



DQ Entertainment (International) Limited

644, AURORA COLONY, ROAD NO. 3, BANJARA HILLS HYDERABAD TG

500034 IN Tel +91 -04-23553726 &27 Fax: +91 -04-23552594

CIN: L92113TG2007PLC053585

(Company is under Corporate Insolvency and Resolution Process)

Date: 22-11-2023

To,

| | |
|--|---|
| Listing Compliance BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai- 400 001. | Listing Compliance National Stock Exchange of India (NSE) Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 |
|--|---|

Dear Sir/Madam,

Sub: Submission of Financial Statements for the Financial Year 2022-23 in accordance with Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Please find enclosed the Yearly Financial Statements for the Financial Year 2022-23 in accordance with Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of M/s DQ Entertainment (International) Limited (Corporate Debtor) along with Statement On Impact Of Audit Qualifications.

This is for your information & Records.

Thanks & Regards

CS Dr Ahalada Rao Vummenthala
Resolution Professional
IBBI/IPA-002/IP-N00074/2017-18/10172
AFA Valid Date: 27/09/2023 to 26/09/2024
DQ ENTERTAINMENT (INTERNATIONAL) LIMITED
CIN: L92113TG2007PLC053585



DQ Entertainment (International) Limited
644, Aurora Colony, Road No. 3, Banjara Hills, Hyderabad - 500034
Standalone Balance Sheet as at 31 March, 2023

(Amount in Lakh, unless otherwise stated)

| Particulars | Notes | As at 31-Mar-23 | As at 31-Mar-22 |
|---|-------|--------------------|--------------------|
| ASSETS | | | |
| Noncurrent assets | | | |
| Property, plant and equipment | 4 A | 20.84 | 120.66 |
| Capital work-in-progress | | .00 | 15.50 |
| Intangible assets | 4 B | .00 | 858.01 |
| Right of use lease asset | 4A | 55.37 | 55.37 |
| Financial assets | | | |
| Investments | 5 | 23138.22 | 23138.22 |
| Other Financial assets | 6 | 184.02 | 184.02 |
| Deferred tax asset (net) | 7 | 9712.62 | 9712.62 |
| Other non-current assets | 8 | .00 | .00 |
| Total non-current assets | | 33111.06 | 34084.39 |
| Current assets | | | |
| Financial assets | | | |
| Trade receivables | 9 | 10143.03 | 10143.03 |
| Cash and cash equivalents | 10 | 25.78 | 121.45 |
| Other current assets | 11 | 378.62 | 369.37 |
| Total current assets | | 10547.43 | 10633.85 |
| Total assets | | 43658.49 | 44718.24 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 12 | 7928.30 | 7928.30 |
| Other equity | 13 | -4403.95 | -3377.31 |
| Total equity | | 3524.35 | 4550.99 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| Lease Liabilities | 14 | .00 | .00 |
| Provisions for Employee Benefits | 15 | 403.99 | 403.99 |
| Other non-current liabilities | 16 | .00 | .00 |
| Total non-current liabilities | | 403.99 | 403.99 |
| Current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 17 | 7759.75 | 7738.65 |
| Trade payables | 18 | 808.60 | 743.37 |
| Lease Liabilities | 19 | 63.49 | 63.49 |
| Other current liabilities | 20 | 29081.77 | 29201.20 |
| Employee Benefit Obligations & Other Provisions | 21 | 2016.55 | 2016.55 |
| Total current liabilities | | 39730.16 | 39763.27 |
| Total liabilities | | 40134.14 | 40167.25 |
| Total equity and liabilities | | 43658.49 | 44718.24 |

The accompanying notes from 1 to 48 are an integral part of the financial statements.

As per our report of even date
For Komandoor & Co. LLP
Chartered Accountants
(FRN- 001420S / S200034)

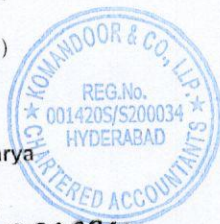
Komandoor Mohan Acharya
Partner

(Membership No 029082)

UDIN : 23029082BQVDFC9961

Place: Hyderabad

Date: 11-09-2023

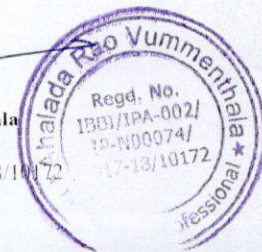


For and on behalf of the Board of Directors
DQ Entertainment (International) Limited
CIN:L92113TG2007PLC053585

Ahalada Rao Vummenthala
CS Dr Ahalada Rao Vummenthala
Resolution Professional
IBBI IPA-02/IP-N00074/2017-18/10172

