70	13.50	1,148,632	17,827,738.35
July 2017	10114.85	9543.55	16.40	13.50	599,173	8,902,861.8
August 2017	10137.85	9685.55	15.00	11.00	1,257,850	16,788,475.35
September 2017	10178.95	9687.55	21.20	12.50	3,913,162	68,517,201.85
October 2017	10384.5	9831.05	23.80	16.00	4,894,151	100,119,696.7
November 2017	10490.45	10094	22.00	15.10	2,800,837	5,367,2257.4
December 2017	10552.4	10033.35	22.50	17.55	1,860,564	37,819,595.65
January 2018	11171.55	10404.65	20.25	16.90	786,551	14,602,916.8
February 2018	11117.35	10276.3	17.30	13.90	377,539	5,889,981.05
March 2018	10525.5	9951.9	14.45	11.30	538,997	6,795,207.05

(vii) Registrar and Transfer Agents & Place for Acceptance of Documents

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana
Tel No. +91-40-67161585 Facsimile: +91 40 2342 0814
Email: einward.ris@karvy.com
Website: www.karvycomputershare.com

(viii) Share Transfer System

Transfer of demat shares is done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form the transfer documents can be lodged with Karvy at the above mentioned address.

However, SEBI vide its Gazette notification dated June 8, 2018 has made an amendment to Regulation 40 of SEBI (LODR) Regulations, 2015. According to the Circular, request for effecting transfer of securities shall not be processed unless the securities are held in the Dematerialized form with the depository with effect from December 5, 2018. Therefore Registrars and Transfer Agent and Company will not be accepting any request for transfer of shares in physical form with effect from December 5, 2018.

Hence, shareholders, holding shares in physical form are requested to arrange for dematerialization of shares at earliest to avoid any inconvenience in future for transferring those shares.

(ix) Shareholding Pattern of the Company & Distribution of shareholding as on March 31, 2018

Shareholding pattern as on March 31, 2018

Category code	Category of shareholder	No. of shareholders	Total No. of shares	As a percentage of (A+B+C)
(A)	**Promoter And Promoter Group**			
(1)	Indian	6	247	0.00
(2)	Foreign	1	59461972	75.00
	Total shareholding of promoter and promoter group	**7**	**59462219**	**75.00**
(B)	**Public Shareholding**			
(1)	Institutions	1	128624	0.16
(2)	Non-Institutions	13575	19692157	24.84
	Total public shareholding	**13576**	**19820781**	**25.00**
(C)	Shares held by custodians, against which Depository Receipts have been issued			
(1)	Promoter and Promoter Group	-	-	-
(2)	Public	-	-	-
	GRAND TOTAL (A+B+C) :	**13583**	**79283000**	**100.00**

Distribution of shareholding as on March 31, 2018

S. No.	Category	Cases	% of Cases	Amount	% Amount
1	upto 1 - 5000	10815	77.50	15525400	1.96
2	5001 - 10000	1325	9.49	11416330	1.44
3	10001 - 20000	762	5.46	12248400	1.54
4	20001 - 30000	295	2.11	7763240	0.98
5	30001 - 40000	172	1.23	6306940	0.80
6	40001 - 50000	171	1.23	8154400	1.03
7	50001 - 100000	211	1.51	15999820	2.02
8	100001 & ABOVE	204	1.46	715415470	90.24
	Total:	**13955**	**100.00**	**792830000**	**100.00**

(x) Dematerialisation of shares & liquidity

As on March 31, 2018, 79,154,373 equity shares amounting to 99.84% of the paid-up equity capital of the Company are held in dematerialized form. The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

The Company's equity shares are regularly traded on BSE & NSE, in dematerialised form. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE656K01010.

(xi) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity

As on March 31, 2018, the Company did not have any outstanding GDRs /ADRs /Warrants or any Convertible instruments.

(xii) Location of offices/production centers

Sr.No	Type of Property/Location	Primary Use
1.	Municipal Nos. 8-2-268/1/A and 8-2-268/1/A/2N, Plot No. 644, Road No 3, Aurora colony, Banjara Hills, Hyderabad 500034	Registered office/ Corporate Office
2.	Municipal No. 8-2-268/10/D/1, Plot No 554, Road No 3, Banjara Hills, Hyderabad 500034	Finance & Accounts
3.	Plot No. 5, Survey No. 403/151/2, Shaikpet Village, Women's Co-operative Housing, society, Road No. 2 Banjara Hills, Hyderabad -500039.	Production Centre
4.	DLF Cybercity, SEZ Zone, Block-3, Ground floor, APHB Colony, Gachibowli, Hyderabad – 500 019	Production Centre
5.	Module No 312-315, SDF Building, Salt Lake Electronics Complex, Software Technology Park Zone, Sector V, Bidhan Nagar, Kolkata 700091	Production Centre
6.	Plot No.5, Block-BP, Sector V, Salt Lake, Bidhannagar, Kolkata-7000 91.	DQ School of Visual Arts

(xiii) Name and designation of Compliance Officer:
Ms. Annie Jodhani - Company Secretary and Compliance Officer w.e.f June 6, 2017.

(xiv) Address for correspondence:
DQ Entertainment (International) Limited
644, Aurora Colony,
Road No.3, Banjara Hills,
Hyderabad - 500 034,
Telengana, India.
Ph. No: 0091-40-23553726 & 27,
Fax: 0091-40-23552594.
Email ID: investors@dqentertainment.com

12. OTHER DISCLOSURES:

(i) All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website www.dqentertainment.com.

There were no materially significant related party transactions that may have potential conflict with the interests of the company at large.

(ii) There were no instances of non-compliance of any matter relating to the capital markets during the year under review. Hence, there have been no penalties, strictures imposed by SEBI / Stock Exchanges or any other statutory authorities on matters related to capital market during the last three years.

(iii) The Company has formulated a Whistle Blower Policy to provide Vigil Mechanism for employees including Directors of the Company to report genuine concerns. We affirm that no personnel have been denied access to the Audit Committee during the year under review.

(iv) We have complied with the mandatory requirements of the Corporate Governance as specified hereinabove. The following non-mandatory requirements were also complied with:

(a) The company is in the regime of financial statements with unmodified audit opinion.
(b) The Internal auditor of the company reports directly to the audit committee.

(v) Policy on material subsidiaries is available on the website of the Company at www.dqentertainment.com.

DECLARATION

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Tapaas Chakravarti, CMD & CEO of the Company hereby declare that all members of the Board of Directors and Senior Management Personnel have affirmed compliance with DQ Entertainment (International) Limited Code of Conduct for the year ended March 31, 2018.

Hyderabad
August 03, 2018

Tapaas Chakravarti
CMD & CEO

CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

To
The Members of
DQ Entertainment (International) Limited
644, Aurora Colony,
Road No. 3, Banjara Hills,
Hyderabad, Telangana – 500034,

We have examined the compliance of conditions of Corporate Governance by M/s. DQ Entertainment (International) Limited (hereinafter called as "the Company") for the year ended 31st March, 2018 as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) pursuant to listing agreement of the said company with the Stock Exchanges.

The Compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the conditions of Corporate Governance except for the observations as stated in the Secretarial Audit report as specified in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to listing agreement of the said company with the Stock Exchanges.

We further state that such Compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: August 03, 2018
Place : Hyderabad

For and Behalf of
PI & Associates

(R.Ramakrishna Gupta)
Partner
FCS No : 5527
CP No : 6696

CEO & CFO CERTIFICATION

To
The Board of Directors
DQ Entertainment (International) Limited
Hyderabad.

We, Tapaas Chakravarti, Chairman, Managing Director and Chief Executive Officer, and Sanjay Choudhary, Chief Financial Officer of DQ Entertainment (International) Limited, to the best of our knowledge and belief, certify that:

A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2018 and that to the best of our knowledge and belief:

(1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee

(1) that there were no significant changes, , in internal control over financial reporting during the year;

(2) that there were no significant changes, , in accounting policies during the year; and

(3) there were no instances of significant fraud of which we have become aware and the involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Hyderabad	**Tapaas Chakravarti**	**Sanjay Choudhary**
August 3, 2018	CMD & CEO	Chief Financial Officer

AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To
To The Members of DQ Entertainment (International) Limited

REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

We have audited the accompanying standalone Ind AS financial statements of DQ Entertainment (International) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended, and the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

EMPHASIS OF MATTERS

We draw attention to the following matters in the Notes to the standalone Ind AS financial statements:

i. We draw attention to Note 6B 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 judgement involved in the estimated projected revenue streams of Intangible Assets.

ii. We draw attention to Note 7 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 judgement involved in the estimated projected revenue streams of Intangible Assets. Our opinion is not qualified in respect of these matters.

OTHER MATTER

The comparative financial information of the Company for the year ended 31st March, 2017 and the transition date opening balance sheet as at 1st April, 2016 included in these standalone Ind AS financial statements are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 for the year ended 31st March, 2017 and 31st March, 2016 on which we issued an unmodified audit opinion vide our reports dated 06th June, 2017 and 30th May, 2016 respectively on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have also been audited by us.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

(c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flow and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.

(e) The matter described in sub-paragraph (i) and (ii) under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

(f) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(g) The emphasis of matter relating to the maintenance of accounts and other matters connected there with are as stated in the Emphasis of Matter paragraph above.

(h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'

(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 32 to the standalone Ind AS financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. Following are the instances of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company:

Sr. No.	Date of Payment	Amount	No of days delay
1	28/12/2017	329,751	248 Days
2	20/02/2018	169	302 Days

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub-section 11 of section 143 of the Act, we give in the 'Annexure B', a statement on the matters specified in paragraphs 3 and 4 of the Order.

For MSKA & Associates
(Formerly known as MZSK & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W

Ananthakrishnan G

Partner
Membership No.205226

Place :Hyderabad
Date :30th May, 2018

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF DQ ENTERTAINMENT (INTERNATIONAL) LIMITED

[Referred to in paragraph 1(h) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of DQ Entertainment (International) Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my / our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For MSKA & Associates
(Formerly known as MZSK & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W

Ananthakrishnan G

Partner
Membership No.205226

Place :Hyderabad
Date :30th May, 2018

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF DQ ENTERTAINMENT (INTERNATIONAL) LIMITED FOR THE YEAR ENDED 31st MARCH, 2018

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) All the fixed assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. The Company is involved in the business of rendering services. Accordingly, the provisions stated in paragraph 3(ii) of the Order are not applicable to the Company.

iii. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLP) or other parties* covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions stated in paragraph 3 (iii) (a) to (c) of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of loans, investments, guarantees and security made.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.

vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have not been regularly deposited with the appropriate authorities and there has been a delay in few cases.

According to the information and explanations given to us, the Company has been regular in depositing undisputed dues in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues except in case of Income tax, GST, Provident Fund which were outstanding, as at March 31, 2018 for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of the dues	Amount	Period to which the amount relates	Due Date	Date of Payment
Income Tax Act, 1961	Income Tax	58,256,299	AY 2015-16	March 2015	Not yet paid
Provident Fund	Provident Fund	72,222,426	FY 2017-18	Sept 2017	Paid Rs.20,834,500 during April, 2018
	Total	**130,478,725**			

(b) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and any other statutory dues on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (`)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act	Transfer Pricing	10,511,254	AY 2008-09	Hon'ble High Court
Income Tax Act	Withholding tax on international transactions	9,642,147	AY 2005-06 AY 2006-07 AY 2007-08	Hon'ble High Court
Income Tax Act	Transfer Pricing	17,343,960	AY 2013-14	ITAT
Income Tax Act	Transfer Pricing	24,128,210	AY 2014-15	DRP
Service Tax	ITC Claimed as Refund	17,647,355	FY 2009-10	CESTAT
Service Tax	Service tax on import of services & Disallowance of ITC	13,169,621	FY 2006-07 to 2008-09	CESTAT
Service Tax	Service tax on import of services & Disallowance of ITC	74,513,200	FY 2012-13 FY 2013-14 FY 2014-15	CESTAT
Service Tax	ITC Claimed as Refund	4,664,975	FY 2015-16	Principle Commissioner of ST
Provident Fund	Special Allowance	705,021	FY 2011-12	AP Tribunal
Provident Fund	Special Allowance	275,548	FY 2012-13	AP Tribunal
Provident Fund	Default in payment of contributions	34,928,878	FY 2013-14 to FY 2016-17	Assistant Regional Provident Fund Commissioner
	Total	**207,530,169**		

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institution, bank or debenture holders except for in the following cases the details of which are as follows:

Particulars	Amount of default as at March 31, 2018	Period of default	Remarks, if any
i) Name of the lenders in case of:			
Bank:			
1. Andhra Bank TL	211,606,667	Mar-16 to Mar -18	Default of Principle Repayment
	77,356,444	April-16 to Mar-18	Default of Interest Repayment
Axis Bank TL	6,724,162	Dec 17 to Mar-18	Default of Interest Repayment
EXIM Bank SBLC	154,871,620	Feb 17 to Mar 18	Default of Principle Repayment
	9,723,804	Feb 17 to Mar 18	Default of Interest Repayment
Axis Bank SBLC-EURO	308,982,148	Jan 18 to Mar 18	Default of Principle and Interest Repayment
Axis Bank SBLC-USD	183,460,626	Jan 18 to Mar 18	Default of Principle and Interest Repayment
IOB SBLC	162,644,000	June 16 to Mar 18	Default of Principle and Interest Repayment
Andhra Bank CC	34,337,963	May-16 to Mar-18	Default of Interest Repayment
IOB CC	150,122,000	May-16 to Mar-18	Default of Interest Repayment
Axis Bank CC	1,493,772	Jan-18 to Mar-18	Default of Interest Repayment
Total	**1,301,323,206**		

ix. In our opinion, according to the information explanation provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.

x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (xiv) of the Order are not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi) of the Order are not applicable to the Company.

For MSKA & Associates
(Formerly known as MZSK & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W

Ananthakrishnan G

Partner
Membership No.205226

Place :Hyderabad
Date :30th May, 2018

Balance Sheet as at 31 March 2018

(Amount in INR, unless otherwise stated)

	Notes	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
ASSETS				
Noncurrent assets				
Property, plant and equipment	6 A	106,798,692	94,448,735	116,850,378
Capital work-in-progress		1,166,745	1,891,736	1,166,745
Intangible assets	6 B	436,958,663	615,537,605	836,820,243
Intangible asset under development	6 C	24,644,746	41,749,844	100,744,301
Financial assets				
Investments	7	2,269,354,962	1,726,004,236	1,167,503,270
Other Financial assets	8	42,951,346	31,033,628	99,485,986
Deferred tax asset (net)	9	857,897,184	831,262,658	825,152,842
Other non-current assets	10	19,889,065	27,607,204	39,781,014
Total non-current assets		**3,759,661,403**	**3,369,535,646**	**3,187,504,779**
Current assets				
Financial assets				
Trade receivables	11	1,364,584,066	1,340,369,116	1,543,441,632
Cash and cash equivalents	12	38,987,703	10,918,933	1,025,224
Other current assets	13	434,947,685	137,126,028	203,017,261
Total current assets		**1,838,519,454**	**1,488,414,077**	**1,747,484,117**
Total assets		**5,598,180,857**	**4,857,949,723**	**4,934,988,896**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	14	792,830,000	792,830,000	792,830,000
Other equity	15	1,781,323,224	1,835,243,413	2,318,607,105
Total equity		**2,574,153,224**	**2,628,073,413**	**3,111,437,105**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	16	1,032,053,987	394,016,040	112,721,434
Employee Benefit Obligations	17	123,495,532	115,129,401	127,901,482

Other non-current liabilities	18	6,214,660	7,190,821	7,873,872
Total non-current liabilities		**1,161,764,179**	**516,336,262**	**248,496,788**
Current liabilities				
Financial liabilities				
Borrowings	19	864,021,271	822,068,752	504,163,157
Trade payables	20	50,129,037	32,976,588	117,266,836
Other current liabilities	21	858,091,856	596,423,918	617,224,692
Employee Benefit Obligations & Other Provisions	22	77,957,785	71,287,693	41,352,108
Current tax liabilities (net)	23	12,063,505	190,783,097	295,048,210
Total current liabilities		**1,862,263,454**	**1,713,540,048**	**1,575,055,003**
Total liabilities		**3,024,027,633**	**2,229,876,310**	**1,823,551,791**
Total equity and liabilities		**5,598,180,857**	**4,857,949,723**	**4,934,988,896**
See accompanying notes to the Financial Statements	1-46			

The accompanying notes from 1 to 46 are an integral part of the financial statements.

As per our report of even date

For MSKA & Associates

Chartered Accountants

Firm Registration No 105047 W

For and on behalf of the Board of Directors

DQ Entertainment (International) Limited

CIN:L92113TG2007PLC053585

Ananthakrishnan G
Partner
(M.No 205226)

Place: Hyderabad
Date: 30.05.2018

Tapaas Chakravarti
CMD & CEO
DIN:00559533

Place: Hyderabad
Date: 30.05.2018

Sanjay Choudhary
Chief Financial officer

Place: Hyderabad
Date: 30.05.2018

S.Sundar
Director
DIN:03170456

Place: Hyderabad
Date: 30.05.2018

Annie Jodhani
Company Secretary
Membership No : A42431

Place: Hyderabad
Date: 30.05.2018

Standalone Statement of Profit and Loss for the year ended 31 March, 2018

(Amount in INR, unless otherwise stated)

		For the year ended	
Particulars	Notes	31 March 2018	31 March 2017
Income:			
Revenue from operations	24	958,604,387	864,631,553
Other income	25	125,456,017	88,726,737
Total income		**1,084,060,404**	**953,358,290**
Expenses			
Production Expenses	26	32,761,576	53,282,003
Employee benefits expense	27	507,655,125	478,116,348
Finance costs	28	271,374,774	156,051,549
Depreciation and amortization expense	6 A, B and C	238,257,095	347,774,585
Other expenses	29	320,507,265	404,286,775
Total expenses		**1,370,555,835**	**1,439,511,260**
Profit /(Loss) before exceptional items and tax		**(286,495,431)**	**(486,152,970)**
Exceptional items		-	-
Profit /(Loss) before tax		**(286,495,431)**	**(486,152,970)**
Income tax expense			
Current tax			
For the Year		-	-
Reversal of Excess Provision of earlier year		188,172,337	-
MAT Credit entitlement		17,837,718	2,495,418
Deferred tax Income/(Charge)	9	14,127,320	4,610,558
Total income tax expense		**220,137,375**	**7,105,976**
Profit/(Loss) for the year		**(66,358,056)**	**(479,046,994)**
Other comprehensive income			
Items that will be reclassified to profit or loss			

Net (loss)/gain on FVTOCI debt securities		-	-
Income tax effect		-	-
		-	-
Items that will not to be reclassified to profit or loss			
Re-measurement of net defined benefit liability		12,437,867	(4,316,698)
Income tax effect		5,330,514	996,161
		17,768,381	**(3,320,537)**
Other comprehensive income for the year, net of tax		**17,768,381**	**(3,320,537)**
Total comprehensive income for the year		**(48,589,675)**	**(482,367,531)**
Earnings / (Loss) per share			
Basic earnings /(loss) per share (INR)	39	(0.84)	(6.04)
Diluted earnings /(loss) per share (INR)	39	(0.84)	(6.04)
See accompanying notes to the Financial Statements	1-46		

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No 105047 W

For and on behalf of the Board of Directors
DQ Entertainment (International) Limited
CIN:L92113TG2007PLC053585

Ananthakrishnan G
Partner
(M.No 205226)

Place: Hyderabad
Date: 30.05.2018

Tapaas Chakravarti
CMD & CEO
DIN:00559533

Place: Hyderabad
Date: 30.05.2018

Sanjay Choudhary
Chief Financial officer

Place: Hyderabad
Date: 30.05.2018

S.Sundar
Director
DIN:03170456

Place: Hyderabad
Date: 30.05.2018

Annie Jodhani
Company Secretary
Membership No : A42431

Place: Hyderabad
Date: 30.05.2018

Cash Flow Statement for the year ended 31 March 2018

(Amount in INR, unless otherwise stated)

		31 March 2018		31 March 2017	
A	**Cash flow from Operating Activities**				
	Profit Before Tax		(286,495,431)		(486,152,970)
	Adjustments for				
	Depreciation and amortisation	238,257,095		347,774,585	
	Interest income	(2,242,109)		(2,276,571)	
	Liabilities no longer required written back	(1,577,291)		(73,740,815)	
	Other Comprehensive income	12,437,867		(4,316,698)	
	Bad Debts Write Off	2,145,542		17,249,447	
	Interest expenses	194,806,228		131,849,317	
	(Profit) / Loss on sale of fixed assets	(675,324)		(1,244,252)	
	Unrealised (gain)/loss due to exchange differences	136,376,576		(45,950,160)	
			579,528,584		369,344,853
	Operating profit before working capital changes		**293,033,153**		**(116,808,117)**
	Changes in Working Capital				
	(Increase)/Decrease in Trade and other receivables	(326,236,186)		349,589,917	
	Increase/(Decrease) in Trade payables, other liabilities and provisions	242,963,880		(9,106,120)	
	Cash generated used in Operations	**(83,272,306)**		**340,483,797**	
	Income tax paid	(20,000,000)		(102,000,000)	
			(103,272,306)		238,483,797
	Net Cash (used in)/from Operating activities		**189,760,847**		**121,675,680**
B	**Cash flow from Investing Activities**				
	Purchase of fixed assets - Tangibles	(48,917,982)		5,535,531	
	Purchase of fixed assets - Intangible	(5,459,570)		41,255,849	
	Proceeds from Sale of fixed assets	854,441		2,214,794	

	Proceeds/(Investments) in maturity of long term deposits	-		-	
	Proceeds/(Investments) in Subsidiary	(543,350,726)		(558,500,966)	
	Interest received on deposits with banks and other deposits etc.,	1,788,222		1,949,461	
	Net Cash used in Investing activities		**(595,085,615)**		**(507,545,331)**
C	**Cash flow from Financing Activities**				
	Interest and financing charges paid	(245,574,908)		(93,399,170)	
	Proceeds from borrowings of unsecured loan from ultimate holding company	-		-	
	Proceeds from borrowings from term loans	659,232,492		233,680,990	
	Repayment of term loans	(22,216,565)		(15,149,835)	
	Inflow/(outflow) on account of working capital Loans (Net)	41,952,519		270,631,375	
	Net Cash flows from Financing activities		**433,393,538**		**395,763,360**
	Net increase/(decrease) in cash and cash				
	equivalents (A+B+C)		28,068,770		9,893,709
	Cash and cash equivalents as at the beginning of the year		10,918,933		1,025,224
	Cash and cash equivalents as at the end of the year		**38,987,703**		**10,918,933**
	Cash and cash equivalents comprise (Refer Note no.12)				
	Balances with Banks				
	Current Accounts		38,744,548		10,885,317
	Cash on hand		243,155		33,616
	Total Cash and bank balances at the end of the year		**38,987,703**		**10,918,933**

As per our report of even date

For MSKA & Associates

Chartered Accountants

Firm Registration No 105047 W

Ananthakrishnan G

Partner

(M.No 205226)

Place: Hyderabad

Date: 30.05.2018

For and on behalf of the Board of Directors

DQ Entertainment (International) Limited

CIN:L92113TG2007PLC053585

Tapaas Chakravarti

CMD & CEO

DIN:00559533

Place: Hyderabad

Date: 30.05.2018

Sanjay Choudhary

Chief Financial officer

Place: Hyderabad

Date: 30.05.2018

S.Sundar

Director

DIN:03170456

Place: Hyderabad

Date: 30.05.2018

Annie Jodhani

Company Secretary

Membership No : A42431

Place: Hyderabad

Date:30.05.2018

Statement of changes in equity for the year ended 31 March 2018

(Amount in INR, unless otherwise stated)

Particulars	Equity Share Capital	Other Equity						Total equity attributable to equity holders of the company
		Reserves & Surplus				Other Comprehensive Income		
		Securities premium reserve	Capital Redemption Reserve	General reserve	Retained earnings	FVTOCI Reserve on equity instruments	Others	
Balance as at 1 April 2016	792,830,000	1,946,676,687	1,763,860	5,487,393	360,150,173		4,528,992	3,111,437,105
Profit/(Loss) for the year					(479,046,994)		(4,316,698)	(483,363,692)
Other comprehensive income								
Total other comprehensive income for the year	-	-	-	-	(479,046,994)	-	(4,316,698)	(483,363,692)
Transactions with owners in their capacity as owners	-	-	-	-	-	-	-	-
Balance as at 31 March 2017	**792,830,000**	**1,946,676,687**	**1,763,860**	**5,487,393**	**(118,896,821)**	**-**	**212,294**	**2,628,073,413**

Particulars	Equity Share Capital	Other Equity						Total equity attributable to equity holders of the company
		Reserves & Surplus				Other Comprehensive Income		
		Securities premium reserve	Capital Redemption Reserve	General reserve	Retained earnings	FVTOCI Reserve on equity instruments	Others	
Balance as at 1 April 2017	792,830,000	1,946,676,687	1,763,860	5,487,393	(118,896,821)	-	212,294	2,628,073,413
Profit/(Loss) for the year	-	-			(66,358,054)		12,437,866	(53,920,189)
Other comprehensive income	-	-		-		-	-	-
Total other comprehensive income for the year	-	-		-	(66,358,054)	-	12,437,866	(53,920,189)
Transactions with owners in their capacity as owners	-	-	-	-	-	-	-	-
Balance as at 31 March 2018	**792,830,000**	**1,946,676,687**	**1,763,860**	**5,487,393**	**(185,254,875)**		**12,650,160**	**2,574,153,224**

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No 105047 W

Ananthakrishnan G
Partner
(M.No 205226)

Place: Hyderabad
Date: 30.05.2018

For and on behalf of the Board of Directors
DQ Entertainment (International) Limited
CIN:L92113TG2007PLC053585

Tapaas Chakravarti
CMD & CEO
DIN:00559533

Place: Hyderabad
Date: 30.05.2018

Sanjay Choudhary
Chief Financial officer

Place: Hyderabad
Date: 30.05.2018

S.Sundar
Director
DIN:03170456

Place: Hyderabad
Date: 30.05.2018

Annie Jodhani
Company Secretary
Membership No : A42431

Place: Hyderabad
Date: 30.05.2018

Notes forming part of the Financial Statements for the year ended 31 March 2018

(Amount in INR, unless otherwise stated)

1. General Information

DQ entertainment (International) Limited ("the Company", "DQE") is a listed company incorporated in 2007. DQ Entertainment (International) Limited is in the creation, production, distribution, licensing and marketing of all forms of entertainment. It has the largest animation production capacity for Television, Feature Films, Home Video, Online Game Art, mobile and next generation console games across all formats as well as Visual Effects. DQE has also forayed into live-action and feature films production and distribution.