Place: Hyderabad

Date: 11-09-2023





DQ Entertainment (International) Limited
644, Aurora Colony, Road No. 3, Banjara Hills, Hyderabad - 500034
Standalone Statement of Profit and Loss for the period ended 31 March, 2023

(Amount in Lakh, unless otherwise stated)

| Particulars | Notes | Year Ended | Year Ended |
|--|---------|-----------------|-----------------|
| | | 31-Mar-23 | 31-Mar-22 |
| Income : | | | |
| Revenue from operations | 22 | 60.54 | 7.73 |
| Other income | 23 | 100.00 | 3.49 |
| Total income | | 160.54 | 11.22 |
| Expenses : | | | |
| Production Expenses | 24 | .25 | 19.80 |
| Employee benefits expense | 25 | 42.17 | 261.72 |
| Finance costs | 26 | .00 | 4044.68 |
| Depreciation and amortization expense | 4 A,B&C | .00 | 713.80 |
| Impairment of Assets | 4 A,B&C | 973.77 | .00 |
| Other expenses | 27 | 170.98 | 270.65 |
| Total expenses | | 1187.17 | 5310.65 |
| Profit /(Loss) before exceptional items and tax | | -1026.64 | -5299.42 |
| Exceptional items | | .00 | 429.42 |
| Profit /(Loss) before tax | | -1026.64 | -4870.00 |
| Income tax expense | | | |
| Current tax | | .00 | .00 |
| MAT Credit entitlement | | .00 | .00 |
| Deferred tax | | .00 | .00 |
| Total income tax expense | | .00 | .00 |
| Profit/(Loss) for the year | | -1026.64 | -4870.00 |
| Other comprehensive income | | | |
| Other comprehensive income to be reclassified to profit or loss | | | |
| Net (loss)/gain on FVTOCI debt securities | | .00 | .00 |
| Income tax effect | | .00 | .00 |
| Other comprehensive income not to be reclassified to profit or loss | | | |
| Re-measurement gains/ (losses) on defined benefit plans | | .00 | .00 |
| Income tax effect | | .00 | .00 |
| | | .00 | .00 |
| Other comprehensive income for the year, net of tax | | .00 | .00 |
| Total other comprehensive income for the year | | -1026.64 | -4870.00 |
| Earnings / (Loss) per share | | | |
| Basic earnings /(loss) per share (INR) | 37 | (1.29) | (0.61) |
| Diluted earnings /(loss) per share (INR) | 37 | (1.29) | (0.61) |
| Summary of significant accounting policies | 2 | | |
| The accompanying notes are an integral part of the financial statements. | | | |

As per our report of even date
For Komandoor & Co. LLP
Chartered Accountants
(FRN- 0014203 / S200034)

Komandoor

Komandoor Mohan Acharya
Partner
(Membership No 029082)
UDIN : **23029082B9VDFC9961**
Place: Hyderabad
Date: **11-09-2023**

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

Ahalada Rao Vummethala

CS Dr Ahalada Rao Vummethala
Resolution Professional
IBBI/PA-002/IP-N00074/2017-18/10172
Place: Hyderabad
Date: **11-09-2023**

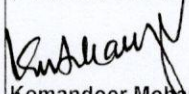


DQ Entertainment (International) Limited
644, Aurora Colony, Road No. 3, Banjara Hills, Hyderabad - 500034
Statement of Cash Flows for the year ended 31 March 2023

(Amount in Lakh, unless otherwise stated)


| | Year Ended 3/31/2023 | Year Ended 3/31/2022 |
|---|-------------------------|-------------------------|
| A. Cash Flows from Operating Activities | | |
| Profit before Tax as per the Statement of Profit & Loss | (1,026.64) | (4,870.00) |
| Adjustments for: | | |
| Depreciation and Amortisation Expense | 973.77 | 713.80 |
| Interest income | - | - |
| Liabilities no longer required written back | - | - |
| Interest expenses | - | 4,044.68 |
| Bad debts written off | - | - |
| (Profit) / Loss on sale of fixed assets | - | (3.49) |
| Unrealised (gain)/loss due to exchange differences | - | (742.15) |
| Operating profit before working capital changes | (52.86) | (857.17) |
| Movement in Working Capital | | |
| (Increase)/Decrease in Loans & Advances, Trade Receivables & Other Current Assets | (9.25) | (289.82) |
| Increase/(Decrease) in Current Liabilities & Provisions | (54.20) | 5,196.97 |
| Cash generated from operations | (116.32) | 4,049.98 |
| Taxes paid | - | - |
| Net Cash from/(used in) Operating Activities | (116.32) | 4,050.00 |
| B. Cash Flows from Investing Activities | | |
| Purchase of fixed assets - Tangibles* | (0.44) | - |
| Proceed from Sale of Fixed Assets | - | - |
| Insurance Claim on Fixed Assets | - | - |
| Net cash from/(used in) Investing Activities | (0.44) | - |
| C. Cash Flows from Financing Activities | | |
| Interest Income | - | - |
| Change in Financial Assets | - | - |
| Proceeds from maturity of deposits | - | - |
| Interest and financing charges paid | - | (4,044.68) |
| Borrowings Repaid | 21.09 | (7.41) |
| Net Cash from/(used in) Financing Activities | 21.09 | (4,052.09) |
| Net increase in Cash and Cash Equivalents (A+B+C) | (95.66) | (2.11) |
| Cash and Cash Equivalents at the beginning of the year | 121.45 | 123.55 |
| Cash and Cash Equivalents at the end of the year | 25.78 | 121.45 |
| Cash and cash equivalents comprise (Refer Note no : 10) | | |
| Balance with Banks | | |
| On Current Account | 10.78 | 121.00 |
| On Fixed Deposits | 15.00 | - |
| Cash on Hand | - | 0.46 |
| | 25.78 | 121.46 |

As per our report of even date
For Komandoor & Co. LLP
Chartered Accountants
(FRN- 001420S / S200034)


Komandoor Mohan Acharya
Partner
(Membership No 029082)
UDIN : **2302908266VDFC9961**
Place: Hyderabad
Date: **11-09-2023**



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


CS Dr Ahalada Rao Vummithala
Resolution Professional
IBBI/PA-002/IP-N00074-2017-18/10172





DQ Entertainment (International) Limited
644, Aurora Colony, Road No. 3, Banjara Hills, Hyderabad - 500034

Statement of changes in equity for the year ended 31 March 2023

(Amount in Lakh, unless otherwise stated)

| Particulars | Equity Share Capital | OTHER EQUITY | | | | Other Comprehensive Income | | | Total equity attributable to equity holders of the company |
|--|----------------------|----------------------------|----------------------------|-----------------|-------------------|--------------------------------------|----------|--|--|
| | | Reserves & Surplus | | | | FVTOCI Reserve on equity instruments | Others | Total equity attributable to equity holders of the company | |
| | | Securities premium reserve | Capital Redemption Reserve | General reserve | Retained earnings | | | | |
| Balance as at 1 April 2021 | 7928.30 | 17.64 | 19466.77 | 54.87 | .00 | 600.95 | 18432.55 | | |
| Profit/(Loss) for the year | .00 | .00 | .00 | .00 | .00 | 208.75 | -5601.81 | | |
| Other comprehensive income | .00 | .00 | .00 | .00 | .00 | .00 | .00 | | |
| Total other comprehensive income for the year | .00 | .00 | .00 | .00 | .00 | 208.75 | -5601.81 | | |
| Transactions with owners in their capacity as owners | .00 | .00 | .00 | .00 | .00 | .00 | .00 | | |
| Balance as at 31 March 2022 | 7928.30 | 17.64 | 19466.77 | 54.87 | .00 | 809.71 | 12830.74 | | |

| Particulars | Equity Share Capital | OTHER EQUITY | | | | Other Comprehensive Income | | | Total equity attributable to equity holders of the company |
|--|----------------------|----------------------------|----------------------------|-----------------|-------------------|--------------------------------------|----------|--|--|
| | | Reserves & Surplus | | | | FVTOCI Reserve on equity instruments | Others | Total equity attributable to equity holders of the company | |
| | | Securities premium reserve | Capital Redemption Reserve | General reserve | Retained earnings | | | | |
| Balance as at 1 April 2022 | 7928.30 | 17.64 | 19466.77 | 54.87 | .00 | 809.71 | 12830.74 | | |
| Profit/(Loss) for the year | .00 | .00 | .00 | .00 | .00 | -417.51 | -1444.14 | | |
| Other comprehensive income | .00 | .00 | .00 | .00 | .00 | .00 | .00 | | |
| Total other comprehensive income for the year | .00 | .00 | .00 | .00 | .00 | -417.51 | -1444.14 | | |
| Transactions with owners in their capacity as owners | .00 | .00 | .00 | .00 | .00 | .00 | .00 | | |
| Balance as at 31 March 2023 | 7928.30 | 17.64 | 19466.77 | 54.87 | .00 | 392.20 | 11386.60 | | |