2. Significant accounting policies

Significant accounting policies adopted by the company are as under:

2.1 Basis of Preparation of Financial Statements

a) Statement of Compliance with Ind AS

These financial statements are prepared under the historical cost convention on accrual basis in accordance with accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements up to year ended 31 March 2017 were prepared in accordance with the accounting standards notified under the section 133 of the Act, read with with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

b) Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis, and there were no material items that have been measured at fair value.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the rendering of service and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and noncurrent classification of assets and liabilities.

c) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected.

2.2 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation / amortization and impairment if any. Costs include all expenses incurred to bring the assets to its present location and condition.

Distribution rights represent the cost incurred on acquisition /development of animation contents for exploitation.

Capital work-in-progress comprises outstanding advances paid to acquire fixed assets and the cost of fixed asset (including expenditure during construction) that are not yet ready for their intended use before the balance sheet date.

Capital work-in-progress also includes Direct or indirect expenses incurred on the Development of Projects in order to create Intellectual Property or Content, which are exploited on any form of media, as an intangible asset under development in accordance with AS 26 (intangible assets). In the event, the project is not scheduled for production within three years, or project is abandoned, the carrying value of the Development Rights would be expensed in the year in which such project is discontinued or abandoned.

Transition to Ind AS
On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1 April 2016 measured as per the Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives
The Company depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

Property, plant and equipment	Useful Life
Hardware & Software (CGI*)	3 years
Hardware & Software	3 years
Generators	10 years
Office Equipment	5 years
Furniture & Fixtures	10 years
Vehicles	8 years

*Computer Generated Imagery

Based on the technical experts assessment of useful life, certain items of property plant and equipment are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Companies Act, 2013. Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

2.3 Intangible Assets
Intangible assets are stated at acquisition cost, net of accumulated amortization.

Transition to Ind AS
On transition to Ind AS, the Company has elected to continue with the carrying value of all of its all intangible assets recognised as at 1 April 2016 measured as per the Indian GAAP and use that carrying value as the deemed cost of the intangible assets.

The Company amortized intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible assets are as follows:

Intangible assets	Useful life
Distribution Rights	10 years
Computer Software	6 years

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

2.4 Foreign Currency Transactions

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

(b) Transactions and balances:

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

2.5 Revenue Recognition

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met as described below.

(a) Production Income:

Revenue represents amounts receivable for production and is recognised in the profit and loss account in proportion to the stage of completion of the transaction at the date of the balance sheet. The stage of completion can be measured reliably and is assessed by reference to work completed as of the date of the balance sheet. The company uses the services performed to date as a percentage of total services to be performed as the method for determining the stage of completion. Where services are in progress and where the amounts invoiced exceed the revenue recognised, the excess is shown as advance from customers. Where the revenue recognized exceeds the invoiced amount, the amounts are classified as unbilled revenue.

The stage of completion for each episode is estimated by the management at the onset of the series by breaking each episode into specific activities and estimating the efforts required for the completion of each activity. Revenue is then allocated to each activity based on the proportion of efforts required to complete the activity in relation to the overall estimated efforts. Management's estimates of the efforts required in relation to the stage of completion, determined at the onset of the series, are revisited at the date of the balance sheet and any material deviations from the initial estimate are recognised in the profit and loss account. The company's services are performed by a determinable number of acts over the duration of the project and hence revenue is not recognised on a straight-line basis. Contract costs that are not probable of being recovered are recognised as an expense immediately.

(b) Distribution Income:

Revenue from the licensing of distribution rights where there is an ongoing performance obligation is recognized on a straight line basis over the term of the licensing agreement and in the case of the license fee from co-production rights on the date declared by the licensee. Revenue from the licensing of distribution rights under a non-cancellable contract, which permits the licensee to freely exploit those rights and where the Company has no remaining obligations to perform, is recognised at the time of sale.

(c) Training Income:

Revenue from training is recognised over a period of instruction.

(d) Other Income

Interest Income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists. Interest income on deposits/loans is recognized on accrual basis.

2.6 Taxes
Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

(a) Current income tax
Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(b) Deferred tax
Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.7 Leases

As a lessee
Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as a lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lesser) are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Also initial direct cost incurred in operating lease such as commissions, legal fees and internal costs is recognised immediately in the Statement of Profit and Loss.

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2.8 Impairment of non-financial assets
The Company assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

2.9 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.10 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.

2.11 Employee Benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(b) Other long-term employee benefit obligations

(i) Defined contribution plan

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

(ii) Defined benefit plans

Gratuity: The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

Leaves under define benefit plans can be encashed only on discontinuation of service by employee.

2.12 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

2.13 Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

3. Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

3.1 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Taxes:

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(b) Defined benefit plans (gratuity benefits and leave encashment):

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

(c) Intangible asset under development

The Company capitalises intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. At 31 March 2018, the carrying amount of capitalised intangible asset under development was INR 24,644,746 (31 March 2017: INR 41,749,844, 1 April 2016: 100,744,301).

4. Standards (including amendments) issued but not yet effective

The standards and interpretations that are issued, but not yet effective up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

(a) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company is currently evaluating the requirements of amendments. The Company believe that the adoption of this amendment will not have a material effect on its financial statements.

(b) Ind AS 115- Revenue from Contract with Customers

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

(i) Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company is currently evaluating the requirements of amendments. The Company believes that the adoption of this amendment will not have a material effect on its financial statements.

5. First-time adoption of Ind-AS

These financial statements are the first set of Ind AS financial statements prepared by the Company. Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ending on 31 March 2018, together with the comparative year data as at and for the year ended 31 March 2017, as described in the significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, being the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017.

5.1 Exemptions availed on first time adoption of Ind AS

Ind AS 101, First-time Adoption of Indian Accounting Standards, allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions.

(a) Deemed Cost

Since there is no change in the functional currency, the Company has elected to continue with carrying value for all of its property, plant and equipment as recognized in its Indian GAAP financial statements as its deemed cost at the date of transition after making adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38, Intangible Assets and investment properties. Accordingly the management has elected to measure all of its property, plant and equipment, investment properties and intangible assets at their Indian GAAP carrying value.

5.2 Mandatory Exemption on first-time adoption of Ind AS

(a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with Indian GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Indian GAAP:

(i) Impairment of financial assets based on expected credit loss model.
(ii) Fair valuation of compound instrument.
(iii) FVTPL – debt securities
(iv) FVTOCI – debt securities
(v) Effective interest rate used in calculation of security deposit.

(b) Derecognition of financial assets and financial liabilities

A first-time adopter should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively to transactions occurring on or after the date of transition. Therefore, if a first-time adopter derecognized non-derivative financial assets or non-derivative financial liabilities under its Indian GAAP as a result of a transaction that occurred before the date of transition, it should not recognize those financial assets and liabilities under Ind AS (unless they qualify for recognition as a result of a later transaction or event). A first-time adopter that wants to apply the derecognition requirements in Ind AS 109,Financial Instruments, retrospectively from a date of the entity's choosing may only do so, provided that the information needed to apply Ind AS 109,Financial Instruments, to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognize provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

(c) Classification and measurement of financial assets

Ind AS 101, First-time Adoption of Indian Accounting Standards, requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

5.3 Reconciliations

The following reconciliations provides the effect of transition to Ind AS from Indian GAAP in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards:

(a) Reconciliation of equity as at date of transition 1 April 2016

(Amount in INR, unless otherwise stated)

	Notes to first-time adoption	Indian GAAP*	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment		116,850,378	-	116,850,378
Capital work-in-progress		1,166,745	-	1,166,745
Investment property		-	-	-
Goodwill		-	-	-
Other intangible assets		836,820,243	-	836,820,243
Intangible asset under devlopment		100,744,301	-	100,744,301
Financial assets				
Investments		1,167,503,270	-	1,167,503,270
Loans		-	-	-
Other financial assets	f(i)	99,871,566	(385,580)	99,485,986
Deferred tax asset (net)	f(ii)	219,216,484	605,936,358	825,152,842
Other non-current assets		39,781,014	-	39,781,014
Total non-current assets		**2,581,954,001**	**605,550,778**	**3,187,504,779**
Current assets				
Financial assets				
Investments		-	-	-
Trade receivables	f(iii)	3,830,156,112	(2,286,714,480)	1,543,441,632
Cash and cash equivalents		99,957	-	99,957
Bank balances other than above		925,267	-	925,267
Loans		-	-	-
Other financial assets		-	-	-
Current tax assets (net)		-	-	-
Other current assets	f(i)	332,206,140	(129,188,879)	203,017,261

Total current assets		**4,163,387,476**	**(2,415,903,360)**	**1,747,484,117**
Total assets		**6,745,341,477**	**(1,810,352,582)**	**4,934,988,896**
EQUITY AND LIABILITIES				
Equity				
Equity share capital		792,830,000	-	792,830,000
Other equity	f(i),(iv) & (v)	3,930,984,147	(1,612,377,042)	2,318,607,105
Total equity		**4,723,814,147**	**(1,612,377,042)**	**3,111,437,105**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings		112,721,434	-	112,721,434
Other financial liabilities		-	-	-
Employee benefit obligations		127,901,482	-	127,901,482
Other non-current liabilities	f(iv)	-	7,873,872	7,873,872
Total non-current liabilities		**240,622,916**	**7,873,872**	**248,496,788**
Current liabilities				
Financial liabilities				
Borrowings		504,163,157	-	504,163,157
Trade payables		117,266,836	-	117,266,836
Other financial liabilities		60,991,513	-	60,991,513
Other current liabilities	f(v), (viii)	762,082,588	(205,849,412)	556,233,176
Employee benefit obligations		20,584,330	-	20,584,330
Provision		20,767,780		20,767,780
Current tax liabilities (net)		295,048,211	-	295,048,211
Total current liabilities		**1,780,904,414**	**(205,849,412)**	**1,575,055,003**
Total liabilities		**2,021,527,330**	**(197,975,540)**	**1,823,551,791**
Total equity and liabilities		**6,745,341,477**	**(1,810,352,582)**	**4,934,988,896**

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

(b) Reconciliation of equity as at 31 March 2017

(Amount in INR, unless otherwise stated)

	Notes to first-time adoption	Indian GAAP*	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment		94,448,735	-	94,448,735
Capital work-in-progress		1,891,736	-	1,891,736
Investment property		-	-	-
Goodwill		-		-
Other intangible assets		615,537,605	-	615,537,605
Intangible asset under devlopment		41,749,844	-	41,749,844
Financial assets				-
Investments		1,726,004,236	-	1,726,004,236
Loans		-	-	-
Other financial assets	f(i)	31,405,573	(371,945)	31,033,628
Deferred tax asset (net)		831,262,658	-	831,262,658
Other non-current assets	f(i)	27,607,203	-	27,607,204
Total non-current assets		**3,369,907,590**	**(371,945)**	**3,369,535,646**
Current assets				
Inventories		-	-	-
Financial assets				
Investments		-	-	-
Trade receivables	f(iii)	1,648,119,306	(307,750,190)	1,340,369,116
Cash and cash equivalents		33,616	-	33,616
Bank balances other than above		10,885,317	-	10,885,317
Loans		-	-	-
Other financial assets		-	-	-
Current tax assets (net)		-	-	-
Other current assets	f(i)	244,186,203	(107,060,175)	137,126,029
Total current assets		**1,903,224,442**	**(414,810,365)**	**1,488,414,078**
Total assets		**5,273,132,032**	**(415,182,310)**	**4,857,949,723**

EQUITY AND LIABILITIES				
Equity				
Equity share capital		792,830,000	-	792,830,000
Other equity	f(i),(iv) & (v)	2,067,299,826	(232,056,412)	1,835,243,414
Total equity		**2,860,129,826**	**(232,056,412)**	**2,628,073,414**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings		394,016,040	-	394,016,040
Other financial libailties		-	-	-
Employee benefit obligations		115,129,401	-	115,129,401
Other non-current liabilities	f(iv)	-	7,190,821	7,190,821
Total non-current liabilities		**509,145,441**	**7,190,821**	**516,336,262**
Current liabilities				
Financial liabilities				
Borrowings		822,068,752	-	822,068,752
Trade payables		32,976,588	-	32,976,588
Other financial liabilities		64,579,010	-	64,579,010
Other current liabilities	f(v), (vii)	722,161,622	(190,316,719)	531,844,905
Employee benefit obligations		46,992,535	-	46,992,535
Provision		24,295,159		24,295,159
Current tax liabilities (net)		190,783,098	-	190,783,098
Total current liabilities		**1,903,856,765**	**(190,316,719)**	**1,713,540,048**
Total liabilities		**2,413,002,206**	**(183,125,898)**	**2,229,876,310**
Total equity and liabilities		**5,273,132,032**	**(415,182,310)**	**4,857,949,723**

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

(c) **Reconciliation of profit or loss for the year ended 31 March 2017** (Amount in INR, unless otherwise stated)

	Notes to first-time adoption	Indian GAAP*	Adjustments	Ind AS
Income				
Revenue from operations	f(vi)	860,035,536	4,596,017	864,631,553
Other income	f(i)	88,399,627	327,110	88,726,737
Total income		**948,435,163**	**4,923,127**	**953,358,290**
Expenses				
Production expenses		53,282,003	-	53,282,003
Purchase of Stock-in-trade		-	-	-
Changes in inventories of finished goods, stock-in-trade and work-in-progress		-	-	-
Employee benefit expense	f(v)	481,436,885	(3,320,537)	478,116,348
Finance costs		156,051,549	-	156,051,549
Depreciation and amortization expense		347,774,585	-	347,774,585
Other expenses	f(iii)	2,385,620,642	(1,981,333,867)	404,286,775
Expenses transferred to Capital account		-	-	-
Total expenses		**3,424,165,664**	**(1,984,654,404)**	**1,439,511,260**
Profit /(Loss) before exceptional items and tax		**(2,475,730,501)**	**1,989,577,531**	**(486,152,970)**
Exceptional items		-	-	-
Profit /(Loss) before tax		**(2,475,730,501)**	**1,989,577,531**	**(486,152,970)**
Tax expense				
Current tax		2,495,418	-	2,495,418
Deferred tax	f(ii)	609,550,756	(604,940,198)	4,610,558
Total income tax expense		**612,046,174**	**(604,940,198)**	**7,105,976**
Loss for the year		**(1,863,684,327)**	**1,384,637,333**	**(479,046,994)**

Other comprehensive income				
Items that will be reclassified subsequently to profit or loss		-	-	-
Net (loss)/gain on FVTOCI debt securities		-	-	-
Income tax effect		-	-	-
Exchange differences on translation of foreign operations		-	-	-
Income tax effect		-	-	-
Items that will not be reclassified to profit or loss				
Net (loss)/gain on FVTOCI equity Securities		-	-	-
Remeasurement of net defined benefit liability	f(v)		(3,320,537)	(3,320,537)
Income tax effect		-	-	-
		-	(3,320,537)	(3,320,537)
Other comprehensive income for the year		-	**(3,320,537)**	**(3,320,537)**
Total other comprehensive income for the year		**(1,863,684,327)**	**1,381,316,796**	**(482,367,531)**

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

(d) Reconciliation of total equity as at 31 March 2017 and 1 April 2016 (Amount in INR, unless otherwise stated)

	Notes to first-time adoption	As at 1 April 2017	As at 1 April 2016
Shareholder's equity as per Indian GAAP audited financial statements		2,860,129,826	4,723,814,147
Adjustment			
(i) Reversal of lease equalization reserve	f(iv)	(8,556,924)	(7,873,872)
(ii) Revenue adjustment		-	-
(iii) Provision for Doubtful debts	f(iii)	(307,750,190)	(2,286,714,480)
(iv) Deferred Rent	f(i)	(1,673,870)	(1,673,870)
(v) Gratutiy OCI		-	-
(vi) Deferred Revenue	f(vi)	168,270,467	188,399,180
(vii) EIR Impact of security deposit	f(i)	1,671,863	1,288,291
(viii) Deferred Tax	f(ii)	996,163	605,936,360
(ix) Bank Charges		2,000,000	-
(x) Unbilled Balances written off	f(vii)	(87,013,920.47)	(111,738,649)
(xii) ESOP Trust accounting		-	-
Total Adjustment		(232,056,412)	(1,612,377,042)
Shareholder's equity as per Ind AS		**2,628,073,413**	**3,111,437,105**

(e) Reconciliation of total comprehensive income for the year ended 31 March 2017 (Amount in INR, unless otherwise stated)

	Notes to first-time adoption	As at 1 April 2017
Loss as per Indian GAAP		(1,863,684,327)
Adjustment		
(i) Reversal of lease equalization reserve		-
(ii) EIR Impact of security deposit	f(i)	327,110
(iii) ESOP Trust accounting		-
(iv) Convertible preference shares		-
(v) Provision for Doubtful Debts written back	f(iii)	1,981,333,867
(vi) Deferred Tax	f(ii)	(604,940,198)

(vii) Revenue Adjustment	f(vii)	4,596,017
Total		1,381,316,796
Loss as per Ind AS		(482,367,531)

(f) Notes to first-time adoption

(i) Security deposit

Under Indian GAAP, interest-free security deposit (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognized at fair value. Accordingly the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognized as prepaid rent. Consequently, the amount of security deposit as on 31 March 2017 has been decreased by INR 1521,925 (1 April 2016: INR1,849,035) with a corresponding increase in prepaid rent. The loss for the year ended 31 March 2017 and retained earnings as on 1 April 2016 has been decreased by INR 313,475 and INR 1,673,870, respectively due to amortization of prepaid rent. Amortization of prepaid rent in statement profit or loss is partially off-set by the notional interest income of INR 327,110 during the year ended 31 March 2017 and in retained earnings by INR 1,288,291 as on 1 April 2016 with corresponding increase in security deposit. As on 31 March 2017, The Company has classified INR 1,521,925 (1 April 2016: INR 1,849,035) as short-term prepaid rent.

Under Indian GAAP, as on 31 March 2017 the Company has classified INR 4,972,152 (1 April 2016:INR 4,972,152) as short term security deposit. Under Ind AS, as on 31 March 2017 short-term security deposits includes deposits which were measured at amortized cost due it long-term nature in the previous years. However, in current year the same has been classified as short-term as they will be settled within 12 months from the end of 31 March 2017. Therefore, Indian GAAP amount of INR 4,972,152 has been reduced by finance income amounting INR 327,110 (1 April 2016: INR 1,228,291) to be unwind on such security deposits in next year.

(ii) Deferred tax

Indian GAAP requires assessment of virtual certainty in case of losses for recognizing deferred tax asset, but under Ind AS deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

(iii) Provision for Doubtful Debts

Under I GAAP, the company has recognised INR 1,978,964,290 as provision for doubtful debts as of 31 March 2017. On adoption of IND AS, the company has made assessment of Expected Credit Loss (ECL) for its Trade Receivables and consequently recognised INR 2,286,714,480 as provision for doubtful debts on the date of transition i.e., 1 April 2016. As the company has already recognised provision for doubtful debts using expected credit loss method as of 1 April 2016, the entire provision of INR 1,978,964,290 recognised under IGAAP as of 31 March 2017 has been reversed and the net decrease in Trade Receivables as of 31 March 2017 is INR 307,750,190.

(iv) Lease equalization reserve

Under Indian GAAP, the Company has recognized lease equalization reserve as on 31 March 2018 amounting to NIL (31 March 2017: NIL) due to straight- line impact. In contrast, Ind AS 17, Leases, requires lease payments to be recognized on straight-line basis if the increase is not in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. The Company has lease agreements with an escalation clause which in line with expected general inflation, and hence no straight-lining of the lease payments have been done in Ind AS. Consequently, lease equalization reserve has been decreased with a corresponding adjustment in retained earnings as of 1 April 2016 by INR 7,873,872 and Rent expense during the year ending 31 March 2017 INR 683,052.

(v) Defined benefit liabilities

Both under Indian GAAP and Ind AS, the Company recognized costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to Statement of Profit and Loss. Under Ind AS, re-measurements comprising of actuarial gains and losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost for the year ended 31 March 2017 is reduced by INR 3,320,537 and re-measurement gains/ losses on defined benefit plans of the corresponding amount has been recognized in the OCI, net of taxes.

(vi) Revenue and Deffered Revenue

Under Indian GAAP, the company has recognised the revenue from distribution contracts on a straight line basis over the license period.Where as under Ind AS, if the company has no further obligation to perform, the entire revenue can be recognised upfront. Hence, due to this, there is an decrease in revenue under Ind As by INR.20,128,713 and in deferred to the extent of INR 20,128,713 (1 April 2016: INR 188,399,180).

(vii) Impairment of Unbilled Revenue and Reversal of Unearned Revenue

The company has made a decision to hold execution of certain projects due to low collections. Consequent to that the company has impaired unbilled revenue of Nil (1 April 2016:129,188,879) and reversed unearned revenue of INR 24,724,730 (1 April 2016: INR 17,450,230).

(Viii) Other comprehensive income

The concept of Other Comprehensive Income (OCI) did not exist under Indian GAAP. Also refer point (v) above.

(ix) Statement of cash flows

No material impact on transition from Indian GAAP to Ind AS on the statement of cash flows.