See accompanying notes to the financial statements : Notes - 1 to 48

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

As per our report of even date
For Komandoor & Co. LLP
Chartered Accountants
(FRN- 0014205 / S200034)

[Signature]
Komandoor Mohan Acharya
Partner
(Membership No. 029082)
UDIN : 2302982 B9 VDFC 9961
Place: Hyderabad
Date: 11-09-2023

For and on behalf of the Board of Directors
DQ Entertainment (International) Limited
CIN:L92113TG200740008585



CS Dr. Atsada Rao Yummanthala
Resolution Professional
IBS/PA-0021/P-N00074-2023

Place: Hyderabad
Date: 11-09-2023



DQ Entertainment (International) Limited
644, Aurora Colony, Road No. 3, Banjara Hills, Hyderabad - 500034

Notes forming part of the Financial Statements for the year ended 31 March 2023

(Amount in Lakh, 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.

(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.

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.



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 | 3 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 upon on transfer of control of promised services to customers in an amount that reflects the consideration we expect to receive in exchange for those services.

The Company has applied the guidance in Ind AS 115, Revenue from Contracts with Customers, by applying the revenue recognition criteria for each distinct performance obligation. The arrangement with customers generally meet the criteria for considering software development and related services as distinct performance obligation. For allocating the transaction price, the Company has measured revenue in respect of each performance obligation of a contract as its relative standalone selling price.

(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

Ind AS 116 replaced Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. The Company has adopted Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

The Company's lease asset classes primarily consist of Land and Building. The Company assesses whether a contract is a lease or not at the inception of each contract. A contract or a part of a contract is a lease if conveys the right to control the use of an asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimated of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use-asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate as the discount rate (As at 1 April 2019 - 16.33%).

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is change in future lease payments arising from a change in an index or rate, if there is change in the Company estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use-asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets:

The Company has elected not to recognize right-of-use assets and liabilities for short-term leases of INR 100,000 that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Practical expedients adopted on initial recognition:

1. The agreements maturing within 12 months from the initial application of Ind AS 116, are not considered.
2. Single discount rate is applied to a portfolio of leases with reasonably similar characteristics on the date of initial application.

Value of initial direct costs (such as Stamp Duty, registration costs etc. already paid) excluded from the measurement of ROUA.

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 , assumptions and Recent accounting pronouncements:

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 2020, the carrying amount of capitalised intangible asset under development was NIL (31 March 2019: INR NIL).

3.2 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.

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Group has not applied as they are effective from April 1, 2019.

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Group does not expect any significant impact of the amendment on its financial statements.

(b) Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Group does not expect this amendment to have any impact on its financial statements.

(c) Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group does not expect this amendment to have any significant impact on its financial statements.

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.



DQ ENTERTAINMENT (INTERNATIONAL) LIMITED
Notes forming part of Financial Statements for the year ended 31 March 2023

4 Property, Plant and Equipment

| SI | Particulars | Gross Block | | | Deletion/Amortisation Provision for Impairment | Adjustment | Net Block | |
|----|--|------------------------|------------|-------------------------|--|-----------------|------------------------|------------------------|
| | | As at 31 March 2022 | Additions | Deletions/ write off | | | As at 31 March 2023 | As at 31 March 2022 |
| A | Property, Plant Equipment - Tangible Assets | | | | | | | |
| 1 | Leasehold land | 111.16 | .00 | .00 | 90.06 | .00 | 111.16 | .00 |
| 2 | Leasehold improvements | 32.06 | .00 | .00 | 8.71 | .00 | 32.06 | .00 |
| 3 | Right of use asset- Building* | 443.17 | .00 | .00 | | .00 | 387.80 | 55.37 |
| 4 | Plant & Machinery | 523.34 | .00 | .00 | | .00 | 507.50 | 15.84 |
| 5 | Office equipments | 29.52 | .00 | .00 | | .00 | 29.13 | .38 |
| 6 | Furniture, Fixtures & Interiors | 8.32 | .44 | .00 | 1.15 | .00 | 4.14 | 4.61 |
| 7 | Vehicles | .34 | .00 | .00 | .34 | .00 | .00 | .00 |
| | Total | 1147.91 | .44 | .00 | 100.26 | .00 | 1072.14 | 76.20 |
| B | Property, Plant Equipment - Intangible Assets | | | | | | | |
| 8 | Distribution rights* / IP Rights | 8726.16 | .00 | .00 | 858.01 | .00 | 8726.16 | .00 |
| 9 | Computer software | 375.20 | .00 | .00 | | .00 | 375.20 | .00 |
| | Total | 9101.36 | .00 | .00 | 858.01 | .00 | 9101.36 | .00 |
| C | Intangible Asset Under Construction | | | | | | | |
| | | 939.41 | .00 | .00 | | .00 | 939.41 | .00 |
| | Total | 939.41 | .00 | .00 | .00 | .00 | 939.41 | .00 |
| | Grand Total | 11188.68 | .44 | .00 | 958.27 | .00 | 11112.92 | 76.20 |
| | Previous year figures | 12011.85 | .00 | 823.17 | 11188.68 | 10246.34 | 10154.65 | 1034.04 |
| | | | | | | 805.49 | 1034.04 | 1765.51 |