6. Fixed Assets at Consolidated level

(Amount in INR, unless otherwise stated)

Particulars	Gross Block				Depreciation/Amortisation					Net Block	
	As at 1 April 2017	Additions	" Deletions/ write off "	As at 31 March2018	As at 1 April 2017	For the year	Deletions/ write off	Adjustment*	As at 31 March2018	As at 31 March2018	As at 31 March 2017
Property Plant & Equipment											
Leasehold land	11,116,123	-	-	**11,116,123**	413,065	413,065	-	-	**826,130**	10,289,993	10,703,058
Leasehold improvements	3,136,286	-	756,871	**2,379,415**	998,626	676,313	749,224	-	**925,715**	1,453,700	2,137,660
Plant & Machinery	86,110,169	47,272,110	2,051,582	**131,330,697**	20,195,374	32,578,040	1,952,966	-	**50,820,448**	80,510,250	65,914,795
Office equipments	3,017,489	510,895	295,449	**3,232,935**	1,590,325	614,197	281,927	-	**1,922,595**	1,310,341	1,427,164
Furniture, Fixtures & Interiors	10,071,500	148,061	5,241	**10,214,320**	1,914,173	1,694,523	5,367	-	**3,603,329**	6,610,991	8,157,327
Vehicles	7,238,603	1,711,907	1,488,902	**7,461,608**	1,129,872	1,137,276	1,428,957	-	**838,191**	6,623,417	6,108,731
Total	**120,690,170**	**49,642,973**	**4,598,045**	**165,735,098**	**26,241,435**	**37,113,413**	**4,418,441**	**-**	**58,936,407**	**106,798,692**	**94,448,735**
Intangible Assets											
IP rights*	851,692,049	20,923,677	-	**872,615,726**	243,699,399	196,160,377	-	-	**439,859,776**	432,755,950	607,992,650
Computer software	16,081,933	1,640,991	39,958	**17,682,966**	8,536,978	4,983,305	40,030	-	**13,480,253**	4,202,713	7,544,955
Total	**867,773,982**	**22,564,668**	**39,958**	**890,298,692**	**252,236,377**	**201,143,682**	**40,030**	**-**	**453,340,029**	**436,958,663**	**615,537,605**
Intangible asset under construction	111,046,411	3,818,579	20,923,677	**93,941,313**	69,296,567	-	-	-	**69,296,567**	24,644,746	41,749,844
Total	**111,046,411**	**3,818,579**	**20,923,677**	**93,941,313**	**69,296,567**	**-**	**-**	**-**	**69,296,567**	**24,644,746**	**41,749,844**
Grand Total	**1,099,510,563**	**76,026,220**	**25,561,679**	**1,149,975,103**	**347,774,379**	**238,257,095**	**4,458,471**	**-**	**581,573,002**	**568,402,101**	**751,736,184**
Previous year figures	*1,054,414,922*	*84,014,322*	*38,918,681*	*1,099,510,563*	-	*347,774,585*	*206*	-	*347,774,379*	*751,736,184*	*1,054,414,919*

(Amount in INR, unless otherwise stated)

Particulars	Gross Block				Depreciation/Amortisation					Net Block	
	As at 1 April 2016	Additions	Deletions/ write off	As at 31 Mar 2017	As at 1 April 2016	For the year	Deletions/ write off	Adjusment*	As at 31 March 2017	As at 31 March 2017	As at 31 March 2016
Property Plant & Equipment											
Leasehold land	11,116,123	-	-	**11,116,123**	-	413,065	-	-	**413,065**	10,703,058	11,116,123
Leasehold improvements	3,121,286	15,000	-	**3,136,286**	-	998,626	-	-	**998,626**	2,137,660	3,121,286
Plant & Machinery	83,275,609	2,834,560	-	**86,110,169**	-	20,195,374	-	-	**20,195,374**	65,914,795	83,275,609
Office equipments	2,884,669	132,820	-	**3,017,489**	-	1,590,325	-	-	**1,590,325**	1,427,164	2,884,669
Furniture, Fixtures & Interiors	10,007,094	64,406	-	**10,071,500**	-	1,914,303	130	-	**1,914,173**	8,157,327	10,007,094
Vehicles	6,445,597	1,763,754	970,748	**7,238,603**	-	1,129,872	-	-	**1,129,872**	6,108,731	6,445,597
Total	**116,850,378**	**4,810,540**	**970,748**	**120,690,170**	**-**	**26,241,565**	**130**	**-**	**26,241,435**	**94,448,735**	**116,850,378**
Intangible Assets											
IP rights*	821,914,116	29,777,933	-	**851,692,049**	-	243,699,399	-	-	**243,699,399**	607,992,650	821,914,116
Computer software	14,906,127	1,175,806	-	**16,081,933**	-	8,537,054	76		**8,536,978**	7,544,955	14,906,127
Total	**836,820,243**	**30,953,739**	**-**	**867,773,982**	**-**	**252,236,453**	**76**	**-**	**252,236,377**	**615,537,605**	**836,820,243**
Intangible asset under construction	100,744,301	48,250,043	37,947,933	**111,046,411**	-	69,296,567	-	-	**69,296,567**	41,749,844	100,744,301
Total	**100,744,301**	**48,250,043**	**37,947,933**	**111,046,411**	**-**	**69,296,567**	**-**	**-**	**69,296,567**	**41,749,844**	**100,744,301**
Grand Total	**1,054,414,922**	**84,014,322**	**38,918,681**	**1,099,510,563**	**-**	**347,774,585**	**206**	**-**	**347,774,379**	**751,736,184**	**1,054,414,922**
Previous year figures	*1,323,780,294*	*366,681,803*	*270,766,482*	*1,419,695,615*	-	*366,107,276*	*826,580*	-	*365,280,696*	*1,054,414,919*	*1,323,780,294*

IP Rights*

IP rights represent the costs incurred in developing/co-producing/acquiring IP rights. The Company started acquiring these rights from the year 2003-04 and till date 43 series (31.03.2017 - 42 series) of Animation rights have been acquired for different territories across the globe. The Company has pertormed testing for impairment of distirbution rights which resulted in an impairment loss of Rs.85,988,059 (31.03.2017: Rs. 157,680,291) on account of recoverable amount of IP rights being less than its carrying amount.

Intangible assets under construction are the projects under development to be exploited as Television Series/Films and others. Based on review of estimated future realizations the management is of the view that estimated future recoverable amount from these projects are more than its carrying unamortized cost and consequently no provision for impairment is considered necessary by the management at this stage.

The company has intangibles to the value of Rs. 437 Mn. To support the carrying value of these intangible assets as at March 31, 2018, the company has prepared projected revenue streams from exploitation, discounted to their present values using a discount factor of 17%. 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. 437 Mn as at March 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.

Financial Assets

7. Investments

(Amount in INR, unless otherwise stated)

Particulars	As at		
	31 March 2018	31 March 2017	1 April 2016
a) EQUITY			
In 100% wholly owned subsidiary company -DQ Entertainment (Ireland) Limited. 17,266,315 (31.03.2017 : 17,266,315) (01.04.2016 : 17,266,315) ordinary shares of face value Euro 1, fully paid	1,167,503,270	1,167,503,270	1,167,503,270
Investment in DQ Entertainment (International) Films Limited. 1,155,553 (31.03.2017 : 1,155,553) (01.04.2016 : 1,155,553) ordinary shares of face value Euro. 1 fully paid	89,245,345	89,245,345	89,245,345
Diminution in Value of Investment - Investment in DQ Entertainment (International) Films Limited	(89,245,345)	(89,245,345)	(89,245,345)
	1,167,503,270	**1,167,503,270**	**1,167,503,270**
b) Loans			
Loans to 100% wholly owned subsidiary company - DQ Entertainment (Ireland) Limited	1,101,851,692	558,500,966	-
Current	-	-	-
Non- Current	2,269,354,962	1,726,004,236	1,167,503,270
Aggregate book value of:			
Quoted investments	-	-	-
Unquoted investments	2,269,354,962	1,726,004,236	1,167,503,270
Aggregate market value of:			
Quoted investments	-	-	-
Unquoted investments	2,180,109,617	1,636,758,891	1,078,257,925
Aggregate amount of impairment in value of Investments	89,245,345	89,245,345	89,245,345

The company has total investment in DQ Ireland of Rs 2,269 Mn (comprising of Equity investments – Rs. 1,168 Mn and Loans – Rs. 1,101 Mn). During the year the subsidiary has made a loss of Rs. 155 Mn and consequently the networth of the subsidiary has been eroded as at March 31, 2018. The subsidiary's assets comprise primarily of intangible properties, in order to support the carrying values of these intangible assets at March 31, 2018, the management has prepared projected revenue streams from exploitation, discounted to their present values using a discount factor of 17%. The management has during the year carried out a valuation of its intellectual properties held in the subsidiary, by an international third party valuer. The management has also during the year carried a valuation of the investment in the subsidiary. The values determined by both the valuers are more than the carrying values.

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. 437 Mn as at March 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.

8. Non-Current Financial assets - Others

(Amount in INR, unless otherwise stated)

Particulars	As at		
	31 March 2018	31 March 2017	1 April 2016
Bank Deposit	24,110,614	19,384,150	87,409,972
Security & Other Collateral Deposit	18,004,226	10,499,498	10,612,559
Deferred Rent	836,506	1,149,980	1,463,455
Total	**42,951,346**	**31,033,628**	**99,485,986**

9. Income Tax

(Amount in INR, unless otherwise stated)

A. Deferred tax relates to the following:	31 March 2018	31 March 2017
Deferred tax assets		
On property, plant and equipment	-	-
On provision for employee benefits	59,994,378	50,095,678
On disallowance u/s 40A of Income Tax Act, 1961	648,741,377	647,740,542
On unabsorbed depreciation and carry forward business losses	-	-
Current year losses	-	-
Previous year losses	171,988,280	154,150,561
Unabsorbed depreciation	-	-
On convertible preference shares	-	-
On others	-	-
	880,724,035	**851,986,781**
Deferred tax liabilities		
On asset classified as held for sale	-	-
On convertible preference shares	-	-
On re-measurements gain/(losses) of post-employment benefit obligations	-	-
On others	22,826,851	20,724,123
	22,826,851	**20,724,123**

B. Recognition of deferred tax asset to the extent of deferred tax liability			
Balance sheet	**31 March 2018**	**31 March 2017**	**1 April 2016**
Deferred tax asset	880,724,035	851,986,781	850,783,656
Deferred tax liabilities	(22,826,851)	(20,724,123)	(25,630,814)
Deferred tax assets/ (liabilities), net	**857,897,184**	**831,262,658**	**825,152,842**

C. Reconciliation of deferred tax assets/ (liabilities) (net):		
	31 March 2018	**31 March 2017**
Opening balance as of 1 April	831,262,658	825,152,842
Tax liability recognized in Statement of Profit and Loss	-	-
Tax liability recognized in OCI	-	-
On re-measurements gain/(losses) of post-employment benefit obligations	(5,330,512)	(996,160)
Tax liability recognized directly in equity	-	-
On convertible preference shares	-	-
Tax asset recognized in Statement of Profit and Loss	31,965,038	7,105,976
Closing balance as at 31 March	**857,897,184**	**831,262,658**

D. Deferred tax assets/ (liabilities) to be recognized in Statement of Profit and Loss		
	31 March 2018	**31 March 2017**
Tax liability	-	-
Tax asset	31,965,038	7,105,976
	31,965,038	**7,105,976**

E. Income tax expense		
	31 March 2018	**31 March 2017**
Current tax		
For the Year	-	-
Reversal of Excess Provision of earlier year	188,172,337	-
MAT Credit entitlement	17,837,718	2,495,418
Deferred tax Income/(Charge)	14,127,320	4,610,558
Income tax expense reported in the statement of profit or loss	**220,137,375**	**7,105,976**

F. Income tax expense charged to OCI		
	31 March 2018	**31 March 2017**
Unrealised (gain)/loss on FVTOCI debt securities	-	-
Unrealised (gain)/loss on FVTOCI equity securities	-	-
Net loss/(gain) on remeasurements of defined benefit plans	5,330,514	996,161
Income tax charged to OCI	**5,330,514**	**996,161**

G. Reconciliation of tax charge		
	31 March 2018	**31 March 2017**
Profit before tax	-286,495,431	-486,152,970
Income tax expense at tax rates applicable	188,172,337	-
Tax effects of:		
- Item not deductible for tax	-	-
- Others	31,965,038	7,105,976
Income tax expense	**220,137,375**	**7,105,976**
Deferred Tax Asset balance as on 31.03.2018 includes MAT Credit Entitlement of INR 171,988,280 (31.03.2017 INR 154,150,561)		

10. Other non-current assets

(Amount in INR, unless otherwise stated)

Particulars	**As at**		
	31 March 2018	**31 March 2017**	**1 April 2016**
Claims receivable	18,348,821	25,607,204	39,781,014
Non-current prepaid expenses	1,540,244	2,000,000	-
Total other non-current other assets	**19,889,065**	**27,607,204**	**39,781,014**

11. Trade receivable

(Amount in INR, unless otherwise stated)

Particulars	**As at**		
	31 March 2018	**31 March 2017**	**1 April 2016**
Secured, considered good			
Unsecured			
Considered good	1,364,584,066	1,340,369,116	1,543,441,632

Considered doubtful	2,407,236,848	2,403,997,899	2,407,507,894
Allowance for bad and doubtful debts	(2,407,236,848)	(2,403,997,899)	(2,407,507,894)
Total	**1,364,584,066**	**1,340,369,116**	**1,543,441,632**

12. Cash and Cash Equivalents

(Amount in INR, unless otherwise stated)

Particulars	**As at**		
	31 March 2018	**31 March 2017**	**1 April 2016**
Balances with Banks			
Current Accounts	38,744,548	10,885,317	925,267
Cash on hand	243,155	33,616	99,957
Total	**38,987,703**	**10,918,933**	**1,025,224**

13. Other current assets

(Amount in INR, unless otherwise stated)

Particulars	**As at**		
	31 March 2018	**31 March 2017**	**1 April 2016**
Loans and advances to employees	13,146,603	4,609,327	1,862,554
Other loans and advances receivable	6,292,367	45,664,474	3,107,314
Unbilled revenue	411,359,000	84,208,439	194,526,313
Prepaid expenses	4,149,715	2,643,788	3,372,840
Interest Accrued on Deposit	-	-	148,239
Total	**434,947,685**	**137,126,028**	**203,017,261**

14. Equity share capital

(Amount in INR, unless otherwise stated)

Particulars	**As at**		
	31 March 2018	**31 March 2017**	**1 April 2016**
Authorized 80,000,000 (31.03.2017: 80,000,000 ; 01.04.2016: 80,000,000) Equity shares of Rs.10/- each fully paid up	800,000,000	800,000,000	800,000,000
	800,000,000	800,000,000	800,000,000
Issued, Subscribed and Paid up 79,283,000 (31.03.2017: 79,283,000 ; 01.04.2016: 79,283,000) Equity shares of Rs.10/- each fully paid up	792,830,000	792,830,000	792,830,000
	792,830,000	**792,830,000**	**792,830,000**

14.1 Reconciliation of the number of shares

Particulars	As at	
	31 March 2018	31 March 2017
Opening balance	79,283,000	79,283,000
Add:- Issued During the Year	-	-
Closing balance	**79,283,000**	**79,283,000**

14.2 Rights, preferences and restrictions attached to shares:
The company has one class of equity shares having a par value of Rs. 10 per share. Each share holder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subjected to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. Further, 75% of the shares of DQ Entertainment (International) Ltd., have been pledged with the Bond Holders i.e. OL Master Limited at DQ Entertainment (Mauritius) Limited.

14.3 Details of shares held by Holding Company
No. of Shares held by DQ Entertainment Mauritius Limited as on 31.03.2018 is 59462218. (31.03.2017: 59462218, 01.04.2016: 59462218)

14.4 Details of shares held by shareholders holding more than 5% of the aggregate shares in the company.
75% of the shares i.e.59,462,218 Equity Shares of Rs.10/- each fully paid up are held by the holding company DQ Entertainment (Mauritius) Limited. (31.03.2017 - 75% 59462218 shares , 01.04.2016 - 75% 59462218 shares)
No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end.
No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

14.5 Details of shares held by holding company and ultimate holding company.
75% of the shares i.e.59,462,218 Equity Shares of Rs.10/- each fully paid up are held by the holding company DQ Entertainment (Mauritius) Limited. The ultimate holding company is DQ Entertainment Plc.

14.6 Issue of Bonus Shares
No Bonus Shares have been allotted during 5 years immediately preceding March 31, 2018

15. Other Equity

(Amount in INR, unless otherwise stated)

Particulars	As at		
	31 March 2018	31 March 2017	1 April 2016
Capital redemption Reserve	1,763,860	1,763,860	1,763,860
Securities premium Account	1,946,676,687	1,946,676,687	1,946,676,687
General reserve	5,487,393	5,487,393	5,487,393
Surplus/(Deficit) in the Statement of Profit and Loss			
Opening Balance	(118,896,821)	360,150,173	118,771,278
Add:- Profti/ (Loss)for Current Year	(66,358,056)	(479,046,994)	241,378,895
Add:- Re-measurement Gain/(Loss) on post employment benefit obligation (net of tax)	-	-	-
Closing balance	**(185,254,877)**	**(118,896,821)**	**360,150,173**

Other Comprehensive Income Re-measurement (gain)/loss on post employment benefit obligation (net of tax)			
Opening Balance	212,294	4,528,992	-
Add:- Re-measurement Gain/(Loss) on post employment benefit obligation (net of tax)	12,437,867	(4,316,698)	4,528,992
Closing balance	**12,650,161**	**212,294**	**4,528,992**
	1,781,323,224	**1,835,243,413**	**2,318,607,105**

16. Non Current Liabilities - Borrowings

(Amount in INR, unless otherwise stated)

Particulars	As at		
	31 March 2018	31 March 2017	1 April 2016
Secured Term Loans From banks	1,032,053,987	394,016,040	112,721,434
	1,032,053,987	**394,016,040**	**112,721,434**

The company has filed an application with the bankers for restructuring of its banking facilities (classified as NPA by the bankers) for further moratorium and rescheduling of repayments. The application is under active consideration by the bankers.

16.1 Nature of Security and terms of repayment for secured borrowings:

Nature of Security	Terms of Repayment
The term loans from bank for Rs.228,093,925 (31.03.2017: Rs. 228,093,925) are secured by Primary: For Term Loans, FITL – Pari-passu first charge on all the present and future fixed assets including distribution rights of the company. Collateral: For term loans, FITL, SBLC – Second charge on the entire current assets of the company both present and future on pari passu basis with other member banks.	14 Qtrly Installments from Mar 2015. BR Plus 3.70%+.50% P.A payable monthly
The term loans from bank for Rs.648,242,774 (31.03.2017: Rs. NIL) are secured by Primary: First Pari-passu charge on entire fixed assets of the company both present and future except vehicles. Pari-passu first charge on the fixed deposit of Rs.1.50 Crores with our bank along with other banks/financial institutions. This security is in lieu of creation of charge on leasehold property (Valued at Rs.1.50 crores) of the company. Collateral: Second pari-passu charge on the current assets both present and future. Personal Guarantee of Mr.Tapaas Chakravarthi.	15 Qtrly Installments from Jan 2015. BR Plus 3.70%+.50% P.A payable monthly
The term loans from bank for Rs. 8,45,668 (31.03.2017: Rs. 664,287) is secured by hypothecation of vehicles.	Repayable over a period of 3 years from the date of disbursements. Interest rate on these loan is 9.65% p.a. Effective

17. Non Current Liabilities - Employee Benefit Obligations

(Amount in INR, unless otherwise stated)

Particulars	As at		
	31 March 2018	31 March 2017	1 April 2016
Gratuity Payable (Refer Note 38)	88,776,107	84,781,000	94,381,774

Leave Encashment Payable	31,860,008	27,649,435	31,366,906
Provision for Sick Leave	2,859,417	2,698,966	2152802
	123,495,532	**115,129,401**	**127,901,482**

18. Non Current Liabilities - Other non-current liabilities

(Amount in INR, unless otherwise stated)

Particulars	**As at**		
	31 March 2018	**31 March 2017**	**1 April 2016**
Rent equalization reserve	6,214,660	7,190,821	7,873,872
	6,214,660	**7,190,821**	**7,873,872**

19. Current Liabilities - Borrowings

(Amount in INR, unless otherwise stated)

Particulars	**As at**		
	31 March 2018	**31 March 2017**	**1 April 2016**
Working capital loans repayable on demand from banks - Secured	848,743,215	751,790,696	481,159,321
Loans and advances - Un-secured			
-from related parties	15,278,056	20,278,056	23,003,836
-from Others	-	50,000,000	-
	864,021,271	**822,068,752**	**504,163,157**

The company has filed an application with the bankers for restructuring of its banking facilities (classified as NPA by the bankers) for further moratorium and rescheduling of repayments. The application is under active consideration by the bankers.

19.1. Nature of Security and terms of payment for secured short term borrowings:

Nature of Security	**Terms of Repayment**
The working capital loans from bank for Rs. 51,493,772 (31.03.2017: Rs. 39,148,147) is secured by Primary: First charge on all current assets of the company both present and future including receivables, cash flows and other monies On Pari-Passu basis along with other working capital bankers. Collateral: Second charge on all movable and immovable fixed assets of the company both present and future (except vehicles) on Pari-Passu basis. Pari-Passu second charge on the fixed deposit of Rs.1.50 cr. With Axis bank along with other banks/financial institutions. This security is in lieu of creation of charge on a leasehold Property (valued at Rs.1.50 crores) of the company. Guarantee: Personal Guarantee of director Mr. Tapaas Chakravarti.	Repayable on demand with base rate plus 4.70% P.A. Payable monthly
The working capital loans from bank for Rs. 134,337,963 (31.03.2017: Rs. 115,275,692) is secured by Primary: 1st charge on current assets of the Company on pari-passu basis. Collateral: Second charge on the entire fixed assets of the company on pari passu basis with other member banks and second charge on the fixed deposit of Rs.1.50 crore held with Axis Bank on pari passu basis along with other along with other member banks.	Repayable on demand with base Rate plus 3.95% p.a. payable monthly

The working capital loans from bank for Rs. 145,321 (31.03.2017: Rs. 27,378,113) is secured by Primary: 1st charge on current assets of the Company on pari-passu basis. Collateral: Second charge on the entire fixed assets of the company on pari passu basis with other member banks and second charge on the fixed deposit of Rs.1.50 crore held with Axis Bank on pari passu basis along with other along with other member banks.	Repayable on demand with base Rate plus 5.95% p.a. payable monthly
The working capital loans from bank for Rs. 662,766,159 (31.03.2017: Rs. 569,988,744) is secured by Primary: First pari-passu charge with other Working Capital lenders on current assets of the company both present and future including receivables, cash flows and other monies. Collateral: Second charge on the block of assets of the Company.	Repayable on demand with SBAR plus 3.25%

20. Current Liabilities - Trade Payables

(Amount in INR, unless otherwise stated)

Particulars	**As at**		
	31 March 2018	**31 March 2017**	**1 April 2016**
Sundry creditors			
for services	26,231,096	32,567,894	102,576,678
for others	23,897,941	408,694	14,690,158
	50,129,037	32,976,588	117,266,836
Total Outstanding dues of micro enterprises and small enterprises	-	-	-
Total Outstanding dues of creditors other than micro enterprises and small enterprises	50,129,037	32,976,588	117,266,836
	50,129,037	**32,976,588**	**117,266,836**

Based on the information available with the company, there are no Outstanding dues and payments made to any supplier of goods and services beyond the specified period under Micro, Small and Medium Enterprises Development Act, 2006(MSMED Act). There is no interest payable or paid to any suppliers under the said Act.

21. Current Liabilities - Other Current Liabilities

(Amount in INR, unless otherwise stated)

Particulars	**As at**		
	31 March 2018	**31 March 2017**	**1 April 2016**
Interest accrued but not due	-	-	22,478
Interest accrued and due to banks	97,456,994	46,688,314	8,215,689
Other Payables:			
Statutory dues payable	205,973,748	157,660,298	91,864,146
Advance from customers	278,272	387,842	1,048,768
Unearned revenue	426,874,129	280,590,525	288,649,679
Employee benefits payable	63,386,698	64,579,010	60,991,513
Current maturities of long-term debt	1,010,724	1,862,835	119,817,431
Provision for expenses	63,111,291	44,655,094	46,614,988
	858,091,856	**596,423,918**	**617,224,692**

The company has filed an application with the bankers for restructuring of its banking facilities (classified as NPA by the bankers) for further moratorium and rescheduling of repayments. The application is under active consideration by the bankers.

22. Current Liabilities - Provisions

(Amount in INR, unless otherwise stated)

Particulars	As at		
	31 March 2018	31 March 2017	1 April 2016
Gratuity Payable	39,843,639	37,617,970	18,158,941
Leave Encashment Payable	8,944,762	9,374,565	2,425,389
Provision for Retakes	29,169,383	24,295,159	20,767,780
	77,957,784	**71,287,694**	**41,352,110**

23. Current tax liabilities (net)

(Amount in INR, unless otherwise stated)

Particulars	As at		
	31 March 2018	31 March 2017	1 April 2016
Provision for Tax (Net of TDS receivables/with holding tax of Rs.19,179,571 (31.03.2017: Rs. Rs.20,753,697))	12,063,505	190,783,097	295,048,210
	12,063,505	**190,783,097**	**295,048,210**

24. Revenue from Operations

(Amount in INR, unless otherwise stated)

Particulars	For the year ended	
	31 March 2018	31 March 2017
Production : Export	938,728,707	831,625,805
: Domestic	-	5,550,031
Distribution income	19,875,680	27,455,717
	958,604,387	**864,631,553**

25. Other Income

(Amount in INR, unless otherwise stated)

Particulars	For the year ended	
	31 March 2018	31 March 2017
Interest Income and others (including TDS of Rs.189,355 (31.03.2017: Rs.3,15,556))	2,242,109	2,276,571
Profit on sale of fixed assets	675,324	1,244,252
Liabilities no longer required written back	1,577,291	73,740,815
Foreign exchange fluctuation gain (net)	53,181,543	-

Training Fee forfeited	150,000	-
Miscellaneous Income	5,815,878	11,465,099
Sale of duty scripts	61,813,872	-
	125,456,017	**88,726,737**

26. Production Expenses

(Amount in INR, unless otherwise stated)

Particulars	**For the year ended**	
	31 March 2018	**31 March 2017**
Outsourcing Expenses	7,055,252	25,267,413
Power and fuel	25,706,324	28,014,590
	32,761,576	**53,282,003**

27. Employee benefits expense

(Amount in INR, unless otherwise stated)

Particulars	**For the year ended**	
	31 March 2018	**31 March 2017**
Salaries and wages	460,329,757	434,468,902
Contribution to provident fund	25,357,264	26,722,194
Staff welfare expenses	5,401,784	4,128,520
Gratuity*	13,174,406	9,783,120
Compensated absences*	3,391,914	3,013,612
	507,655,125	**478,116,348**

* Refer Note 38

28. Finance Costs

(Amount in INR, unless otherwise stated)

Particulars	**For the year ended**	
	31 March 2018	**31 March 2017**
Interest on borrowings		
Terms loans	75,373,941	36,355,823
Working capital loan	119,432,287	95,493,494
Loss on Forward Contract	-	-
Interest on delay in payment of statutory dues	76,568,546	24,202,232
	271,374,774	**156,051,549**

29. Other Expenses - Administrative & Others

(Amount in INR, unless otherwise stated)

Particulars	For the year ended	
	31 March 2018	31 March 2017
Communication expenses	3,951,145	3,934,546
Printing and stationery	1,771,405	2,807,100
Professional and consultancy charges	186,277,468	159,946,308
Repairs and Maintenance :		
Building	6,992,479	6,815,378
Plant and Machinery	1,767,805	3,945,772
Others	12,802,054	1,726,424
Insurance	1,380,390	1,819,557
Business promotion	7,882,329	7,903,784
Rates and taxes	1,436,405	2,108,128
Rent	45,024,650	46,905,125
Payment to auditors as:		
As Auditor		
Audit fees	2,250,000	2,250,000
In Other capacity		
Tax audit	150,000	150,000
Other Matters	-	-
Audit of internal controls over financial reporting	250,000	250,000
Directors remuneration	13,182,996	11,679,663
Selling and distribution expenses	786,818	788,262
Travelling and conveyance expenses	18,317,444	18,707,851
Bad debts written off	2,145,542	17,249,447
Diminution in Value of Investment	-	-
Bank charges	7,487,707	2,655,435
Foreign Exchange Fluctuation Loss (net)	-	105,745,364
Miscellaneous expenses	6,650,628	6,898,631
	320,507,265	**404,286,775**

30. The company's operations are conducted in units set up in Software Technology Parks (STPs) and Special Economic Zones (SEZs). Income from SEZs is fully exempt for the first five years, 50% exempt for the next five years and 50% exempt for another five years subject to fulfilling certain conditions. Currently tax provision on book profit is provided as per the provisions of section 115JB (MAT) of the Income tax act, 1961.

31. Disclosure required by clause 32 of the Listing Agreements

(Amount in INR, unless otherwise stated)

Amount of loans & advances outstanding from subsidiaries as at 31 March 2018	Outstanding as at 31 March 2018	Maximum amount outstanding during the year	Outstanding as at 31 March 2017	Maximum amount outstanding during the year
Wholly Owned Subsidiary company - DQ Entertainment (Ireland) Limited	1,101,851,692	883,376,262	558,500,966	410,286,227

32.

(Amount in INR, unless otherwise stated)

Particulars	For the year ended	
	31 March 2018	31 March 2017
Contingent Liabilities (to the extent not provided for)		
a) **Bonds** executed in favour of customs and excise authorities	500,000	500,000
b) **Standby Letters of Credit** (includes guarantee on behalf of DQ Entertainment Ireland Rs. NIL (31.03.2017: Rs.518,402,662)	-	518,402,662
c) **Demand Disputed on appeal**		
1. Income Tax	9,642,147	80,842,372
2. Service Tax	87,722,821	94,832,246
3. Provident Fund	-	34,928,878
The company has fair chances of succeeding in the appeals and therefore does not expect any liability to materialize		

33.

(Amount in INR, unless otherwise stated)

Particulars	For the year ended	
	31 March 2018	31 March 2017
Earnings in Foreign Currency - Accrual basis		
Income from production (net of unbilled)	938,728,707	806,901,075
Other income	5,376,128	4,365,839
Distribution Income	13,598,631	19,762,427

34.

(Amount in INR, unless otherwise stated)

Expenditure in Foreign currency - Accrual basis		
(Subject to deduction of tax where applicable)		
Overseas business travel	3,200,659	3,588,971
Production Expenses	8,941,555	9,525,250
Consultancy, commission, storage systems and other expenses	1,486,550	338,899
Financial Charges	7,206,741	-
Total	**20,835,505**	**13,453,120**

35.

(Amount in INR, unless otherwise stated)

Particulars	31 March 2018	31 March 2017
Directors remuneration		
Salaries and allowances	9,999,996	9,586,663
Other perquisite	1,008,000	1,008,000
Commission	-	-
	11,007,996	**10,594,663**
Remuneration to Non - Whole-time Director		
Sitting fees	2,055,000	965,000
Professional fees	120,000	120,000
Total remuneration	**13,182,996**	**11,679,663**

The above figure does not include provision for gratuity and leave encashment liability actuarially valued as separate figure are not available

36. Related Party Disclosures: 31 March 2018

A. Names of related parties and description of relationship as identified and certified by the Company:

Holding Company
DQ Entertainment (Mauritius) Limited
DQ Entertainment Plc - Parent of holding company
Entity under common control
DQ Entertainment (Ireland) Limited - Subsidiary company
DQ Entertainment USA, LLC- Subsidiary of Subsidiary company
DQ Entertainment (International) Films Limited - Joint Venture company by DQ Entertainment (Internnational) Limited and DQ Entertainment Plc

Associate of Holding Company
Method Animations SAS

Key Management Personnel (KMP)
Mr. Tapaas Chakravarti - Managing Director & Chief Executive Officer
Mr. Sanjay Choudhary - Chief Financial Officer
Ms. Annie Jodhani - Company Secretary

Relatives of Key Management Personnel (KMP)
Mrs. Rashmi Chakravarti
Miss Nivedita Chakravarti
Mr. Hatim Adenwala

Firm in which a Director is a partner
R&A Associates

B. Details of transactions with related party in the ordinary course of business for the year ended:

(Amount in INR, unless otherwise stated)

	31 March 2018	31 March 2017
(i) **Associate of Holding Company**		
Revenue from Animation	209,378,887	188,233,714
Revenue from Distribution	-	5,733,485
(ii) **Entity under common control**		
Production services provided to DQ Entertainment (Ireland) Limited	322,915,852	201,330,273
Professional consultancy & Others to DQ Entertainment (Ireland) Limited	5,376,138	4,365,839
(iii) **Key Management Personnel (KMP)**		
Transactions with Key management personnel		
Loan (re-paid)/ taken - Managing Director & Chief Executive Officer	(5,000,000)	(2,725,780)
Remuneration	11,007,996	10,594,663
(iv) **Relative of KMP and Directors**		
Remuneration	11,179,000	8,572,000
(v) **Professional fee paid to**		
Director	120,000	120,000
Firm in which a Director is a partner	4,200,000	4,200,000

C. Amount due to/from related party as on:

(Amount in INR, unless otherwise stated)

	31 March 2018	31 March 2017	1 April 2016
(i) **Holding Company**			
Amount receivable at year end - DQ Entertainment Plc	1,634,825	1,634,825	1,634,825
(ii) **Associate of Holding Company**			
Amounts receivable	185,860,685	242,087,561	232,942,189
(iii) **Entity under common control**			
Amount receivable at year end - DQ Entertainment (Ireland) Limited	1,772,649,818	1,659,531,511	1,217,131,042
(iv) **Key Management Personnel (KMP)**			
Loan taken - Managing Director & Chief Executive Officer	15,278,056	20,278,056	23,003,836
Remuneration payable	24,631,301	24,672,801	19,651,297
(v) **Professional fee payable**			
Firm in which a Director is a partner	247,474	243,140	494,565

D. Terms and conditions of transactions with related parties:

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2017: 1,903,253,897, 1 April 2016: 1,451,708,056). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

37. Leases

Operating leases where Company is a lessee:

The Company has entered into lease transactions mainly for leasing of office premise and Office Equipment for a period between 1 to 10 years. The terms of lease include terms of renewal, increase in rents in future periods, which are in line with general inflation, and terms of cancellation. The operating lease payments recognized in the Statement of Profit and Loss amount to INR 45,024,650 (31 March 2017: INR 46,905,125) included in Note 29.

38. Employee benefits

(Amount in INR, unless otherwise stated)

(A) **Defined Contribution Plans**	**31 March 2018**	**31 March 2017**
During the year, the Company has recognized the following amounts in the Statement of Profit and Loss –		
a) Employers' Contribution to Gratuity (Refer note 27)	13,174,406	9,783,120
b) Employers' Contribution to Compensated Employees (Refer note 27)	3,391,914	3,013,612
(B) **Defined benefit plans**		
a) Gratuity payable to employees	128,619,746	122,398,970
b) Compensated absences for Employees	40,804,770	37,024,000
(i) **Actuarial assumptions**	**31 March 2018**	**31 March 2017**
Discount rate (per annum)	7.73%	7.45%
Rate of increase in Salary	4.00%	4.00%
Expected average remaining working lives of employees (years)	19.45	21.01
Attrition rate	3%	4%

(ii) **Changes in the present value of defined benefit obligation**	**Employee's gratuity fund**	
	31 March 2018	**31 March 2017**
Present value of obligation at the beginning of the year	91,247,925	85,179,252
Interest cost	6,797,970	6,729,161
Past service cost	-	-
Current service cost	13,563,824	9,695,033
Curtailments	-	-

Settlements	(1,355,899)	(6,466,925)
Benefits paid	(5,065,231)	(7,034,984)
Actuarial (gain)/ loss on obligations	(16,412,482)	(3,320,537)
Present value of obligation at the end of the year*	**88,776,107**	**84,781,000**
*Included in provision for employee benefits (Refer note 17)		

(iii) Expense recognized in the Statement of Profit and Loss	**Employee's gratuity fund**	
	31 March 2018	**31 March 2017**
Current service cost	13,563,824	9,695,033
Past service cost	-	-
Interest cost	6,797,970	6,729,161
Expected return on plan assets	-	-
Actuarial (gain) / loss on obligations	(16,412,482)	(3,320,537)
Settlements	-	-
Curtailments	-	-
Total expenses recognized in the Statement Profit and Loss*	**3,949,312**	**13,103,657**
*Included in Employee benefits expense (Refer Note 27). Actuarial (gain)/loss of INR (31 March 2017: INR 4,316,698) is included in other comprehensive income.		

(iv) Assets and liabilities recognized in the Balance Sheet:	**Employee's gratuity fund**	
	31 March 2018	**31 March 2017**
Present value of unfunded obligation as at the end of the year	88,776,107	84,781,000
Unrecognized actuarial (gains)/losses	-	-
Unfunded net asset / (liability) recognized in Balance Sheet*	**88,776,107**	**84,781,000**
*Included in provision for employee benefits (Refer note 17)		

(v) **A quantitative sensitivity analysis for significant assumption as at 31 March 2017 is as shown below:**		
	Employee's gratuity fund	
Impact on defined benefit obligation	**31 March 2018**	**31 March 2017**
Discount rate		
1% increase	82,548,476	83,389,043
1% decrease	98,916,864	100,402,859
Rate of increase in salary		
1% increase	106,634,377	108,377,650
1% decrease	76,103,511	20,380,729
(vi) **Maturity profile of defined benefit obligation**	**Employee's gratuity fund**	
Year	**31 March 2018**	**31 March 2017**
1 year	1,325,551	1,265,898
2 to 5 years	2,318,617	2,214,274
6 to 10 years	4,381,597	4,184,416
More than 10 years	82,106,241	78,411,292

39. Earnings/ Loss per share

(Amount in INR, unless otherwise stated)

Particulars	**31 March 2018**	**31 March 2017**
Weighted average number of equity shares for basic EPS*	79,283,000	79,283,000
Effect of dilution:		
Share options	-	-
Convertible preference shares	-	-
Weighted average number of equity shares adjusted for the effect of dilution	**79,283,000**	**79,283,000**
Basic loss per share (INR)	(0.84)	(6.04)
Diluted loss per share (INR)	(0.84)	(6.04)

40. Segmental Reporting as per Ind AS 108 :

40.1 Business Segment

The Company comprises the following main business segments:

Animation:

The production services rendered to production houses and training rendered for acquiring skills for production services in relation to the production of animation television series and movies.

Distribution:
The revenue generated from the exploitation of the distribution rights of animated television series and movies acquired by the Company.
The segment information for the year ended 31 March 2018 is as follows:

(Amount in INR, unless otherwise stated)

	Animation	Distribution	Total
Revenue from operation	938,728,708	19,875,680	958,604,387
	837,175,836	*27,455,717*	*864,631,553*
Total Revenue	**938,728,708**	**19,875,680**	**958,604,387**
	837,175,836	*27,455,717*	*864,631,553*
Depreciation and Amortisation	41,265,739	196,191,735	237,457,474
	30,218,244	*313,134,159*	*343,352,403*
Segment result	195,091,846	(184,882,136)	10,209,710
	(1,837,641,760)	*(390,220,549)*	*(2,227,862,309)*
Unallocated expenses			(25,330,367)
			1,897,760,888
Operating Profit			(15,120,657)
			(330,101,421)
Net financing costs			(271,374,774)
			(156,051,549)
Income Tax expense			26,634,524
			7,105,976
Profit after tax			**(259,860,907)**
			(479,046,994)
Segment assets	4,542,497,860	531,103,394	5,073,601,254
	2,850,711,311	*679,910,000*	*3,530,621,311*
Unallocated assets			524,579,603
			1,327,328,412
Total assets			**5,598,180,857**
			4,857,949,723
Segment liabilities	2,989,731,439	8,395,030	2,998,126,469
	1,532,320,821	*(21,146,714)*	*1,511,174,106*
Unallocated liabilities			25,901,164

			718,702,204
Total liabilities			**3,024,027,633**
			2,229,876,310
Capital expenditure			
Tangible Fixed Assets			49,642,973
			65,264,287
Intangible Assets			22,564,668
			269,969,782

Note: Figures in italics represent previous year

40.2 Geographical Segment

Revenue from geographic segments based on domicile of the customers is outlined below:

	America	Europe	Others	Total
Revenue from operation				
Animation	393,766,004	538,515,025	6,447,678	938,728,708
	297,471,640	*534,016,682*	*5,687,514*	*837,175,836*
Distribution	475,704	3,973,297	15,426,679	19,875,680
	2,602,386	*15,520,064*	*9,333,267*	*27,455,717*
Total Revenue	394,241,708	542,488,322	21,874,357	958,604,387
	300,074,026	*549,536,746*	*15,020,781*	*864,631,552*
Total Assets	989,329,713	3,993,267,600	615,583,544	5,598,180,857
	1,089,045,228	*1,761,155,755*	*2,007,748,740*	*4,857,949,723*
Capital expenditure				
Tangible Fixed Assets				49,642,973
				65,264,287
Intangible Assets				22,564,668
				269,969,782

41. Financial instruments - fair value and risk management

Fair value hierarchy

The section explains the judgment and estimates made in determining the fair values of the financial instruments that are:

a) recognised and measured at fair value

b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard.

Accounting classification and fair value

The following table shows the carrying amount and fair value of financial assets and financial liabilities:

Particulars	Carrying amount	Fair value		
	31 March 2018	Level 1	Level 2	Level 3
Financial assets measured at amortised cost				
Loans	-	-	-	-
Trade receivables	1,364,584,066	-	-	-
Cash and cash equivalents including other bank balances	38,987,703	-	-	-
Other financial assets	42,951,346	-	-	-
Financial assets measured at fair value				
Investment in Preference shares	-	-	-	-
Total financial assets	**1,446,523,115**	**-**	**-**	**-**
Financial liabilities measured at amortised cost				
Non-convertible debentures	-	-	-	-
Borrowings	1,896,075,258	-	-	-
Trade payables	50,129,037	-	-	-
Other financial liabilities	-	-	-	-
Total financial liabilities	**1,946,204,295**	-	-	-

Particulars	Carrying amount	Fair value		
	31 March 2017	Level 1	Level 2	Level 3
Financial assets measured at amortised cost				
Loans	-	-	-	-
Trade receivables	1,340,369,116	-	-	-
Cash and cash equivalents including other bank balances	10,918,933	-	-	-
Other financial assets	31,033,628	-	-	-
Financial assets measured at fair value				
Investment in Preference shares	-	-	-	-
Total financial assets	**1,382,321,677**	**-**	**-**	**-**
Financial liabilities measured at amortised cost				
Non-convertible debentures	-	-	-	-
Borrowings	1,216,084,792	-	-	-
Trade payables	32,976,588	-	-	-
Other financial liabilities	-	-	-	-
Total financial liabilities	**1,249,061,380**	-	-	-

Particulars	Carrying amount	Fair value		
	1 April 2016	Level 1	Level 2	Level 3
Financial assets measured at amortised cost				
Loans	-	-	-	-
Trade receivables	1,543,441,632	-	-	-
Cash and cash equivalents including other bank balances	1,025,224	-	-	-
Other financial assets	99,485,986	-	-	-
Financial assets measured at fair value				
Investment in Preference shares	-	-	-	-
Total financial assets	**1,643,952,842**	**-**	**-**	**-**
Financial liabilities measured at amortised cost				
Non-convertible debentures	-	-	-	-
Borrowings	632,064,639	-	-	-
Trade payables	117,266,836	-	-	-
Other financial liabilities	-	-	-	-
Total financial liabilities	**749,331,475**	-	-	-

Investment in equity shares are not appearing as financial asset in the table above being investment in subsidiaries and associates accounted under Ind AS 27, Separate Financial Statements which is scoped out under Ind AS 109.

Fair value hierarchy
Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes investment in equity, preference securities, mutual funds and debentures that have quoted price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for investment in unquoted preference securities and non convertible debentures included in level 3.

Fair valuation method
The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

A. Financial Assets:
Loans, Trade receivables, Cash and cash equivalents and other assets: Fair value of all these financial assets are measured at balance sheet date value, as most of them are settled within a short period and so their fair value are assumed to be almost equal to the balance sheet date value.

B. Financial Liabilities:
1. Borrowings: It also includes cash credit and overdraft facilities, working capital loan and bill discounting facilities. These short-term borrowings are classified and subsequently measured in the financial statements at amortized cost. Considering that the interest rate on the loan is reset on a monthly/quarterly basis, the carrying amount of the loan would be a reasonable approximation of its fair value.

2. Trade payables and other liabilities: Fair values of trade and other liabilities are measured at balance sheet value, as most of them are settled within a short period and so their fair values are assumed to be almost equal to the balance sheet values.

42. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk.

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Board oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

i.) Credit risk

Credit risk is the risk of financial loss to the Company, if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. The carrying amount of financial asset represent the maximum credit exposure.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by its customers. However, the management also considers the factors that may influence the credit risk of its customer base.

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one to three months for customers. The Company does not have trade receivables for which no loss allowance is recognised because of collateral.

Expected credit loss assessment for corporate customers as at 1 April 2016, 31 March 2017 and 31 March 2018 are as follows:

The Company uses an allowance matrix to measure the expected credit loss of trade receivable from customers.

Based on industry practices and the business environment in which the entity operates, the management considers that trade receivables are in default (credit impaired) if the payments are more than 360 days past due.

Movement in allowance for impairment in respect of trade receivables

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

(Amount in INR, unless otherwise stated)

Particulars	As at	
	31 March 2018	31 March 2017
Balance as at the beginning of the year	(2,403,997,899)	(2,407,507,894)
Impairment loss allowances recognised (FE Impact)	(5,384,491)	(13,739,452)
Bad Debt Written off	2,145,542	17,249,447
Balance as at the end of the year	**(2,407,236,848)**	**(2,403,997,899)**

ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecast of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company's objective is to maintain a balance between cash outflow and inflow. Usually, the excess of funds is invested in fixed deposit. This is generally carried out in accordance with practice and limits set by the Company. The limits vary to take into account the liquidity of the market in which the Company operates.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2018, 31 March 2017 and 1 April 2016. The amounts are gross and undiscounted contractual cash flow and includes contractual interest payment and exclude netting arrangements:

(Amount in INR, unless otherwise stated)

Particulars	Contractual cash flows				
	Carrying amount	0-1 years	1-2 years	2-5 years	5 years and above
As at 31 March 2018					
Borrowings	1,896,075,258	-	-	1,896,075,258	-
Trade payables	50,129,037	50,129,037	-	-	-
Other financial liabilities	-	-	-	-	-
	Contractual cash flows				
As at 31 March 2017	**Carrying amount**	**0-1 years**	**1-2 years**	**2-5 years**	**5 years and above**
Borrowings	1,216,084,792	-	-	1,216,084,792	-
Trade payables	32,976,588	32,976,588	-	-	-
Other financial liabilities	-	-	-	-	-
	Contractual cash flows				
As at 1 April 2016	**Carrying amount**	**0-1 years**	**1-2 years**	**2-5 years**	**5 years and above**
Borrowings	632,064,639	-	-	632,064,639	-
Trade payables	117,266,836	117,266,836	-	-	-
Other financial liabilities	-	-	-	-	-

iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Foreign Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currency of the Company.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to management is as follows:

Particulars	Currency	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
		Foreign currency*	Amount	Foreign currency*	Amount	Foreign currency*	Amount
Trade receivables	AUD	-	-	-	-	5,000	253,400
	EUR	5,666,281	452,565,895	6,187,896	427,831,126	5,848,832	439,013,304
	GBP	-	-	-	-	68,088	6,466,317
	USD	51,207,512	3,319,270,904	50,873,428	3,292,528,282	51,775,084	3,422,333,083
Trade payables	USD	167,758	10,874,074	143,598	9,293,663	1,244,800	82,281,280

*Foreign currency values are absolute values and not rounded off to lakhs.

The following significant exchange rates have been applied

Currency	Year end spot rate		
	31 March 2018	31 March 2017	1 April 2016
AUD/INR			50.68
EUR/INR	79.87	69.14	75.06
GBP/INR			94.97
USD/INR	64.82	64.72	66.10

Sensitivity analysis

A reasonably possible strengthening (weakening) of the foreign currencies against INR at 31 March 2018 and 31 March 2017 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

(Amount in INR, unless otherwise stated)

Particulars	Profit and loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2018				
AUD(2%)	-	-	-	-
EUR(5%)	22,628,295	(22,628,295)	22,628,295	(22,628,295)
GBP(5%)	-	-	-	-
USD(5%)	165,419,842	(165,419,842)	165,419,842	(165,419,842)

31 March 2017				
AUD(2%)	-	-	-	-
EUR(5%)	9,884,545	(9,884,545)	9,884,545	(9,884,545)
GBP(5%)	-	-	-	-
USD(5%)	19,559,348	(19,559,348)	19,559,348	(19,559,348)

b) Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's does not have any borrowings which exposes it to interest rate risk.

43. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company has not distributed any dividend to its shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of non-current borrowing which represents liability component of Convertible Preference Shares and current borrowing from ultimate holding company of the Company. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

(Amount in INR, unless otherwise stated)

Currency	Year end spot rat		
	31 March 2018	31 March 2017	1 April 2016
Equity	2,574,153,225	2,628,073,412	3,111,437,103
Convertible preference share	-	-	-
Total equity (i)	2,574,153,225	2,628,073,412	3,111,437,103
Borrowings other than convertible preference shares	1,897,085,982	1,217,947,627	736,702,022
Less: cash and cash equivalents	38,987,703	10,918,933	1,025,224
Total debt (ii)	1,936,073,685	1,228,866,560	737,727,246
Overall financing (iii) = (i) + (ii)	4,510,226,910	3,856,939,972	3,849,164,349
Gearing ratio (ii) / (iii)	0.43	0.32	0.19

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018, 31 March 2017 and 1 April 2016.

44. Commitments

(Amount in INR, unless otherwise stated)

Particulars	31 March 2018	31 March 2017
Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances	56,277,889	52,354,233

45. Amount Spent on Corporate Social Responsibility

(Amount in INR, unless otherwise stated)

Particulars	31 March 2018	31 March 2017
(a) Gross amount required to be spent by the company during financial year.	-	7,041,316
(b) Amount spent during the financial year.	-	-

The prescribed CSR expenditure required to be spent in the year 2017-18 as per the Companies Act, 2013 is Nil, in view of average net profits of the Company being Nil (under section 198 of the Act) for last three financial years.

46. Figures of previous year have been regrouped/rearranged/reclassified to confirm presentation as per Ind As as required by Schedule III of the Act.

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No 105047 W

For and on behalf of the Board of Directors
DQ Entertainment (International) Limited
CIN:L92113TG2007PLC053585

Ananthakrishnan G
Partner
(M.No 205226)

Place: Hyderabad
Date: 30.05.2018

Tapaas Chakravarti
CMD & CEO
DIN:00559533

Place: Hyderabad
Date: 30.05.2018

Sanjay Choudhary
Chief Financial officer

Place: Hyderabad
Date: 30.05.2018

S.Sundar
Director
DIN:03170456

Place: Hyderabad
Date: 30.05.2018

Annie Jodhani
Company Secretary
Membership No : A42431

Place: Hyderabad
Date: 30.05.2018

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To
The Members of DQ Entertainment (International) Limited

REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

We have audited the accompanying consolidated Ind AS financial statements of DQ Entertainment (International) Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its jointly controlled entity comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its jointly controlled entity in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended, and the accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its jointly controlled entity and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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 consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated financial position of the Group as at March 31, 2018, and its consolidated financial performance including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

EMPHASIS OF MATTERS

We draw attention to the following matter in the Notes to the consolidated Ind AS financial statements:

a. We draw attention to Note 6B 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 judgement involved in the estimated projected revenue streams of Intangible Assets

Our opinion is not modified in respect of this matter.

OTHER MATTERS

a. We did not audit the Ind AS financial statements One jointly controlled entity, whose Ind AS financial statements reflect total assets of Rs.192,368 and net assets of Rs. (427,148) as at March 31, 2018, total revenues of Nil and net cash outflows amounting to Rs.21,206 for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of Rs. 4,245 for the year ended March 31, 2018, as considered in the consolidated Ind AS financial statements, in respect of One jointly controlled entity, whose Ind AS financial statements have not been audited by us. These Ind AS financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this jointly controlled entity, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid jointly controlled entity, is based solely on such unaudited Ind AS financial statements. In our opinion and according to the information and explanations given to us by the Management, these Ind AS financial statements are not material to the Group.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to Ind AS financial statements certified by the Management.

The comparative financial information of the Group and jointly controlled entities for the year March 31, 2017 and the transition date opening consolidated balance sheet as at April 01, 2016 included in these consolidated Ind AS financial statements are based on the previously issued statutory consolidated financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 for the year ended March 31, 2017 and March 31, 2016 on which we issued an unmodified audit opinion vide our reports dated 06 June, 2017 and 30 May 2016 respectively on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Group, jointly controlled entities on transition to the Ind AS, which have also been audited by us.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit and on the consideration of separate financial statements and other financial information of subsidiaries, jointly controlled entities, as noted in the 'Other Matter' paragraph above, we report, to the extent applicable that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

(b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies, jointly controlled companies incorporated in India is disqualified as on March 31, 2018 from being appointed as a director of that Company in terms of Section 164 (2) of the Act.

(f) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the Emphasis of Matter paragraph above.

(g) With respect to the adequacy of the internal financial controls over financial reporting of the Group, its jointly controlled entity and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on separate financial statements as also the other financial information of the subsidiary and jointly controlled entity, as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its jointly controlled entity– Refer Note 30 to the consolidated Ind AS financial statements.

ii. The Group, its jointly controlled entity did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2018.

iii. Following are the instances of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and jointly controlled entity.

Sr. No.	Date of Payment	Amount	No of days delay
1	28/12/2017	329,751	248 Days
2	20/02/2018	169	302 Days

For MSKA & Associates
(Formerly known as MZSK & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W

Ananthakrishnan G

Partner
Membership No.205226

Place :Hyderabad
Date :30th May, 2018

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF DQ ENTERTAINMENT (INTERNATIONAL) LIMITED

[Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of DQ Entertainment (International) Limited on the Financial Statements for the year ended 31st March, 2018]

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of DQ Entertainment (International) Limited (hereinafter referred to as "the Holding Company").

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding company.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to Only holding Company and does not have subsidiary companies, and jointly controlled companies, which are companies incorporated in India.

For MSKA & Associates
(Formerly known as MZSK & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W

Ananthakrishnan G

Partner
Membership No.205226

Place :Hyderabad
Date :30th May, 2018

Consolidated Balance Sheet as at 31 March 2018

(Amount in INR, unless otherwise stated)

	Notes	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
ASSETS				
Noncurrent assets				
Property, plant and equipment	6 A	106,813,228	94,474,524	116,892,712
Capital work-in-progress		1,166,745	1,891,736	1,166,745
Intangible assets	6 B	2,353,013,889	2,330,580,705	2,161,048,854
Intangible asset under development	6 C	4,279,278,601	3,713,856,764	4,783,944,663
Financial assets				
Other Financial assets	7	42,986,649	31,064,188	99,519,163
Deferred tax asset (net)	8	857,897,184	831,262,658	825,152,842
Other non-current assets	9	18,621,942	25,607,204	69,505,052
Total non-current assets		**7,659,778,238**	**7,028,737,779**	**8,057,230,031**
Current assets				
Financial assets				
Trade receivables	10	307,941,892	332,656,392	882,467,812
Cash and cash equivalents	11	118,187,039	193,508,110	115,857,584
Other current assets	12	438,493,279	373,101,412	612,280,040
Total current assets		**864,622,210**	**899,265,914**	**1,610,605,436**
Total assets		**8,524,400,448**	**7,928,003,693**	**9,667,835,467**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	13	792,830,000	792,830,000	792,830,000
Other equity	14	276,519,745	432,767,947	2,646,197,901
Total equity		**1,069,349,745**	**1,225,597,947**	**3,439,027,901**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	15	5,172,222,199	3,930,444,203	2,678,408,293
Employee Benefit Obligations	16	123,495,533	115,129,401	127,901,482

Other non-current liabilities	17	6,214,660	7,190,820	7,873,872
Total non-current liabilities		**5,301,932,392**	**4,052,764,424**	**2,814,183,647**
Current liabilities				
Financial liabilities				
Borrowings	18	958,006,941	1,169,951,664	1,034,607,902
Trade payables	19	106,406,284	121,654,313	486,643,794
Other current liabilities	20	1,008,942,615	1,103,584,687	1,557,525,245
Employee Benefit Obligations & Other Provisions	21	77,957,781	71,287,695	41,352,110
Current tax liabilities (net)	22	1,804,690	183,162,963	294,494,868
Total current liabilities		**2,153,118,311**	**2,649,641,322**	**3,414,623,919**
Total liabilities		**7,455,050,703**	**6,702,405,746**	**6,228,807,566**
Total equity and liabilities		**8,524,400,448**	**7,928,003,693**	**9,667,835,467**
See accompanying notes to the Financial Statements	1-44			

The accompanying notes from 1 to 44 are an integral part of the financial statements.

As per our report of even date

For MSKA & Associates

Chartered Accountants

Firm Registration No 105047 W

Ananthakrishnan G

Partner

(M.No 205226)

Place: Hyderabad

Date: 30.05.2018

For and on behalf of the Board of Directors

DQ Entertainment (International) Limited

CIN:L92113TG2007PLC053585

Tapaas Chakravarti

CMD & CEO

DIN:00559533

Place: Hyderabad

Date: 30.05.2018

Sanjay Choudhary

Chief Financial officer

Place: Hyderabad

Date: 30.05.2018

S.Sundar

Director

DIN:03170456

Place: Hyderabad

Date: 30.05.2018

Annie Jodhani

Company Secretary

Membership No : A42431

Place: Hyderabad

Date: 30.05.2018

Consolidated Statement of Profit and Loss for the year ended 31 March 2018

(Amount in INR, unless otherwise stated)

		For the year ended	
Particulars	Notes	31 March 2018	31 March 2017
Income:			
Revenue from operations	23	801,505,773	944,227,993
Other income	24	892,233,826	85,390,836
Total Income		**1,693,739,599**	**1,029,618,829**
Expenses			
Production Expenses	25	33,002,878	57,567,135
Employee benefits expense	26	511,816,607	481,980,031
Finance costs	27	866,520,684	668,758,224
Depreciation and amortization expense	6 A, B & C	646,916,802	821,752,400
Other expenses	28	381,830,053	1,265,662,120
Expenses transferred to Capital Account		(377,817,635)	(78,838,164)
Total expenses		**2,062,269,389**	**3,216,881,746**
Profit /(Loss) before exceptional items and tax		**(368,529,790)**	**(2,187,262,917)**
Exceptional items		-	-
Profit /(Loss) before tax		**(368,529,790)**	**(2,187,262,917)**
Income tax expense			
Current tax			
For the Year		-	-
Reversal of Excess Provision of earlier year		188,172,338	-
MAT Credit entitlement		17,837,719	2,495,418
Deferred tax Income/(Charge)	8	14,127,322	4,610,559
Total income tax expense		**220,137,379**	**7,105,977**
Profit/(Loss) for the year		**(148,392,411)**	**(2,180,156,940)**
Other comprehensive income			

Items that will be reclassified to profit or loss			
Net (loss)/gain on FVTOCI debt securities		-	-
Income tax effect		-	-
		-	-
Items that will not to be reclassified to profit or loss			
Re-measurement of net defined benefit liability		12,437,867	(4,316,698)
Income tax effect		5,330,514	996,161
		17,768,381	(3,320,537)
Other comprehensive income for the year, net of tax		**17,768,381**	**(3,320,537)**
Total comprehensive income for the year		**(130,624,030)**	**(2,183,477,477)**
Earnings / (Loss) per share			
Basic earnings /(loss) per share (INR)	37	(1.87)	(27.50)
Diluted earnings /(loss) per share (INR)	37	(1.87)	(27.50)
See accompanying notes to the Financial Statements	1-44		

The accompanying notes from 1 to 44 are an integral part of the financial statements.

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No 105047 W

For and on behalf of the Board of Directors
DQ Entertainment (International) Limited
CIN:L92113TG2007PLC053585

Ananthakrishnan G
Partner
(M.No 205226)

Place: Hyderabad
Date: 30.05.2018

Tapaas Chakravarti
CMD & CEO
DIN:00559533

Place: Hyderabad
Date: 30.05.2018

Sanjay Choudhary
Chief Financial officer

Place: Hyderabad
Date: 30.05.2018

S.Sundar
Director
DIN:03170456

Place: Hyderabad
Date: 30.05.2018

Annie Jodhani
Company Secretary
Membership No : A42431

Place: Hyderabad
Date: 30.05.2018

Consolidated Cash Flow Statement for the year ended 31 March 2018

(Amount in INR, unless otherwise stated)

		31 March 2018		31 March 2017	
A	**Cash flow from Operating Activities**				
	Profit Before Tax		(368,529,789)		(2,187,262,917)
	Adjustments for				
	Depreciation and amortisation	646,916,625		821,752,400	
	Depreciation transferred to capital account	-		-	
	Interest income	(2,242,109)		(2,276,571)	
	Liabilities no longer required written back	(23,454,782)		(81,870,013)	
	Provision for bad and doubtful debts and other non cash items	4,463,942		545,613,976	
	Other Comprehensive Income	12,437,867		(4,316,698)	
	Interest expenses	789,638,663		644,242,517	
	(Profit) / Loss on sale of fixed assets	(675,324)		(1,244,252)	
	Unrealised (gain)/loss due to exchange differences	(499,075,255)		(129,245,568)	
			928,009,627		1,792,655,790
	Operating profit before working capital changes		**559,479,838**		**(394,607,127)**
	Changes in Working Capital				
	(Decrease)/Increase in Trade and other receivables		(51,529,824)		830,392,478
	(Decrease)/Increase in Trade payables, other liabilities and provisions		(109,640,155)		65,266,666
	Cash generated used in Operations		**398,309,859**		**501,052,017**
	Income tax paid		(20,000,000)		(102,000,000)

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	Net Cash flows used in Operating activities		**378,309,859**		**399,052,017**
B	**Cash flow from Investing Activities**				
	Purchase of fixed assets - Tangibles	(49,646,597)		(6,509,150)	
	Purchase of fixed assets - Intangible	(727,594,684)		(515,857,510)	
	Proceeds from Sale of fixed assets	180,114		2,217,871	
	Investment in deposits	(11,922,460)		(88,267,846)	
	Interest received on deposits with banks and other deposits etc.,	2,242,109		1,949,461	
	Net Cash flows from Investing activities		**(786,741,518)**		**(606,467,174)**
C	**Cash flow from Financing Activities**				
	Interest and financing charges paid	(460,474,223)		(459,589,355)	
	Proceeds from borrowings from Banks / Bonds	1,486,000		-	
	Repayment of term loans	1,004,043,534		609,311,275	
	Proceeds on account of working capital Loans (Net)	(211,944,723)		135,343,763	
	Net Cash flows from Financing activities		**333,110,588**		**285,065,683**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)		(75,321,071)		77,650,526
	Cash and cash equivalents as at the beginning of the year		193,508,110		115,857,584
	Cash and cash equivalents as at the end of the year		118,187,039		193,508,110

	Cash and cash equivalents comprise (Refer Note no.11)				
	Balances with Banks				
	Current Accounts		117,943,884		193,474,494
	Cash on hand		243,155		33,616
	Total Cash and bank balances at the end of the year		**118,187,039**		**193,508,110**

As per our report of even date

For MSKA & Associates

Chartered Accountants

Firm Registration No 105047 W

For and on behalf of the Board of Directors

DQ Entertainment (International) Limited

CIN:L92113TG2007PLC053585

Ananthakrishnan G

Partner

(M.No 205226)

Place: Hyderabad

Date: 30.05.2018

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Sanjay Choudhary

Chief Financial officer

Place: Hyderabad

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S.Sundar

Director

DIN:03170456

Place: Hyderabad

Date: 30.05.2018

Annie Jodhani

Company Secretary

Membership No : A42431

Place: Hyderabad

Date: 30.05.2018

Statement of changes in equity for the year ended 31 March 2018

(Amount in INR, unless otherwise stated)

Particulars	Equity Share Capital	Other Equity							Total equity attributable to equity holders of the company
		Reserves & Surplus					Other Comprehensive Income		
		Securities premium reserve	Capital Redemption Reserve	Foreign Currency Translation Reserve	General reserve	Retained earnings	FVTOCI Reserve on equity instruments	Others	
Balance as at 1 April 2016	792,830,000	1,946,676,702	1,763,860	348,781,585	5,487,393	338,959,368		4,528,992	3,439,027,901
Profit/(Loss) for the year				(28,956,316)		(2,180,156,940)		(4,316,698)	(2,213,429,954)
Other comprehensive income						-			-
Total other comprehensive income for the year	-	-	-	(28,956,316)	-	(2,180,156,940)	-	(4,316,698)	(2,213,429,954)
Transactions with owners in their capacity as owners	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2017	**792,830,000**	**1,946,676,702**	**1,763,860**	**319,825,269**	**5,487,393**	**(1,841,197,572)**	**-**	**212,294**	**1,225,597,947**

Particulars	Equity Share Capital	Other Equity							Total equity attributable to equity holders of the company
		Reserves & Surplus					Other Comprehensive Income		
		Securities premium reserve	Capital Redemption Reserve	Foreign Currency Translation Reserve	General reserve	Retained earnings	FVTOCI Reserve on equity instruments	Others	
Balance as at 1 April 2017	792,830,000	1,946,676,702	1,763,860	319,825,269	5,487,393	(1,841,197,572)	-	212,294	1,225,597,947
Profit/(Loss) for the year	-	-	-	(20,293,657)	-	(148,392,411)	-	12,437,867	(156,248,201)
Other comprehensive income	-	-	-		-	-	-	-	-
Total other comprehensive income for the year	-	-	-	(20,293,657)	-	(148,392,411)	-	12,437,867	(156,248,201)
Transactions with owners in their capacity as owners	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2018	**792,830,000**	**1,946,676,702**	**1,763,860**	**299,531,612**	**5,487,393**	**(1,989,589,983)**	**-**	**12,650,161**	**1,069,349,745**

See accompanying notes to the financial statements 1-44

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For MSKA & Associates
Chartered Accountants
Firm Registration No 105047 W

Ananthakrishnan G
Partner
(M.No 205226)

Place: Hyderabad
Date: 30.05.2018

For and on behalf of the Board of Directors

DQ Entertainment (International) Limited
CIN:L92113TG2007PLC053585

Tapaas Chakravarti
CMD & CEO
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Place: Hyderabad
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Chief Financial officer

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S.Sundar
Director
DIN:03170456

Place: Hyderabad
Date: 30.05.2018

Annie Jodhani
Company Secretary
Membership No : A42431

Place: Hyderabad
Date: 30.05.2018

Notes forming part of the Financial Statements for the year ended 31 March 2018
(Amount in INR, unless otherwise stated)

1. General Information

DQ entertainment (International) Limited ("the Company", "DQE") is a listed company incorporated in 2007. DQ Entertainment (International) Limited is in the creation, production, distribution, licensing and marketing of all forms of entertainment. It has the largest animation production capacity for Television, Feature Films, Home Video, Online Game Art, mobile and next generation console games across all formats as well as Visual Effects. DQE has also forayed into live-action and feature films production and distribution.

2. Significant accounting policies

Significant accounting policies adopted by the company are as under:

2.1 Basis of Preparation of Financial Statements

a) Statement of Compliance with Ind AS

These financial statements are prepared under the historical cost convention on accrual basis in accordance with accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements up to year ended 31 March 2017 were prepared in accordance with the accounting standards notified under the section 133 of the Act, read with with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

b) Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis, and there were no material items that have been measured at fair value.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the rendering of service and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and noncurrent classification of assets and liabilities.

c) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected.

2.2 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation / amortization and impairment if any. Costs include all expenses incurred to bring the assets to its present location and condition.

Distribution rights represent the cost incurred on acquisition /development of animation contents for exploitation.

Capital work-in-progress comprises outstanding advances paid to acquire fixed assets and the cost of fixed asset (including expenditure during construction) that are not yet ready for their intended use before the balance sheet date.

Capital work-in-progress also includes Direct or indirect expenses incurred on the Development of Projects in order to create Intellectual Property or Content, which are exploited on any form of media, as an intangible asset under development in accordance with AS 26 (intangible assets). In the event, the project is not scheduled for production within three years, or project is abandoned, the carrying value of the Development Rights would be expensed in the year in which such project is discontinued or abandoned.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1 April 2016 measured as per the Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives

The Company depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

Property, plant and equipment	Useful Life
Hardware & Software (CGI*)	3 years
Hardware & Software	3 years
Generators	10 years
Office Equipment	5 years
Furniture & Fixtures	10 years
Vehicles	8 years

*Computer Generated Imagery

Based on the technical experts assessment of useful life, certain items of property plant and equipment are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Companies Act, 2013. Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

2.3 Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortization.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its all intangible assets recognised as at 1 April 2016 measured as per the Indian GAAP and use that carrying value as the deemed cost of the intangible assets.

The Company amortized intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible assets are as follows:

Intangible assets	Useful life
Distribution Rights	10 years
Computer Software	6 years

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

2.4 Foreign Currency Transactions

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

(b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/ Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

2.5 Revenue Recognition

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met as described below.

(a) Production Income:

Revenue represents amounts receivable for production and is recognised in the profit and loss account in proportion to the stage of completion of the transaction at the date of the balance sheet. The stage of completion can be measured reliably and is assessed by reference to work completed as of the date of the balance sheet. The company uses the services performed to date as a percentage of total services to be performed as the method for determining the stage of completion. Where services are in progress and where the amounts invoiced exceed the revenue recognised, the excess is shown as advance from customers. Where the revenue recognized exceeds the invoiced amount, the amounts are classified as unbilled revenue.

The stage of completion for each episode is estimated by the management at the onset of the series by breaking each episode into specific activities and estimating the efforts required for the completion of each activity. Revenue is then allocated to each activity based on the proportion of efforts required to complete the activity in relation to the overall estimated efforts. Management's estimates of the efforts required in relation to the stage of completion, determined at the onset of the series, are revisited at the date of the balance sheet and any material deviations from the initial estimate are recognised in the profit and loss account. The company's services are performed by a determinable number of acts over the duration of the project and hence revenue is not recognised on a straight-line basis. Contract costs that are not probable of being recovered are recognised as an expense immediately.

(b) Distribution Income:

Revenue from the licensing of distribution rights where there is an ongoing performance obligation is recognized on a straight line basis over the term of the licensing agreement and in the case of the license fee from co-production rights on the date declared by the licensee. Revenue from the licensing of distribution rights under a non-cancellable contract, which permits the licensee to freely exploit those rights and where the Company has no remaining obligations to perform, is recognised at the time of sale.

(c) Training Income:

Revenue from training is recognised over a period of instruction.

(d) Other Income

Interest Income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists. Interest income on deposits/loans is recognized on accrual basis.

2.6 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

(a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(b) Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.7 Leases

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as a lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lesser) are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Also initial direct cost incurred in operating lease such as commissions, legal fees and internal costs is recognised immediately in the Statement of Profit and Loss.

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2.8 Impairment of non-financial assets

The Company assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

2.9 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.10 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.

2.11 Employee Benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(b) Other long-term employee benefit obligations

(i) Defined contribution plan

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

(ii) Defined benefit plans

Gratuity: The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.
Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

Leaves under define benefit plans can be encashed only on discontinuation of service by employee.

2.12 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

2.13 Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

3. Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

3.1 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Taxes:

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(b) Defined benefit plans (gratuity benefits and leave encashment):

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

(c) Intangible asset under development

The Company capitalises intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. At 31 March 2018, the carrying amount of capitalised intangible asset under development was INR 24,644,746 (31 March 2017: INR 41,749,844, 1 April 2016: 100,744,301).

4. Standards (including amendments) issued but not yet effective

The standards and interpretations that are issued, but not yet effective up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

(a) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company is currently evaluating the requirements of amendments. The Company believe that the adoption of this amendment will not have a material effect on its financial statements.

(b) Ind AS 115- Revenue from Contract with Customers

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

(i) Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors

Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company is currently evaluating the requirements of amendments. The Company believes that the adoption of this amendment will not have a material effect on its financial statements.

5. First-time adoption of Ind-AS

These financial statements are the first set of Ind AS financial statements prepared by the Company. Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ending on 31 March 2018, together with the comparative year data as at and for the year ended 31 March 2017, as described in the significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, being the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017.

5.1 Exemptions availed on first time adoption of Ind AS

Ind AS 101, First-time Adoption of Indian Accounting Standards, allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions.

(a) Deemed Cost

Since there is no change in the functional currency, the Company has elected to continue with carrying value for all of its property, plant and equipment as recognized in its Indian GAAP financial statements as its deemed cost at the date of transition after making adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38, Intangible Assets and investment properties. Accordingly the management has elected to measure all of its property, plant and equipment, investment properties and intangible assets at their Indian GAAP carrying value.

5.2 Mandatory Exemption on first-time adoption of Ind AS

(a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with Indian GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Indian GAAP:

(i) Impairment of financial assets based on expected credit loss model.

(b) Derecognition of financial assets and financial liabilities

A first-time adopter should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively to transactions occurring on or after the date of transition. Therefore, if a first-time adopter derecognized non-derivative financial assets or non-derivative financial liabilities under its Indian GAAP as a result of a transaction that occurred before the date of transition, it should not recognize those financial assets and liabilities under Ind AS (unless they qualify for recognition as a result of a later transaction or event). A first-time adopter that wants to apply the derecognition requirements in Ind AS 109,Financial Instruments, retrospectively from a date of the entity's choosing may only do so, provided that the information needed to apply Ind AS 109,Financial Instruments, to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the de-recognize provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

(c) Classification and measurement of financial assets

Ind AS 101, First-time Adoption of Indian Accounting Standards, requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Notes forming part of the Financial Statements for the year ended 31 March 2018

5.3 Reconciliations

The following reconciliations provides the effect of transition to Ind AS from Indian GAAP in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards:

(a) Reconciliation of equity as at date of transition 1 April 2016

(Amount in INR, unless otherwise stated)

	Notes to first-time adoption	Indian GAAP*	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment		116,892,712	-	116,892,712
Capital work-in-progress		1,166,745	-	1,166,745
Investment property		-	-	-
Goodwill		-	-	-
Other intangible assets		2,161,048,854	-	2,161,048,854
Intangible asset under devlopment		4,783,944,663		4,783,944,663
Financial assets				
Investments		-	-	-
Loans		-	-	-
Other financial assets	f(i)	99,904,743	(385,580)	99,519,163
Deferred tax asset (net)	f(ii)	219,216,484	605,936,358	825,152,842
Other non-current assets		69,505,052	-	69,505,052
Total non-current assets		**7,451,679,253**	**605,550,778**	**8,057,230,031**
Current assets				
Financial assets				
Investments		-	-	-
Trade receivables	f(iii)	3,169,182,293	(2,286,714,480)	882,467,813
Cash and cash equivalents		115,857,583	-	115,857,583
Bank balances other than above		-	-	-
Loans		-	-	-
Other financial assets		-	-	-
Current tax assets (net)		-	-	-
Other current assets	f(i)	612,280,040	-	612,280,040

Total current assets		**3,897,319,916**	**(2,286,714,480)**	**1,610,605,436**
Total assets		**11,348,999,169**	**(1,681,163,702)**	**9,667,835,467**
EQUITY AND LIABILITIES				
Equity				
Equity share capital		792,830,000	-	792,830,000
Other equity	f(i),(iv) & (v)	4,302,286,713	(1,656,088,812)	2,646,197,901
Total equity		**5,095,116,713**	**(1,656,088,812)**	**3,439,027,901**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	f(vi)	2,634,696,542	43,711,751	2,678,408,293
Other financial liabilities		-	-	-
Employee benefit obligations		127,901,482	-	127,901,482
Other non-current liabilities	f(iv),(v)	-	7,873,873	7,873,873
Total non-current liabilities		**2,762,598,024**	**51,585,624**	**2,814,183,648**
Current liabilities				
Financial liabilities				
Borrowings		1,034,607,902	-	1,034,607,902
Trade payables		486,643,794	-	486,643,794
Other financial liabilities		-	-	-
Other current liabilities	f(v), (viii)	1,634,185,758	(76,660,514)	1,557,525,245
Employee benefit obligations		41,352,110	-	41,352,110
Current tax liabilities (net)		294,494,868	-	294,494,868
Total current liabilities		**3,491,284,432**	**(76,660,514)**	**3,414,623,918**
Total liabilities		**6,253,882,456**	**(25,074,890)**	**6,228,807,566**
Total equity and liabilities		**11,348,999,169**	**(1,681,163,702)**	**9,667,835,467**

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

(b) Reconciliation of equity as at 31 March 2017

	Notes to first-time adoption	Indian GAAP*	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment		94,474,524	-	94,474,524
Capital work-in-progress		1,891,736	-	1,891,736
Investment property		-	-	-
Goodwill		-	-	-
Other intangible assets		2,330,580,705	-	2,330,580,705
Intangible asset under devlopment		3,713,856,764	-	3,713,856,764
Financial assets				-
Investments		-	-	-
Loans		-	-	-
Other financial assets	f(i)	31,436,133	(371,945)	31,064,188
Deferred tax asset (net)	f(ii)	831,262,658	-	831,262,658
Other non-current assets		25,607,204	-	25,607,204
Total non-current assets		**7,029,109,724**	**(371,945)**	**7,028,737,779**
Current assets				
Inventories		-	-	-
Financial assets				
Investments		-	-	-
Trade receivables	f(iii)	640,406,582	(307,750,190)	332,656,392
Cash and cash equivalents		193,508,110	-	193,508,110
Bank balances other than above		-	-	-
Loans		-	-	-
Other financial assets		-	-	-
Current tax assets (net)		-	-	-
Other current assets	f(i)	346,376,684	26,724,729	373,101,412
Total current assets		**1,180,291,375**	**(281,025,461)**	**899,265,914**
Total assets		**8,209,401,100**	**(281,397,406)**	**7,928,003,693**

EQUITY AND LIABILITIES				
Equity				
Equity share capital		792,830,000	-	792,830,000
Other equity	f(i),(iv) & (v)	768,560,996	(335,793,049)	432,767,947
Total equity		**1,561,390,996**	**(335,793,049)**	**1,225,597,947**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	f(vi)	3,826,707,560	103,736,643	3,930,444,203
Other financial libailties		-	-	-
Employee benefit obligations		115,129,401	-	115,129,401
Other non-current liabilities	f(iv),(v)	-	7,190,820	7,190,820
Total non-current liabilities		**3,941,836,961**	**110,927,463**	**4,052,764,424**
Current liabilities				
Financial liabilities				
Borrowings		1,169,951,664	-	1,169,951,664
Trade payables		121,654,313	-	121,654,313
Other financial liabilities		-	-	-
Other current liabilities	f(v), (viii)	1,160,116,507	(56,531,819)	1,103,584,687
Employee benefit obligations		71,287,695	-	71,287,695
Current tax liabilities (net)		183,162,963	-	183,162,963
Total current liabilities		**2,706,173,142**	**(56,531,819)**	**2,649,641,322**
Total liabilities		**6,648,010,104**	**54,395,643**	**6,702,405,746**
Total equity and liabilities		**8,209,401,100**	**(281,397,406)**	**7,928,003,693**

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

(c) Reconciliation of profit or loss for the year ended 31 March 2017

	Notes to first-time adoption	Indian GAAP*	Adjustments	Ind AS
Income				
Revenue from operations	f(vii) & h(viii)	939,631,976	4,596,017	944,227,993
Other income	f(i)	85,063,726	327,110	85,390,836
Total income		**1,024,695,702**	**4,923,127**	**1,029,618,829**
Expenses				
Production expenses		57,567,135	-	57,567,135
Purchase of Stock-in-trade		-	-	-
Changes in inventories of finished goods, stock-in-trade and work-in-progress		-	-	-
Employee benefit expense	f (v)	485,300,568	(3,320,537)	481,980,031
Finance costs	f(vi)	608,419,857	60,338,367	668,758,224
Depreciation and amortization expense		821,752,400	-	821,752,400
Other expenses	f (iii)	3,247,309,462	(1,981,647,342)	1,265,662,120
Expenses transferred to Capital account		(78,838,165)	-	(78,838,165)
Total expenses		**5,141,511,258**	**(1,924,629,512)**	**3,216,881,746**
Profit /(Loss) before exceptional items and tax		**(4,116,815,556)**	**1,929,552,640**	**(2,187,262,917)**
Exceptional items		-	-	-
Profit /(Loss) before tax		**(4,116,815,556)**	**1,929,552,640**	**(2,187,262,917)**
Tax expense				
Current tax		2,495,418	-	2,495,418
Deferred tax	f(ii)	609,550,756	(604,940,197)	4,610,559
Total income tax expense		**612,046,174**	**(604,940,197)**	**7,105,977**
Loss for the year		**(3,504,769,382)**	**1,324,612,442**	**(2,180,156,940)**

Other comprehensive income				
Items that will be reclassified subsequently to profit or loss				
Net (loss)/gain on FVTOCI debt securities		-	-	-
Income tax effect		-	-	-
Exchange differences on translation of foreign operations		-	-	-
Income tax effect		-	-	-
Items that will not be reclassified to profit or loss				
Net (loss)/gain on FVTOCI equity Securities		-	(4,316,698)	(4,316,698)
Remeasurement of net defined benefit liability				-
Income tax effect		-	996,161	996,161
		-	(3,320,537)	(3,320,537)
Other comprehensive income for the year		**-**	**(3,320,537)**	**(3,320,537)**
Total other comprehensive income for the year		**(3,504,769,382)**	**1,321,291,905**	**(2,183,477,477)**

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

(d) Reconciliation of total equity as at 31 March 2017 and 1 April 2016

	Notes to first-time adoption	As at 1 April 2017	As at 1 April 2016
Shareholder's equity as per Indian GAAP audited financial statements		1,561,390,996	5,095,116,713
Adjustment			
(i) Reversal of lease equalization reserve	f(iv)	(8,556,924)	(7,873,872)
(ii) Revenue adjustment		-	-
(iii) Provision for Doubtful debts	f(iii)	(307,750,190)	(2,286,714,480)
(iv) Deferred Rent	f(i)	(1,673,870)	(1,673,870)

(v) Gratutiy OCI	f(ix)	-	-
(vi) Deferred Revenue	f(vii)	168,270,467	188,399,180
(vii) EIR Impact of security deposit	f(i)	1,671,869	1,288,291
(viii) Deferred Tax	f(ii)	996,161	605,936,358
(ix) Bank Charges		2,000,000	-
(x) Unbilled Balances written off	f(viii)	(87,013,919)	(111,738,649)
(xi) Effective Interest on Bonds	f(vi)	(103,736,642)	(43,711,768)
(xii) ESOP Trust accounting		-	-
Total Adjustment		(335,793,049)	(1,656,088,812)
Shareholder's equity as per Ind AS		**1,225,597,947**	**3,439,027,901**

(e) Reconciliation of total comprehensive income for the year ended 31 March 2017

	Notes to first-time adoption	As at 1 April 2017
Loss as per Indian GAAP		(3,504,769,382)
Adjustment		
(i) Reversal of lease equalization reserve		
(ii) EIR Impact of security deposit	f(i)	327,110
(iii) Gratuity Acturial OCI		-
(iv) Effective Interest on Bonds	f(vi)	(60,338,367)
(v) Provision for Doubtful Debts written back	f(iii)	1,981,647,341
(vi) Deferred Tax	f(ii)	(604,940,197)
(vii) Revenue Adjustment	f(vii)	4,596,017
Total		1,321,291,905
Loss as per Ind AS		**(2,183,477,477)**

(f) Notes to first-time adoption

(i) Security deposit

Under Indian GAAP, interest-free security deposit (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognized at fair value. Accordingly the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognized as prepaid rent. Consequently, the amount of security deposit as on 31 March 2017 has been decreased by INR 1521,925 (1 April 2016: INR1,849,035) with a corresponding increase in prepaid rent. The loss for the year ended 31 March 2017 and retained earnings as on 1 April 2016 has been decreased by INR 313,475 and INR 1,673,870, respectively due to amortization of prepaid rent. Amortization of prepaid rent in statement profit or loss is partially off-set by the notional interest income of INR 327,110 during the year ended 31 March 2017 and in retained earnings by INR 1,288,291 as on 1 April 2016 with corresponding increase in security deposit. As on 31 March 2017, The Company has classified INR 1,521,925 (1 April 2016: INR 1,849,035) as short-term prepaid rent.

Under Indian GAAP, as on 31 March 2017 the Company has classified INR 4,972,152 (1 April 2016:INR 4,972,152) as short term security deposit. Under Ind AS, as on 31 March 2017 short-term security deposits includes deposits which were measured at amortized cost due it long-term nature in the previous years. However, in current year the same has been classified as short-term as they will be settled within 12 months from the end of 31 March 2017. Therefore, Indian GAAP amount of INR 4,972,152 has been reduced by finance income amounting INR 327,110 (1 April 2016: INR 1,228,291) to be unwind on such security deposits in next year.

(ii) Deferred tax

Indian GAAP requires assessment of virtual certainty in case of losses for recognizing deferred tax asset, but under Ind AS deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

(iii) Provision for Doubtful Debts

Under I GAAP, the company has recognised INR 1,978,964,290 as provision for doubtful debts as of 31 March 2017. On adoption of IND AS, the company has made assessment of Expected Credit Loss (ECL) for its Trade Receivables and consequently recognised INR 2,286,714,480 as provision for doubtful debts on the date of transition i.e., 1 April 2016. As the company has already recognised provision for doubtful debts using expected credit loss method as of 1 April 2016, the entire provision of INR 1,978,964,290 recognised under IGAAP as of 31 March 2017 has been reversed and the net decrease in Trade Receivables as of 31 March 2017 is INR 307,750,190.

(iv) Lease equalization reserve

Under Indian GAAP, the Company has recognized lease equalization reserve as on 31 March 2018 amounting to NIL (31 March 2017: NIL) due to straight- line impact. In contrast, Ind AS 17, Leases, requires lease payments to be recognized on straight-line basis if the increase is not in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. The Company has lease agreements with an escalation clause which in line with expected general inflation, and hence no straight-lining of the lease payments have been done in Ind AS. Consequently, lease equalization reserve has been decreased with a corresponding adjustment in retained earnings as of 1 April 2016 by INR 7,873,872 and Rent expense during the year ending 31 March 2017 INR 683,052.

(v) Defined benefit liabilities

Both under Indian GAAP and Ind AS, the Company recognized costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to Statement of Profit and Loss. Under Ind AS, re-measurements comprising of actuarial gains and losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost for the year ended 31 March 2017 is reduced by INR 3,320,537 and re-measurement gains/ losses on defined benefit plans of the corresponding amount has been recognized in the OCI, net of taxes.

(vi) Interest on bonds

As per paragraph 5.2.1 of Ind AS 109, financial assets should be fair valued at subsequent measurement dates in case they are initially designation as FVTPL/FVTOCI. Bonds held by the Company are quoted in principle markets and hence are fair values using Level 1 inputs defined in Ind AS 113. Such market quotes include interest accrued and not due on bonds since last annual payments date. In local GAAP such bonds were carried at cost using principles of AS 13 and interests were accrued separately on time proportion basis. As fair valuation impact considered in footnote ix above are cum interest, interest separately recognized in local GAAP has been reversed:

	Amount
a. Interest on Bonds recognized on accrual basis now reversed in Ind AS (FY 2016-17)	51,897,076
b. Interest on Bonds recognized on accrual basis now reversed in Ind AS (FY 2015-16)	51,839,318

(vii) Revenue and Deffered Revenue

Under Indian GAAP, the company has recognised the revenue from distribution contracts on a straight line basis over the license period.Where as under Ind AS, if the company has no further obligation to perform, the entire revenue can be recognised upfront. Hence, due to this, there is an decrease in revenue under Ind As by INR 20,128,713 and in deferred to the extent of INR 20,128,713 (1 April 2016: INR 188,399,180).

(viii) Impairment of Unbilled Revenue and Reversal of Unearned Revenue

The company has made a decision to hold execution of certain projects due to low collections. Consequent to that the company has impaired unbilled revenue of Nil (1 April 2016:129,188,879) and reversed unearned revenue of INR 24,724,730 (1 April 2016: INR 17,450,230).

(ix) Other comprehensive income

The concept of Other Comprehensive Income (OCI) did not exist under Indian GAAP.
Also refer point (v) above.

(x) Statement of cash flows

No material impact on transition from Indian GAAP to Ind AS on the statement of cash flows.

6. Fixed Assets at Consolidated level

(Amount in INR, unless otherwise stated)

Particulars	Gross Block					Depreciation/Amortisation					Net Block	
	As at 1 April 2017	Additions	Deletions/ write off	Translation adjustment	As at 31 Mar 2018	As at 1 April 2017	For the year	Dele- tions/ write off	Translation & Elimination /adjustment	As at 31 Mar 2018	As at 31 March 2018	As at 31 March 2017
Property Plant & Equipment												
Leasehold land	11,116,123	-	-	-	**11,116,123**	413,065	413,065	-	-	**826,130**	10,289,993	10,703,058
Leasehold improvements	3,136,286	-	756,871	-	**2,379,415**	998,626	676,313	749,224	-	**925,715**	1,453,700	2,137,660
Plant & Machinery	86,152,285	47,272,110	2,051,582	(3,112)	**131,375,925**	20,210,918	32,592,582	1,952,966	(2,182)	**50,852,716**	80,523,209	65,941,367
Office equipments	3,017,489	510,895	295,449	-	**3,232,935**	1,590,325	614,197	281,927	-	**1,922,595**	1,310,340	1,427,164
Furniture, Fixtures & Interiors	10,071,500	148,061	5,241	-	**10,214,320**	1,914,173	1,694,523	5,367	-	**3,603,329**	6,610,991	8,157,327
Vehicles	7,237,820	1,711,907	1,488,902	-	**7,460,825**	1,129,872	1,137,276	1,427,764	3,554	**835,830**	6,624,995	6,107,948
Total	**120,731,503**	**49,642,973**	**4,598,045**	**(3,112)**	**165,779,543**	**26,256,979**	**37,127,956**	**4,417,248**	**1,372**	**58,966,315**	**106,813,228**	**94,474,524**
Intangible Assets												
IP rights*	2,789,340,470	398,475,901	-	(350,694,405)	**3,538,510,776**	466,304,717	604,805,622	208	(118,589,548)	**1,189,699,679**	2,348,811,097	2,323,035,753
Computer software	16,081,930	1,640,991	39,958	-	**17,682,963**	8,536,978	4,983,224	40,031	-	**13,480,171**	4,202,792	7,544,952
Total	**2,805,422,400**	**400,116,892**	**39,958**	**(350,694,405)**	**3,556,193,739**	**474,841,695**	**609,788,846**	**40,239**	**(118,589,548)**	**1,203,179,850**	**2,353,013,889**	**2,330,580,705**
Intangible asset under construction & Minium Guarantee	4,069,785,759	407,840,744	564,472,089	(752,230,064)	4,665,384,478	355,928,995	-	-	(30,176,882)	386,105,877	4,279,278,601	3,713,856,764
	4,069,785,759	**407,840,744**	**564,472,089**	**(752,230,064)**	**4,665,384,478**	**355,928,995**	**-**	**-**	**(30,176,882)**	**386,105,877**	**4,279,278,601**	**3,713,856,764**
Grand Total	**6,995,939,662**	**857,600,609**	**569,110,092**	**(1,102,927,581)**	**8,387,357,760**	**857,027,669**	**646,916,802**	**4,457,487**	**(148,765,058)**	**1,648,252,042**	**6,739,105,718**	**6,138,911,993**
Previous year figures	*7,061,886,229*	*1,226,146,931*	*795,853,360*	*496,240,138*	*6,995,939,662*	*-*	*821,752,400*	*414*	*(35,275,683)*	***857,027,669***	*6,138,911,993*	*7,061,886,229*

(Amount in INR, unless otherwise stated)

Particulars	Gross Block					Depreciation/Amortisation					Net Block	
	As at 1 April 2016	Additions	Deletions/ write off	Translation adjustment	As at 31 Mar 2017	As at 1 April 2016	For the year	Deltions/ write off	Translation & Elimination /adjustment	As at 31 Mar 2017	As at 31 March 2017	As at 31 March 2016
Property Plant & Equipment												
Leasehold land	11,116,123	-	-	-	**11,116,123**	-	413,065	-	-	**413,065**	10,703,058	11,116,123
Leasehold improvements	3,121,286	15,000	-	-	**3,136,286**	-	998,626	-	-	**998,626**	2,137,660	3,121,286
Plant & Machinery	83,317,725	2,834,560	-	-	**86,152,285**	-	20,209,523	(1,395)	-	**20,210,918**	65,941,367	83,317,725
Office equipments	2,884,669	132,820	-	-	**3,017,489**	-	1,590,325	-	-	**1,590,325**	1,427,164	2,884,669
Furniture, Fixtures & Interiors	10,007,094	64,406	-	-	**10,071,500**	-	1,914,303	130	-	**1,914,173**	8,157,327	10,007,094
Vehicles	6,445,815	1,763,754	971,749	-	**7,237,820**	-	1,129,872	-	-	**1,129,872**	6,107,948	6,445,815
Total	**116,892,712**	**4,810,540**	**971,749**	**-**	**120,731,503**	**-**	**26,255,714**	**(1,265)**	**-**	**26,256,979**	**94,474,524**	**116,892,712**
Intangible Assets												
IP rights*	2,146,142,730	772,612,148	-	129,414,408	**2,789,340,470**	-	511,007,685	1,603	44,701,365	**466,304,717**	2,323,035,753	2,146,142,730
Computer software	14,906,124	1,175,806	-		**16,081,930**	-	8,537,054	76	-	**8,536,978**	7,544,952	14,906,124
Total	**2,161,048,854**	**773,787,954**	**-**	**129,414,408**	**2,805,422,400**	**-**	**519,544,739**	**1,679**	**44,701,365**	**474,841,695**	**2,330,580,705**	**2,161,048,854**
Intangible asset under construction & Minium Guarantee	4,783,944,663	447,548,437	794,881,611	366,825,730	4,069,785,759	-	275,951,947	-	(79,977,048)	355,928,995	3,713,856,764	4,783,944,663
	4,783,944,663	**447,548,437**	**794,881,611**	**366,825,730**	**4,069,785,759**	**-**	**275,951,947**	**-**	**(79,977,048)**	**355,928,995**	**3,713,856,764**	**4 ,783,944,663**
Grand Total	**7,061,886,229**	**1,226,146,931**	**795,853,360**	**496,240,138**	**6,995,939,662**	**-**	**821,752,400**	**414**	**(35,275,683)**	**857,027,669**	**6,138,911,993**	**7,061,886,229**
Previous year figures	*7,826,127,291*	*2,462,547,394*	*937,050,330*	*(499,263,998)*	*9,850,888,353*	*2,308,807,883*	*452,339,540*	*826,777*	*28,680,913*	*2,789,001,559*	*7,061,886,794*	*5,517,319,408*

IP Rights*

IP rights represent the costs incurred in developing/co-producing/acquiring IP rights. The Company started acquiring these rights from the year 2003-04 and till date 61 series (31.03.2017: 58) of Animation rights have been acquired for different territories across the globe. The Company has performed testing for impairment of IP rights which resulted in an impairment loss of Rs. 239,344,375 (31.03.2017: Rs.452,658,337) on account of recoverable amount of IP rights being less than its carrying amount.

Intangible assets under construction are the projects under development to be exploited as Television Series/Films and others. Based on review of estimated future realizations the management is of the view that estimated future recoverable amount from these projects are more than its carrying unamortized cost and consequently no provision for impairment is considered necessary by the management at this stage.

The company has intangibles to the value of Rs. 2,353.01 Mn. To support the carrying value of these intangible assets as at March 31, 2018, the company has prepared projected revenue streams from exploitation, discounted to their present values using a discount factor of 17%. There is uncertainty and judgement involved in the estimated projected revenue streams of these assets. If sufficient revenue streams are not generated then a provision for impairment is required to reduce the carrying value of these assets to their recoverable amount. The company is of the opinion that the carrying value of the intangible assets Rs. 2,353.01 Mn as at March 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.

Financial Assets

7. Non-Current Financial assets - Others

(Amount in INR, unless otherwise stated)

Particulars	As at		
	31 March 2018	31 March 2017	1 April 2016
Security and Other Collateral Deposits	42,150,143	29,914,208	98,055,708
Deferred Rent	836,506	1,149,980	1,463,455
Total	**42,986,649**	**31,064,188**	**99,519,163**

8. Income Tax

(Amount in INR, unless otherwise stated)

Particulars	As at	
A. Deferred tax relates to the following:	**31 March 2018**	**31 March 2017**
Deferred tax assets		
On property, plant and equipment	-	-
On provision for employee benefits	59,994,378	50,095,678
On disallowance u/s 40A of Income Tax Act, 1961	648,741,377	647,740,542
On unabsorbed depreciation and carry forward business losses	-	-
Current year losses	-	-
Previous year losses	171,988,280	154,150,561
Unabsorbed depreciation	-	-
On convertible preference shares	-	-
On others	-	-
	880,724,035	851,986,781
Deferred tax liabilities		
On asset classified as held for sale	-	-
On convertible preference shares	-	-
On re-measurements gain/(losses) of post-employment benefit obligations	-	-
On others	22,826,851	20,724,123
	22,826,851	20,724,123

B. Recognition of deferred tax asset to the extent of deferred tax liability			
Balance sheet	**31 March 2018**	**31 March 2017**	**1 April 2016**
Deferred tax asset	880,724,035	851,986,781	850,783,656
Deferred tax liabilities	(22,826,851)	(20,724,123)	(25,630,814)
Deferred tax assets/ (liabilities), net	**857,897,184**	**831,262,658**	**825, 152,842**

C. Reconciliation of deferred tax assets/ (liabilities) (net)		
	31 March 2018	31 March 2017
Opening balance as of 1 April	831,262,658	825,152,842
Tax liability recognized in Statement of Profit and Loss	-	-
Tax liability recognized in OCI	-	-
On re-measurements gain/(losses) of post-employment benefit obligations	(5,330,512)	(996,161)
Tax liability recognized directly in equity	-	-
On convertible preference shares	-	-
Tax asset recognized in Statement of Profit and Loss	31,965,041	7,105,977
Closing balance as at 31 March	**857,897,187**	**831,262,658**

D. Deferred tax assets/ (liabilities) to be recognized in Statement of Profit and Loss		
	31 March 2018	31 March 2017
Tax liability	-	-
Tax asset	31,965,041	7,105,977
	31,965,041	**7,105,977**

E. Income tax expense	31 March 2018	31 March 2017
Current tax		
For the Year	-	-
Reversal of Excess Provision of earlier year	188,172,338	-
MAT Credit entitlement	17,837,719	2,495,418
Deferred tax Income/(Charge)	14,127,322	4,610,559
Income tax expense reported in the statement of profit or loss	**220,137,379**	**7,105,977**

F. Income tax expense charged to OCI	31 March 2018	31 March 2017
Unrealised (gain)/loss on FVTOCI debt securities	-	-
Unrealised (gain)/loss on FVTOCI equity securities	-	-
Net loss/(gain) on remeasurements of defined benefit plans	5,330,514	996,161
Income tax charged to OCI	**5,330,514**	**996,161**

G. Reconciliation of tax charge	31 March 2018	31 March 2017
Profit before tax	-368,529,790	-2,187,262,917
Income tax expense at tax rates applicable	188,172,338	-
Tax effects of:		
- Item not deductible for tax	-	-
- Others	31,965,041	7,105,977
Income tax expense	**220,137,379**	**7,105,977**
Deferred Tax Asset balance as on 31.03.2018 includes MAT Credit Entitlement of INR 171,988,280 (As on 31.03.2017 INR 154,150,561)		

9. Other non-current assets

(Amount in INR, unless otherwise stated)

Particulars	As at		
	31 March 2018	31 March 2017	1 April 2016
Claims receivable	18,348,821	25,607,204	39,781,014
Non-current prepaid expenses	273,121	-	29,724,038
Total other non-current other assets	18,621,942	25,607,204	69,505,052

10. Trade receivable

(Amount in INR, unless otherwise stated)

Particulars	As at		
	31 March 2018	31 March 2017	1 April 2016
Secured, considered good			
Unsecured			
Considered good	307,941,892	332,656,392	882,467,813
Considered doubtful	2,407,236,848	2,403,997,899	2,407,507,894
Allowance for bad and doubtful debts	(2,407,236,848)	(2,403,997,899)	(2,407,507,894)
Total	**307,941,892**	**332,656,392**	**882,467,812**

11. Cash and Cash Equivalents

(Amount in INR, unless otherwise stated)

Particulars	As at		
	31 March 2018	31 March 2017	1 April 2016
Balances with Banks			
Current Accounts	117,943,884	193,474,494	115,757,627
Cash on hand	243,155	33,616	99,957
Total	**118,187,039**	**193,508,110**	**115,857,584**

12. Other current assets

(Amount in INR, unless otherwise stated)

Particulars	As at		
	31 March 2018	31 March 2017	1 April 2016
Loans and advances to employees	13,146,598	4,609,335	1,862,583
Other loans and advances receivable	9,033,445	55,806,592	247,260,317
Unbilled revenue	410,896,396	278,931,181	359,784,300
Prepaid expenses	5,416,838	33,754,303	3,372,840
Total	**438,493,279**	**373,101,412**	**612,280,040**

(Amount in INR, unless otherwise stated)

13. Equity share capital

Particulars	As at		
	31 March 2018	31 March 2017	1 April 2016
Authorized			
80,000,000 (31.03.2017: 80,000,000 ; 01.04.2016: 80,000,000) Equity shares of Rs.10/- each fully paid up	800,000,000	800,000,000	800,000,000
	800,000,000	800,000,000	800,000,000
Issued, Subscribed and Paid up			
79,283,000 (31.03.2017: 79,283,000 ; 01.04.2016: 79,283,000) Equity shares of Rs.10/- each fully paid up	792,830,000	792,830,000	792,830,000
	792,830,000	**792,830,000**	**792,830,000**

13.1 Reconciliation of the number of shares

(Amount in INR, unless otherwise stated)

Particulars	As at	
	31 March 2018	31 March 2017
Opening balance	79,283,000	79,283,000
Add:- Issued During the Year	-	-
Closing balance	**79,283,000**	**79,283,000**

Rights, preferences and restrictions attached to shares:
The company has one class of equity shares having a par value of Rs. 10 per share. Each share holder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subjected to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. Further, 75% of the shares of DQ Entertainment (International) Ltd., have been pledged with the Bond Holders i.e. OL Master Limited at DQ Entertainment (Mauritius) Limited.

13.2 Details of shares held by Holding Company
No. of Shares held by DQ Entertainment Mauritius Limited as on 31.03.2018 is 59462218. (31.03.2017: 59462218, 01.04.2016: 59462218)

13.3 Details of shares held by shareholders holding more than 5% of the aggregate shares in the company.
75% of the shares i.e.59,462,218 Equity Shares of Rs.10/- each fully paid up are held by the holding company DQ Entertainment (Mauritius) Limited. (31.03.2017 - 75% 59462218 shares , 01.04.2016 - 75% 59462218 shares)

No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end.

No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

13.4 Details of shares held by holding company and ultimate holding company.
75% of the shares i.e.59,462,218 Equity Shares of Rs.10/- each fully paid up are held by the holding company DQ Entertainment (Mauritius) Limited. The ultimate holding company is DQ Entertainment Plc.

13.5 Issue of Bonus Shares
No Bonus Shares have been allotted during 5 years immediately preceding March 31, 2018

14. Other Equity

(Amount in INR, unless otherwise stated)

Particulars	**As at**		
	31 March 2018	**31 March 2017**	**1 April 2016**
Capital redemption Reserve	1,763,860	1,763,860	1,763,860
Securities premium Account	1,946,676,702	1,946,676,702	1,946,676,703
General reserve	5,487,393	5,487,393	5,487,393
Surplus/(Deficit) in the Statement of Profit and Loss			
Opening Balance	(1,841,197,572)	338,959,368	39,590,347
Add:- Profit/ (Loss)for Current Year	(148,392,411)	(2,180,156,940)	299,369,020
Add:- Re-measurement Gain/(Loss) on post employment benefit obligation (net of tax)	-	-	-
Closing balance	(1,989,589,983)	(1,841,197,572)	338,959,368
Other Comprehensive Income Re-measurement (gain)/loss on post employment benefit obligation (net of tax)			
Opening Balance	212,294	4,528,992	-
Add:- Re-measurement Gain/(Loss) on post employment benefit obligation (net of tax)	12,437,867	(4,316,698)	4,528,992
Closing balance	12,650,161	212,294	4,528,992
Foreign currency translation reserve			
Opening Balance	319,825,270	348,781,585	27,107,524
Add:- Transfers tp Foreign currency Translation Reserve for the year	(20,293,658)	(28,956,315)	321,674,061
Closing balance	299,531,612	319,825,270	348,781,585
	276,519,745	**432,767,947**	**2,646,197,901**

(Amount in INR, unless otherwise stated)

15. Long Term Borrowings

Particulars	As at		
	31 March 2018	31 March 2017	1 April 2016
Term loans - Secured			
From banks	1,032,053,987	394,016,040	112,721,434
From others	4,140,168,212	3,536,428,163	2,565,686,859
	5,172,222,199	**3,930,444,203**	**2,678,408,293**

The company has filed an application with the bankers for restructuring of its banking facilities (classified as NPA by the bankers) for further moratorium and rescheduling of repayments. The application is under active consideration by the bankers.

15.1 Nature of Security and terms of repayment for secured borrowings:

Nature of Security	Terms of Repayment
The term loans from bank for Rs.228,093,925 (31.03.2017: Rs. 228,093,925) are secured by Primary: For Term Loans, FITL – Pari-passu first charge on all the present and future fixed assets including distribution rights of the company. Collateral: For term loans, FITL, SBLC – Second charge on the entire current assets of the company both present and future on pari passu basis with other member banks.	14 Qtrly Installments from Mar 2015. BR Plus 3.70%+.50% P.A payable monthly
The term loans from bank for Rs.648,242,774 (31.03.2017: Rs. NIL) are secured by Primary: First Pari-passu charge on entire fixed assets of the company both present and future except vehicles. Pari-passu first charge on the fixed deposit of Rs.1.50 Crores with our bank along with other banks/financial institutions. This security is in lieu of creation of charge on leasehold property (Valued at Rs.1.50 crores) of the company. Collateral: Second pari-passu charge on the current assets both present and future. Personal Guarantee of Mr.Tapaas Chakravarthi.	15 Qtrly Installments from Jan 2015. BR Plus 3.70%+.50% P.A payable monthly
The term loans from bank for Rs. 8,45,668 (31.03.2017: Rs. 664,287) is secured by hypothecation of vehicles.	Repayable over a period of 3 years from the date of disbursements. Interest rate on these loan is 9.65% p.a. Effective
The Bond holders have invested the funds at DQ Mauritius HO Level with a back to back issue of Bonds by DQ Ireland in favour of DQ Mauritius limited. The Bonds are secured by an assignments of all Registered IP's of DQ Ireland amounting to, a first fixed charge over all its present and future rights, titles and interests, including all Registered Intellectual Property acquired by it in the future. The unregistered IP's have been assigned as continuing security over all its present and future rights, titles and interests in and over all unregistered Intellectual Properties. Under this assignment agreement, the bondholders have granted DQ Entertainment (Ireland) Limited an exclusive, royalty-free licence to use all Intellectual Property assigned by it. Further 75% of the shares of DQ Entertainment (Intnl) Ltd (DQE India), have been pledged with the Bond Holders.	Half yearly interest and PIK @ 6.5% payable respectively and redemption at the end of 5th Anniversary.

16. Non Current Liabilities - Employee Benefit Obligations

(Amount in INR, unless otherwise stated)

Particulars	**As at**		
	31 March 2018	**31 March 2017**	**1 April 2016**
Gratuity Payable	88,776,108	84,781,000	91,956,385
Leave Encashment Payable	31,860,008	27,649,435	33,792,295
Provision for Sick Leave	2,859,417	2,698,966	2,152,802
Total	**123,495,533**	**115,129,401**	**127,901,482**

17. Other non-current liabilities

(Amount in INR, unless otherwise stated)

Particulars	As at		
	31 March 2018	**31 March 2017**	**1 April 2016**
Rent equalization reserve	6,214,660	7,190,821	7,873,872
	6,214,660	**7,190,821**	**7,873,872**

18. Current Financial Liabilities - Short Term Borrowings

(Amount in INR, unless otherwise stated)

Particulars	**As at**		
	31 March 2018	**31 March 2017**	**1 April 2016**
Working capital loans repayable on demand from banks - Secured	848,743,215	1,016,085,260	768,083,677
Loans and advances - Un-secured			
from Related parties	109,263,726	103,866,404	266,524,225
from Others	-	50,000,000	-
	958,006,941	**1,169,951,664**	**1,034,607,902**

The company has filed an application with the bankers for restructuring of its banking facilities (classified as NPA by the bankers) for further moratorium and rescheduling of repayments. The application is under active consideration by the bankers.

18.1 Nature of Security and terms of payment for secured short term borrowings:

Nature of Security	**Terms of Repayment**
The working capital loans from bank for Rs. 51,493,772 (31.03.2017: Rs. 39,148,147) is secured by Primary: First charge on all current assets of the company both present and future including receivables, cash flows and other monies On Pari-Passu basis along with other working capital bankers. Collateral: Second charge on all movable and immovable fixed assets of the company both present and future (except vehicles) on Pari-Passu basis. Pari-Passu second charge on the fixed deposit of Rs.1.50 cr. With Axis bank along with other banks/financial institutions. This security is in lieu of creation of charge on a leasehold Property (valued at Rs.1.50 crores) of the company. Guarantee: Personal Guarantee of Mr. Tapaas Chakravarti.	Repayable on demand with base rate plus 4.70% P.A. Payable monthly

The working capital loans from bank for Rs. 134,337,963 (31.03.2017: Rs. 115,275,692) is secured by Primary: 1st charge on current assets of the Company on pari-passu basis.	Repayable on demand with base Rate plus 3.95% p.a. payable monthly
The working capital loans from bank for Rs. 145,321 (31.03.2017: Rs. 27,378,113) is secured by Primary: 1st charge on current assets of the Company on pari-passu basis. Collateral: Second charge on the entire fixed assets of the company on pari passu basis with other member banks and second charge on the fixed deposit of Rs.1.50 crore held with Axis Bank on pari passu basis along with other along with other member banks.	Repayable on demand with base Rate plus 5.95% p.a. payable monthly
The working capital loans from bank for Rs. 662,766,159 (31.03.2017: Rs. 569,988,744) is secured by Primary: First pari-passu charge with other Working Capital lenders on current assets of the company both present and future including receivables, cash flows and other monies. Collateral: Second charge on the block of assets of the Company.	Repayable on demand with SBAR plus 3.25%

19. Trade Payables

(Amount in INR, unless otherwise stated)

Particulars	As at		
	31 March 2018	31 March 2017	1 April 2016
Sundry creditors			
for services	82,508,343	121,245,619	471,953,636
for others	23,897,941	408,694	14,690,158
	106,406,284	121,654,313	486,643,794
Total Outstanding dues of micro enterprises and small enterprises	-	-	-
Total Outstanding dues of creditors other than micro enterprises and small enterprises	106,406,284	121,654,313	486,643,794
	106,406,284	**121,654,313**	**486,643,794**

Based on the information available with the company, there are no Outstanding dues and payments made to any supplier of goods and services beyond the specified period under Micro, Small and Medium Enterprises Development Act, 2006(MSMED Act). There is no interest payable or paid to any suppliers under the said Act.

20. Other Current Liabilities - Others

(Amount in INR, unless otherwise stated)

Particulars	As at		
	31 March 2018	31 March 2017	1 April 2016
Interest accrued but not due	-	-	22,478
Interest accrued and due to banks	98,530,460	46,834,908	8,426,286
Other Payables:			
Statutory dues payable	205,973,748	157,660,298	91,864,146
Advance from customers	278,272	17,762,788	31,764,222
Unearned revenue	515,303,827	434,504,134	417,838,559

Employee benefits payable	63,386,698	64,579,010	60,991,513
Current maturities of long-term debt	1,010,724	238,745,187	881,469,821
Provision for Expenses	124,458,886	143,498,362	65,148,220.81
	1,008,942,615	**1,103,584,687**	**1,557,525,245**

The company has filed an application with the bankers for restructuring of its banking facilities (classified as NPA by the bankers) for further moratorium and rescheduling of repayments. The application is under active consideration by the bankers.

21. Current Liabilities - Short Term Provisions

(Amount in INR, unless otherwise stated)

Particulars	As at		
	31 March 2018	31 March 2017	1 April 2016
Gratuity Payable	39,843,636	37,617,970	18,158,941
Leave Encashment Payable	8,944,762	9,374,565	2,425,389
Provision for Retakes	29,169,383	24,295,160	20,767,780
	77,957,781	**71,287,695**	**41,352,110**

22. Current tax liabilities (net)

(Amount in INR, unless otherwise stated)

Particulars	As at		
	31 March 2018	31 March 2017	1 April 2016
Provision for Tax (Net of TDS receivables/with holding tax of Rs.10,258,814) (31.03.2017: Rs. 7,620,133))	1,804,690	183,162,963	294,494,868
	1,804,690	**183,162,963**	**294,494,868**

23. Revenue from Operations

(Amount in INR, unless otherwise stated)

Particulars	As at	
	31 March 2018	31 March 2017
Production : Export	615,812,855	741,921,801
: Domestic	-	5,550,031
Distribution income	185,692,918	196,756,160
	801,505,773	**944,227,993**

24. Other Income

(Amount in INR, unless otherwise stated)

Particulars	As at	
	31 March 2018	31 March 2017
Interest Income and others (including TDS of Rs.189,355 (31.03.2017: Rs.3,15,556))	2,242,109	2,276,571
Profit on sale of fixed assets	675,324	1,244,252
Liabilities no longer required written back	23,454,782	81,870,013

Foreign exchange fluctuation gain (net)	803,897,740	-
Training Fee forfeited	150,000	-
Sale of Duty Scrips	61,813,872	-
	892,233,826	**85,390,836**

25. Production Expenses

(Amount in INR, unless otherwise stated)

Particulars	**As at**	
	31 March 2018	**31 March 2017**
Outsourcing Expenses	7,296,554	29,552,545
Power and fuel	25,706,324	28,014,590
	33,002,878	**57,567,135**

26. Employee benefits expense

(Amount in INR, unless otherwise stated)

Particulars	**As at**	
	31 March 2018	**31 March 2017**
Salaries and wages	464,491,239	438,332,585
Contribution to provident fund	25,357,264	26,722,194
Staff welfare expenses	5,401,784	4,128,520
Gratuity*	13,174,406	9,783,120
Compensated absences*	3,391,914	3,013,612
	511,816,607	**481,980,031**

* Refer Note 36

27. Finance Costs

(Amount in INR, unless otherwise stated)

Particulars	**As at**	
	31 March 2018	**31 March 2017**
Interest on borrowings		
Terms loans	663,361,042	541,178,122
Working capital loan	126,277,621	103,064,395
Loss on Forward Contract	-	-
Interest on delay in payment of statutory dues	76,882,021	24,515,707
	866,520,684	**668,758,224**

28. Administrative and Other Expenses

(Amount in INR, unless otherwise stated)

Particulars	As at	
	31 March 2018	31 March 2017
Communication expenses	3,951,145	3,939,255
Printing and stationery	1,771,405	2,807,100
Professional and consultancy charges	216,440,697	179,838,515
Repairs and Maintenance :		
Building	6,992,479	6,815,378
Plant and Machinery	1,767,805	3,945,772
Others	12,802,054	1,726,424
Insurance	1,380,390	1,819,557
Business promotion	7,882,329	8,041,353
Rates and taxes	1,436,405	2,108,128
Rent	45,110,089	46,981,388
Following is the break up of Auditor's Remuneration (Exclusive of GST)		
As Auditor		
Statutory Audit	4,807,140	4,215,590
In Other capacity		
Tax audit	150,000	150,000
Other Matters	-	-
Re-imbursement of Expenses	621,206	-
Audit of internal controls over financial reporting	250,000	250,000
Directors remuneration	13,634,256	29,755,743
Selling and distribution expenses	9,380,250	11,803,740

Travelling and conveyance expenses	18,317,444	19,181,059
Bad debts written off	4,463,942	545,613,976
Bank charges	23,985,587	24,848,301
Foreign Exchange Fluctuation Loss (net)	(12,880)	363,073,007
Miscellaneous expenses	6,698,310	8,747,834
	381,830,053	**1,265,662,120**

29. The company's operations are conducted in units set up in Software Technology Parks (STPs) and Special Economic Zones (SEZs). Income from SEZs is fully exempt for the first five years, 50% exempt for the next five years and 50% exempt for another five years subject to fulfilling certain conditions. Currently tax provision on book profit is provided as per the provisions of section 115JB (MAT) of the Income tax act, 1961.

30. (Amount in INR, unless otherwise stated)

Particulars	As at	
	31 March 2018	**31 March 2017**
Contingent Liabilities (to the extent not provided for)		
a) Bonds executed in favour of customs and excise authorities	500,000	500,000
b) Standby Letters of Credit (includes guarantee on behalf of DQ Entertainment Ireland Rs.518,402,662 (31.03.2016: 1,066,729,152)	NIL	518,402,662
c) Demand Disputed on appeal		
1. Income Tax	9,642,147	80,842,372
2. Service Tax	87,722,821	94,832,246
3. Provident Fund	NIL	34,928,878
The company has fair chances of succeeding in the appeals and therefore doesnot expect any liability to materialise		

31. (Amount in INR, unless otherwise stated)

Particulars	As at	
	31 March 2018	**31 March 2017**
Earnings in Foreign Currency - Accrual basis		
Income from production (net of unbilled)	615,812,855	741,921,801
Distribution Income	179,415,870	214,772,694

32.

(Amount in INR, unless otherwise stated)

Expenditure in Foreign currency - Accrual basis		
(Subject to deduction of tax where applicable)		
Overseas business travel	3,200,659	3,588,971
Production Expenses	8,941,555	9,525,250
Consultancy and other expenses	1,486,550	338,899
Total	**13,628,764**	**13,453,120**

33.

(Amount in INR, unless otherwise stated)

Particulars	**As at**	
	31 March 2018	**31 March 2017**
Directors remuneration		
Salaries and allowances	10,451,256	27,662,743
Other perquisite	1,008,000	1,008,000
Commission	-	-
	11,459,256	**28,670,743**
Remuneration to Non - Whole-time Director		
Sitting fees	2,055,000	965,000
Professional fees	120,000	120,000
Total remuneration	**13,634,256**	**29,755,743**

The above figure does not include provision for gratuity and leave encashment liability actuarially valued as separate figures are not available

34. Related Party Disclosures: 31 March 2018.

(A) Names of related parties and description of relationship as identified and certified by the Company:
Holding Company
DQ Entertainment (Mauritius) Limited
DQ Entertainment Plc - Parent of holding company
Entity under common control
DQ Entertainment (Ireland) Limited - Subsidiary company
DQ Entertainment USA, LLC- Subsidiary of Subsidiary company
DQ Entertainment (International) Films Limited - Joint Venture company by DQ Entertainment (Internnational) Limited and DQ Entertainment Plc

Associate of Holding Company
Method Animations SAS

Key Management Personnel (KMP)
Mr. Tapaas Chakravarti - Managing Director & Chief Executive Officer
Mr. Sanjay Choudhary - Chief Financial Officer
Ms. Annie Jodhani - Company Secretary

Relatives of Key Management Personnel (KMP)
Mrs. Rashmi Chakravarti
Ms Niveditha Chakravarthi
Mr. Hatim Adenwala

Firm in which a Director is a partner
R&A Associates

(B) Details of transactions with related party in the ordinary course of business for the year ended:

Particulars	**As at**	
	31 March 2018	**31 March 2017**
(i) **Associate of Holding Company**		
Revenue from Animation	209,378,887	188,233,714
Revenue from Distribution	-	5,733,485
(ii) **Key Management Personnel (KMP)**		
Transactions with Key management personnel		
Loan (re-paid)/ taken - Managing Director & Chief Executive Officer	(5,000,000)	(2,725,780)
Remuneration	11,007,996	10,594,663
(iii) **Relative of KMP and Directors**		
Remuneration	11,179,000	8,572,000
(iv) **Professional fee paid to**		
Director	120,000	120,000
Firm in which a Director is a partner	4,200,000	4,200,000

(C) Amount due to/from related party as on:			
Particulars	**As at**		
(i) **Holding Company**	**31 March 2018**	**31 March 2017**	**31 March 2016**
Amount receivable at year end - DQ Entertainment Plc	1,634,825	1,634,825	1,634,825
(ii) **Associate of Holding Company**			
Amounts receivable	185,860,685	242,087,561	232,942,189
(iii) **Key Management Personnel (KMP)**			
Loan taken - Managing Director & Chief Executive Officer	15,278,056	20,278,056	23,003,836
Remuneration payable	24,631,301	24,672,801	19,651,297
(iv) **Professional fee payable**			
Firm in which a Director is a partner	247,474	243,140	494,565

(D) Terms and conditions of transactions with related parties
The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2017: 243,722,386, 1 April 2016: 234,577,014). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

35. Lease

Operating leases where Company is a lessee:

The Company has entered into lease transactions mainly for leasing of office premise and Office Equipments for a period between 1 to 10 years. The terms of lease include terms of renewal, increase in rents in future periods, which are in line with general inflation, and terms of cancellation. The operating lease payments recognized in the Statement of Profit and Loss amount to INR 45,110,089 (31 March 2017: INR 46,981,388) included in Note 28.

36. Employee benefits

(Amount in INR, unless otherwise stated)

Particulars	As at	
	31 March 2018	31 March 2017
A. Defined Contribution Plans		
During the year, the Company has recognized the following amounts in the Statement of Profit and Loss –		
a) Employers' Contribution to Gratuity (Refer note 26)	13,174,406	9,783,120
b) Employers' Contribution to Compensated Employees (Refer note 26)	3,391,914	3,013,612
B. Defined benefit plans		
a) Gratuity payable to employees	128,619,744	122,398,970
b) Compensated absences for Employees	40,804,770	37,024,000
i) Actuarial assumptions	**31-Mar-18**	**31-Mar-17**
Discount rate (per annum)	7.73%	7.45%
Rate of increase in Salary	4.00%	4.00%
Expected average remaining working lives of employees (years)	19.45	21.01
Attrition rate	3%	4%
ii) Changes in the present value of defined benefit obligation		
	Employee's gratuity fund	
	31-Mar-18	**31-Mar-17**
Present value of obligation at the beginning of the year	**91,247,925**	**85,179,252**
Interest cost	6,797,970	6,729,161
Past service cost	-	-
Current service cost	13,563,824	9,695,033
Curtailments	-	-
Settlements	(1,355,899)	(6,466,925)
Benefits paid	(5,065,231)	(7,034,984)
Actuarial (gain)/ loss on obligations	(16,412,482)	(3,320,537)
Present value of obligation at the end of the year*	**88,776,107**	**84,781,000**
*Included in provision for employee benefits (Refer note 16)		

iii) Expense recognized in the Statement of Profit and Loss	Employee's gratuity fund	
	31-Mar-18	**31-Mar-17**
Current service cost	13,563,824	9,695,033
Past service cost	-	-
Interest cost	6,797,970	6,729,161
Expected return on plan assets	-	-
Actuarial (gain) / loss on obligations	(16,412,482)	(3,320,537)
Settlements	-	-
Curtailments	-	-
Total expenses recognized in the Statement Profit and Loss*	**3,949,312**	**13,103,657**
*Included in Employee benefits expense (Refer Note 26). Actuarial (gain)/loss of INR (31 March 2017: INR 4,316,698) is included in other comprehensive income.		
iv) Assets and liabilities recognized in the Balance Sheet:	**Employee's gratuity fund**	
	31-Mar-18	**31-Mar-17**
Present value of unfunded obligation as at the end of the year	88,776,107	84,781,000
Unrecognized actuarial (gains)/losses	-	-
Unfunded net asset / (liability) recognized in Balance Sheet*	**88,776,107**	**84,781,000**
*Included in provision for employee benefits (Refer note 16)		
v) A quantitative sensitivity analysis for significant assumption as at 31 March 2018 and 31 March 2017 is as shown below:	**Employee's gratuity fund**	
Impact on defined benefit obligation	**31-Mar-18**	**31-Mar-17**
Discount rate		
1% increase	82,548,476	83,389,043
1% decrease	98,916,864	100,402,859
Rate of increase in salary		
1% increase	106,634,377	108,377,650
1% decrease	76,103,511	20,380,729
vi) Maturity profile of defined benefit obligation	**Employee's gratuity fund**	
Year	**31-Mar-18**	**31-Mar-17**
1 year	1,325,551	1,265,898
2 to 5 years	2,318,617	2,214,274
6 to 10 years	4,381,597	4,184,416
More than 10 years	82,106,241	78,411,292

37. Earnings/ Loss per share

(Amount in INR, unless otherwise stated)

Particulars	As at	
	31 March 2018	31 March 2017
Weighted average number of equity shares for basic EPS*	79,283,000	79,283,000
Effect of dilution:		
Share options	-	-
Convertible preference shares	-	-
Weighted average number of equity shares adjusted for the effect of dilution	79,283,000	79,283,000
Basic loss per share (INR)	(1.87)	(27.50)
Diluted loss per share (INR)	(1.87)	(27.50)

38. Segmental Reporting as per IND AS 108:

38.1 Business Segment
The Company comprises the following main business segments:

Animation:
The production services rendered to production houses and training rendered for acquiring skills for production services in relation to the production of animation television series and movies.

Distribution:
The revenue generated from the exploitation of the distribution rights of animated television series and movies acquired by the Company.

The segment information for the year ended 31 March 2018 is as follows:

(Amount in INR, unless otherwise stated)

	Animation	Distribution	Total
Revenue from operation	615,812,855	185,692,918	801,505,773
	747,471,832	*196,756,160*	*944,227,993*
Total Revenue	**615,812,855**	**185,692,918**	**801,505,773**
	747,471,832	*196,756,160*	*944,227,993*
Depreciation and Amortisation	26,777,174	533,351,949	560,129,122
	30,218,244	*787,111,974*	*787,111,974*
Segment result	80,440,822	(1,009,017,539)	(928,576,717)
	(2,459,995,425)	*(1,538,257,558)*	*(3,998,252,983)*
Unallocated expenses			1,426,567,611
			2,479,748,290
Operating Profit			497,990,894

			(1,518,504,693)
Net financing costs			(866,520,684)
			(668,758,224)
Income Tax expense			31,965,041
			7,105,977
Profit after tax			**(336,564,749)**
			(2,180,156,940)
Segment assets	2,842,370,642	4,988,777,864	7,831,148,506
	816,820,821	*5,974,759,533*	*6,791,580,354*
Unallocated assets			693,251,941
			1,136,423,339
Total assets			**8,524,400,447**
			7,928,003,693
Segment liabilities	3,262,884,559	383,002,549	3,645,887,108
	5,857,735,401	*104,637,441*	*5,962,372,842*
Unallocated liabilities			3,809,163,595
			740,032,904
Total liabilities			**7,455,050,703**
			6,702,405,746
Capital expenditure			
Tangible Fixed Assets			**49,642,973**
			65,312,550
Intangible Assets			400,116,892
			918,062,939

Note: Figures in italics represent previous year

38.2 Geographical Segment

Revenue from geographic segments based on domicile of the customers is outlined below:

(Amount in INR, unless otherwise stated)

	America	Europe	Others	Total
Revenue from operation				
Animation	393,766,004	215,599,173	6,447,678	615,812,855
	297,471,640	*613,995,077*	*(163,994,885)*	*747,471,832*
Distribution	72,779,434	83,962,175	28,951,309	185,692,918

	49,925,667	*115,620,033*	*31,210,460*	*196,756,160*
Total Revenue	394,241,708	219,572,470	187,664,791	801,505,773
	347,397,307	*729,615,110*	*(132,784,425)*	*944,227,992*
Total Assets	59,380,363	6,630,584,661	1,713,913,055	8,403,878,079
	1,089,045,228	*613,876,283*	*6,104,559,814*	*7,807,481,325*
Capital expenditure				
Tangible Fixed Assets				49,642,973
				65,312,550
Intangible Assets				400,116,892
				918,062,939

Note: Figures in italics represent previous year

39. Financial instruments - fair value and risk management

Fair value hierarchy
The section explains the judgment and estimates made in determining the fair values of the financial instruments that are:
a) recognised and measured at fair value
b) measured at amortised cost and for which fair values are disclosed in the financial statements.
To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard.

Accounting classification and fair value
The following table shows the carrying amount and fair value of financial assets and financial liabilities:

(Amount in INR, unless otherwise stated)

Particulars	Carrying amount	Fair value		
	31 March 2018	Level 1	Level 2	Level 3
Financial assets measured at amortised cost				
Loans	-	-	-	-
Trade receivables	307,941,892	-	-	-
Cash and cash equivalents including other bank balances	118,187,039	-	-	-
Other financial assets	42,986,649	-	-	-
Financial assets measured at fair value				
Investment in Preference shares	-	-	-	-
Total financial assets	**469,115,580**	**-**	**-**	**-**
Financial liabilities measured at amortised cost				
Non-convertible debentures	-	-	-	-
Borrowings	6,130,229,141	-	-	-

Trade payables	106,406,284	-	-	-
Other financial liabilities	-	-	-	-
Total financial liabilities	**6,236,635,424**	**-**	**-**	**-**

Particulars	**Carrying amount**	**Fair value**		
	31 March 2017	**Level 1**	**Level 2**	**Level 3**
Financial assets measured at amortised cost				
Loans	-	-	-	-
Trade receivables	332,656,392	-	-	-
Cash and cash equivalents including other bank balances	193,508,110	-	-	-
Other financial assets	31,064,188	-	-	-
Financial assets measured at fair value				
Investment in Preference shares	-	-	-	-
Total financial assets	**557,228,690**	**-**	**-**	**-**
Financial liabilities measured at amortised cost				
Non-convertible debentures	-	-	-	-
Borrowings	5,100,395,867	-	-	-
Trade payables	121,654,313	-	-	-
Other financial liabilities	-	-	-	-
Total financial liabilities	**5,222,050,180**	**-**	**-**	**-**

Particulars	**Carrying amount**	**Fair value**		
	1 April 2016	**Level 1**	**Level 2**	**Level 3**
Financial assets measured at amortised cost				
Loans	-	-	-	-
Trade receivables	882,467,812	-	-	-
Cash and cash equivalents including other bank balances	115,857,584	-	-	-
Other financial assets	99,519,163	-	-	-
Financial assets measured at fair value				
Investment in Preference shares	-	-	-	-
Total financial assets	**1,097,844,559**	**-**	**-**	**-**

Financial liabilities measured at amortised cost				
Borrowings	3,713,016,195	-	-	-
Trade payables	486,643,794	-	-	-
Other financial liabilities	-	-	-	-
Total financial liabilities	**4,199,659,989**	**-**	**-**	**-**

Investment in equity shares are not appearing as financial asset in the table above being investment in subsidiaries and associates accounted under Ind AS 27, Separate Financial Statements which is scoped out under Ind AS 109.

Fair value hierarchy

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes investment in equity, preference securities, mutual funds and debentures that have quoted price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for investment in unquoted preference securities and non convertible debentures included in level 3.

Fair valuation method

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

A. Financial Assets:

Loans, Trade receivables, Cash and cash equivalents and other assets: Fair value of all these financial assets are measured at balance sheet date value, as most of them are settled within a short period and so their fair value are assumed to be almost equal to the balance sheet date value.

B. Financial Liabilities:

1.Borrowings: It also includes cash credit and overdraft facilities, working capital loan and bill discounting facilities. These short-term borrowings are classified and subsequently measured in the financial statements at amortized cost. Considering that the interest rate on the loan is reset on a monthly/quarterly basis, the carrying amount of the loan would be a reasonable approximation of its fair value.

2. Trade payables and other liabilities: Fair values of trade and other liabilities are measured at balance sheet value, as most of them are settled within a short period and so their fair values are assumed to be almost equal to the balance sheet values.

40. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk.

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Board oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

i.) Credit risk
Credit risk is the risk of financial loss to the Company, if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. The carrying amount of financial asset represent the maximum credit exposure.

Trade and other receivables
The Company's exposure to credit risk is influenced mainly by its customers. However, the management also considers the factors that may influence the credit risk of its customer base.

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one to three months for customers. The Company does not have trade receivables for which no loss allowance is recognised because of collateral.

Expected credit loss assessment for corporate customers as at 1 April 2016, 31 March 2017 and 31 March 2018 are as follows:
The Company uses an allowance matrix to measure the expected credit loss of trade receivable from customers.

Based on industry practices and the business environment in which the entity operates, the management considers that trade receivables are in default (credit impaired) if the payments are more than 360 days past due.

Movement in allowance for impairment in respect of trade receivables
The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

(Amount in INR, unless otherwise stated)

Particulars	As at	
	31 March 2018	31 March 2017
Balance as at the beginning of the year	**(2,403,997,899)**	**(2,407,507,894)**
Impairment loss allowances recognised (FE Impact)	(5,384,491)	(13,739,452)
Bad Debt Written off	2,145,542	17,249,447
Balance as at the end of the year	**(2,407,236,848)**	**(2,403,997,899)**

ii) Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecast of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company's objective is to maintain a balance between cash outflow and inflow. Usually, the excess of funds is invested in fixed deposit. This is generally carried out in accordance with practice and limits set by the Company. The limits vary to take into account the liquidity of the market in which the Company operates.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2018, 31 March 2017 and 1 April 2016. The amounts are gross and undiscounted contractual cash flow and includes contractual interest payment and exclude netting arrangements:

Particulars	Contractual cash flows				
	Carrying amount	0-1 years	1-2 years	2-5 years	5 years and above
As at 31 March 2018					
Borrowings	6,130,229,141			6,130,229,141	
Trade payables	106,406,284	106,406,284	-	-	-
Other financial liabilities	-	-	-	-	-
	Contractual cash flows				
As at 31 March 2017	**Carrying amount**	**0-1 years**	**1-2 years**	**2-5 years**	**5 years and above**
Borrowings	5,100,395,867			5,100,395,867	-
Trade payables	121,654,313	121,654,313	-	-	-
Other financial liabilities	-	-	-	-	-
	Contractual cash flows				
As at 1 April 2016	**Carrying amount**	**0-1 years**	**1-2 years**	**2-5 years**	**5 years and above**
Borrowings	3,713,016,195			3,713,016,195	-
Trade payables	486,643,794	486,643,794	-	-	-
Other financial liabilities	-	-	-	-	-

iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Foreign Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currency of the Company.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to management is as follows:

Particulars	Currency	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
		Foreign currency*	Amount	Foreign currency*	Amount	Foreign currency*	Amount
Trade receivables	AUD	-	-	-	-	5,000	330,900
	AED	-	-	-	-	-	-
	CAD	-	-	-	-	-	-
	EURO	3,507,961	280,180,833	3,661,023	253,123,116	4,844,030	363,592,893
	GBP	400,000	36,324,000	40,000	3,251,600	68,088	6,466,317
	USD	36,773,097	2,383,632,157	38,326,720	2,480,505,327	44,070,873	2,913,084,715

Trade payables	AUD	-	-	-	-	1,642	108,650
	AED	-	-	-	-	-	-
	CAD	31,200	1,575,912	-	-	22,605	1,153,530
	EURO	2,828,306	225,896,824	1,056,573	73,051,481	338,096	25,377,523
	GBP	1,120	101,707	-	-	228,000	21,653,160
	USD	15,402,184	998,369,556	2,448,160	158,444,941	4,697,063	310,475,864

*Foreign currency values are absolute values and not rounded off to lakhs.The following significant exchange rates have been applied

Currency	Year end spot rate		
	31 March 2018	31 March 2017	1 April 2016
AUD/INR	50.03	49.54	66.18
AED/INR	17.74	17.66	18.02
CAD/INR	50.51	48.69	51.03
EURO/INR	79.87	69.14	75.06
GBP/INR	90.81	81.29	94.97
USD/INR	64.82	64.72	66.10

Sensitivity analysis

A reasonably possible strengthening (weakening) of the foreign currencies against INR at 31 March 2018 and 31 March 2017 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Particulars	Profit and loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2018				
AUD(2%)	-	-	-	-
AED(2%)	-	-	-	-
CAD(2%)	(31,518)	31,518	(31,518)	31,518
EUR(5%)	2,714,200	(2,714,200)	2,714,200	(2,714,200)
GBP(5%)	1,811,115	(1,811,115)	1,811,115	(1,811,115)
USD(5%)	69,263,130	(69,263,130)	69,263,130	(69,263,130)

31 March 2017				
AUD(2%)	-	-	-	-
AED(2%)	-	-	-	-
CAD(2%)	-	-	-	-
EUR(5%)	9,003,582	(9,003,582)	9,003,582	(9,003,582)
GBP(5%)	162,580	(162,580)	162,580	(162,580)
USD(5%)	116,103,019	(116,103,019)	116,103,019	(116,103,019)

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's does not have any borrowings which exposes it to interest rate risk.

41. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company has not distributed any dividend to its shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of non-current borrowing which represents liability component of Convertible Preference Shares and current borrowing from ultimate holding company of the Company. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

(Amount in INR, unless otherwise stated)

	31 March 2018	31 March 2017	1 April 2016
Equity	1,069,349,745	1,225,597,947	3,439,027,901
Convertible preference share	-	-	-
Total equity (i)	1,069,349,745	1,225,597,947	3,439,027,901
Borrowings other than convertible preference shares	6,131,239,865	5,339,141,053	4,594,486,017
Less: cash and cash equivalents	118,187,039	193,508,110	115,857,584
Total debt (ii)	6,249,426,904	5,532,649,163	4,710,343,601
Overall financing (iii) = (i) + (ii)	7,318,776,648	6,758,247,110	8,149,371,501
Gearing ratio (ii) / (iii)	0.85	0.82	0.58

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018, 31 March 2017 and 1 April 2016.

42. Commitments

Particulars	31 March 2018	31 March 2017
Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances	279,913,889	275,990,233

43. Amount Spent on Corporate Social Responsibility

Particulars	31 March 2018	31 March 2017
(a) Gross amount required to be spent by the company during financial year.	-	7,041,316
(b) Amount spent during the financial year.	-	-

The prescribed CSR expenditure required to be spent in the year 2017-18 as per the Companies Act, 2013 is Nil, in view of average net profits of the Company being Nil (under section 198 of the Act) for last three financial years.

44. Figures of previous year have been regrouped/rearranged/reclassified to confirm presentation as per Ind As as required by Schedule III of the Act.

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No 105047 W

For and on behalf of the Board of Directors
DQ Entertainment (International) Limited
CIN:L92113TG2007PLC053585

Ananthakrishnan G
Partner
(M.No 205226)

Place: Hyderabad
Date: 30.05.2018

Tapaas Chakravarti
CMD & CEO
DIN:00559533

Place: Hyderabad
Date: 30.05.2018

Sanjay Choudhary
Chief Financial officer

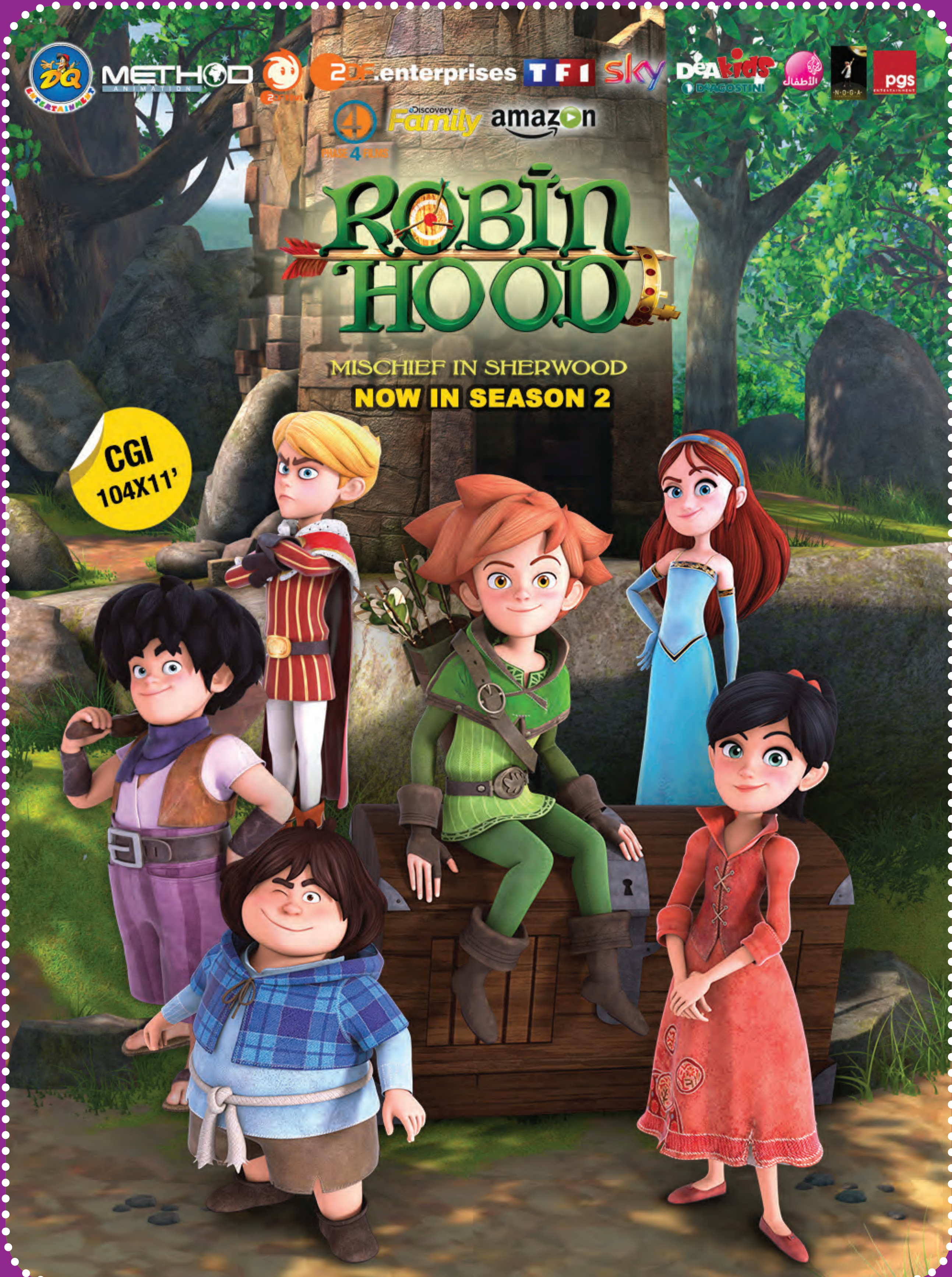
Place: Hyderabad
Date: 30.05.2018

S.Sundar
Director
DIN:03170456

Place: Hyderabad
Date: 30.05.2018

Annie Jodhani
Company Secretary
Membership No : A42431

Place: Hyderabad
Date: 30.05.2018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amazon
Discovery Family
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AGM NOTICE

AGM NOTICE

NOTICE is hereby given that the Eleventh Annual General Meeting of **DQ Entertainment (International) Limited** will be held on Saturday, September 29, 2018, at 02.30 p.m. IST at Hotel 'The Plaza', 6-3-870, Balayogi Paryatak Bhavan, Greenlands, Begumpet, Hyderabad - 500 016, to transact the following business:

ORDINARY BUSINESS

Item no.1 – Adoption of financial statements

To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the financial year ended 31st March, 2018 and the Reports of the Board of Directors and Auditors thereon.

Item no. 2 – Appointment of Director

To appoint a Director in place of Ms. Rashida Adenwala (DIN 00008212), who retires by rotation and, being eligible, seeks re-appointment.

Item no. 3 – Re-appointment of Auditors

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 as may be applicable (including any statutory modification(s) or re- enactment thereof for the time being in force),M/s. MSKA & Associates, Chartered Accountants (Formerly known as M/s. MZSK & Associates, Chartered Accountants) with Firm Registration No. 105047W, be and is hereby re-appointed as Statutory Auditors of the Company to hold office for another term of three years i.e. from the conclusion of the Eleventh AGM upto the conclusion of the Fourteenth AGM to be conducted in the year 2021, thus completing the aggregate period of 10 years, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

By Order of the Board
For **DQ Entertainment (International) Limited**

Tapaas Chakravarti
CMD & CEO

Hyderabad, August 03, 2018

Registered Office:
644, Aurora Colony, Road No. 3, Banjara Hills,
Hyderabad - 500 034.
Telephone: +91-40-23553726&27,
Fax No. +91-40-23552594
Website: www.dqentertainment.com
CIN No: L92113TG2007PLC053585

IMPORTANT NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

2. The instrument of Proxy in order to be effective should be deposited at the Registered Office of the Company, duly completed and signed, not less than FORTY-EIGHT HOURS before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/ authority, as applicable.

3. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 22nd September, 2018 to Saturday, 29th September, 2018 (both days inclusive).

4. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) and updates of bank account details by every investor holding securities in physical or electronic mode with the Registrar and Share Transfer Agent.

5. Details as required in sub-regulation (3) of regulation 36 of the Listing Regulations in respect of the Director seeking re-appointment at the Annual General Meeting, forms integral part of the notice attached and **Annexure A**. Requisite declarations has been received from the Director for seeking re-appointment.

6. Electronic copy of the Notice of the 11th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 11th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Slip and Proxy Form is being sent in the permitted mode.

7. Members may also note that the Notice of the 11th Annual General Meeting and the Annual Report for 2018 will also be available on the Company's website www.dqentertainment.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Hyderabad for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post, free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: investors@dqentertainment.com.

8. Non-Resident Indian Members are requested to inform the Company's Registrars and transfer Agents, immediately of:

a) Change in their residential status on return to India for permanent settlement.

b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

9. Pursuant to the prohibition imposed vide Secretarial Standard on the General Meeting (SS-2) issued by ICSI and the MCA Circular, no gifts/coupons shall be distributed at the Annual General Meeting.

10. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

11. Voting through electronic means

I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Reg. 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the Members the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (Karvy) on all resolutions set forth in the Notice of the 11th Annual General Meeting, from a place other than the venue of the Meeting (Remote e-voting).

II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting; however those Members are not entitled to cast their vote again in the Meeting.

III. A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

IV. The remote e-voting period will commence from Wednesday, September 26, 2018 (9.00 am IST) and shall end on Friday, September 28, 2018 (5.00 pm IST). During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, 21st September, 2018, may cast their vote electronically. The e-voting module shall be disabled on September 28, 2018 at 5.00 pm.

V. The instructions for shareholders voting electronically are as under:

In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/Depository Participants (s)]:

i. Launch internet browser by typing the
URL: https://evoting.karvy.com

ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

iii. After entering these details appropriately, click on "LOGIN".

iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVENT" i.e., 'DQ Entertainment (International) Limited"

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/ AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.

ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email ramakrishna.fcs@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_Event No."

In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company/Depository Participants (s)]:

i. E-Voting Event Number – XXXX (EVEN), User ID and Password is provided in the Attendance Slip.

ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.

VI. Other Instructions

a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of https://evoting.karvy.com (Karvy Website) or contact Mr. B. Venkata Kishore, Deputy Manager (Unit: DQ Entertainment (International) Limited) of Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or email at evoting@karvy.com or phone no. 040–6716 1500 or call Karvy's toll free No. 1-800-34-54-001 for any further clarifications.

b. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

c. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e., 21st September, 2018, he/she may obtain the User ID and Password in the manner as mentioned below:

i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS:

MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

Example for NSDL:
MYEPWD <SPACE> IN30039412345678 (DP-ID + CL-ID)

Example for CDSL:
MYEPWD <SPACE> 1202300012345678 (16 DIGITS NUMERIC)

Example for Physical:
MYEPWD <SPACE> XXXX1234567890 (EVEN NO. + FOLIO NO.)

ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.karvy.com, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

iii. Member may call Karvy's toll free number 1800-3454-001.

iv. Member may send an e-mail request to evoting@karvy.com. However, Karvy shall endeavour to send User ID and Password to those new Members whose mail ids are available.

VII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date (21st September, 2018) only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

VIII. Mr. R. Ramakrishna Gupta, Practicing Company Secretary, Hyderabad has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

IX. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" or "Polling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

X. The Scrutinizer shall after the conclusion of voting at the general meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, within 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company (www.dqentertainment.com) and on Service Provider's website (https://evoting.karvy.com) immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited.

By Order of the Board of Directors
For **DQ Entertainment (International) Limited**

Tapaas Chakravarti
CMD & CEO

Hyderabad, August 03, 2018

Registered Office:
644, Aurora Colony, Road No. 3, Banjara Hills, Hyderabad – 500 034
Telephone: +91-40-23553726&27, Fax No. +91-40-23552594
Website: www.dqentertainment.com
CIN No: L92113TG2007PLC053585

ANNEXURE 'A' TO THE NOTICE

Additional Information on Director Seeking Re-Appointment at the Annual General Meeting
(In pursuance of Reg. 36(3) of the SEBI (LODR) Regulations, 2015)

Name of Director	Ms. Rashida Adenwala (DIN: 00008212)
Brief resume	Already provided in the Annual report
Age	54 years
Qualification	Graduate in Commerce & Law and is a qualified Company Secretary
Expertise	Legal, Corporate Affairs, Corporate Governance, Finance & Internal Audit.
Disclosure of relationship between Directors inter-se	Nil
Listed entities (other than DQ Entertainment) in which the Director holds the directorship and the Committee membership:	Nil
Number of shares held in the Company as on March 31, 2018	Nil

ROUTE MAP TO THE VENUE OF THE AGM

DQ ENTERTAINMENT (INTERNATIONAL) LIMITED

Regd Office: 644, Aurora Colony, Road No.3, Banjara Hills, Hyderabad-500 034.

CIN: L92113TG2007PLC053585 Website: www.dqentertainment.com Tel: 91-40-23553726 & 27

ATTENDANCE SLIP

Eleventh Annual General Meeting, Saturday, 29th September, 2018 at 2.30 p.m.

at 'The Plaza', 6-3-870, Balayogi Paryatak Bhavan, Greenlands, Begumpet, Hyderabad - 500 016.

Folio No. .... DP ID No.....................................Client ID No..............................

Name of the Member..Signature...

Name of the Proxyholder ....Signature...

1. Only Member/Proxyholder can attend the Meeting.
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the Meeting.

....Please tear here...

DQ ENTERTAINMENT (INTERNATIONAL) LIMITED

Regd Office: 644, Aurora Colony, Road No.3, Banjara Hills, Hyderabad-500 034.

CIN: L92113TG2007PLC053585 Website: www.dqentertainment.com Tel: 91-40-23553726 & 27

PROXY FORM - MGT - 11

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member (s): ....

Registered Address: ....

E-mail Id: .... Folio No / Client Id: .... DP ID: ....

I / We, being the member(s) holding .... shares of the above mentioned company, hereby appoint

1. Name: .... E-mail id:...
   Address:..
   .... Signature:...
   or failing him/her
2. Name: .... E-mail id:...
   Address:..
   .... Signature:...
   or failing him/her
3. Name: .... E-mail id:...
   Address:..
   .... Signature:...

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 11th Annual General Meeting of the Company to be held on Saturday, the 29th day of September 2018 at 2.30 p.m. at 'The Plaza', 6-3-870, Balayogi Paryatak Bhavan, Greenlands, Begumpet, Hyderabad - 500 016 and at any adjournment thereof, in respect of such resolutions as are indicated below:

Ordinary Business	Vote (see Note 2) For	Against
Resolution No. 1 : Adoption of Financial Statements and the reports of the Directors' and Auditors' thereon.		
Resolution No. 2 : Appointment of Director in place of Ms. Rashida Adenwala (DIN: 00008212), who retires by rotation and being eligible, offers herself for re-appointment;		
Resolution No. 3 : Appointment of Auditors		

Signed this .... day of ...., 2018

Affix revenue stamp

Signature of Shareholder (s) ……………..……………………………Signature of Proxy Holder (s)……………………..........

Note:

1. This form of proxy in order to be effective should be duly completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. It is optional to indicate your preference. If you leave the for/ against column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/ she may deem appropriate.

Imagination and Beyond

DQ ENTERTAINMENT (INTERNATIONAL) LIMITED

Registered Office

644, Aurora Colony, Road No.3, Banjara Hills, Hyderabad - 500 034, Telangana, INDIA.
Ph: 0091 40 23553726 & 27 Fax: 0091 40 23552594

www.dqentertainment.com

INDIA | FRANCE | USA | IRELAND