*Right of use of asset is initially measured at fair value which comprises rental payments during the contract period.

Capital Work in Progress

| | |
|--|-------------|
| Opening Balance as on 1st April 2020 | 1,550,349 |
| Add: Additions during the year | - |
| Less: Capitalised during the year | - |
| Less: Impaired during the year | (1,550,349) |
| Closing Balance as at 31 March 2021 | - |

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 39 series (31.03.2019 - 39 series) of Animation rights have been acquired for different territories across the globe. The Company has performed testing for impairment of distribution rights which resulted in an impairment loss of Rs. NIL (31.03.2019 - Rs. 2,46,44,746) 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 NIL and consequently provision for impairment is considered necessary by the management at this stage.

The company has intangibles to the value of Rs.238 Mn. To support the carrying value of these intangible assets as at March 31, 2020, the company has prepared projected revenue streams from exploitation, discounted to their present values using a discount factor of 18.2%. 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.238 Mn as at March 31, 2020, 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.



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

Notes forming part of Financial Statements for the year ended 31 March 2023
Financial Assets

5 Investments

| Particulars | (Amount in Lakh, unless otherwise stated) | |
|---|---|------------------------|
| | As at 31 March 2023 | As at 31 March 2022 |
| Investment in equity instrument designated as at fair value through OCI (fully paid) | | |
| Unquoted equity shares | | |
| a) EQUITY | | |
| In 100% wholly owned subsidiary company -DQ Entertainment (Ireland) Limited. 17,266,315 (31.03.2022 : 17,266,315) ordinary shares of face value Euro 1, fully paid | 11675.03 | 11675.03 |
| Investment in DQ Entertainment (International) films Limited | | |
| Investment in DQ Entertainment (International) Films Limited. 1,155,553 (31.03.2019 : 1,155,553) ordinary shares of face value Euro. 1 fully paid | 892.45 | 892.45 |
| Diminution in Value of Investment - Investment in DQ Entertainment (International) Films Limited | -892.45 | -892.45 |
| | 11675.03 | 11675.03 |
| b) LOANS | | |
| Loans to 100% wholly owned subsidiary company -DQ Entertainment (Ireland) Limited | | |
| Current | 11463.18 | 11463.18 |
| Non- Current | .00 | .00 |
| | 23138.22 | 23138.22 |
| Aggregate book value of: | | |
| Quoted investments | .00 | .00 |
| Unquoted investments | 24030.67 | 24030.67 |
| Aggregate market value of: | | |
| Quoted investments | .00 | .00 |
| Unquoted investments | 23138.22 | 23138.22 |
| Aggregate amount of impairment in value of Investments | 892.45 | 892.45 |

The company has total investment in DQ Ireland of Rs 23,138.22 lakhs (comprising of Equity investments – Rs. 11,675.03 lakhs and Loans – Rs. 11,463.18 lakhs). The subsidiary's assets comprise primarily of intangible properties. The company is not able to estimate the projected revenue streams of these intangibles, consequent to the appointment of the Receivers for its subsidiary DQ Ireland.

6 Non-Current Financial Assets - Others

| Particulars | As at | As at |
|-------------------------------------|---------------|---------------|
| | 31 March 2023 | 31 March 2022 |
| Security & Other Collateral Deposit | 184.02 | 184.02 |
| Total | 184.02 | 184.02 |

7 Income Tax

| Deferred tax relates to the following: | As at | |
|--|----------------|----------------|
| | 31 March 2023 | 31 March 2022 |
| Deferred tax assets | | |
| On disallowance u/s 40A of Income Tax Act, 1961 | 7966.36 | 7966.36 |
| Previous year losses | 1746.26 | 1746.26 |
| | 9712.62 | 9712.62 |
| Deferred tax liabilities | | |
| On re-measurements gain/(losses) of post-employment benefit obligations | .00 | .00 |
| On others | .00 | .00 |
| | .00 | .00 |
| (B) Recognition of deferred tax asset to the extent of deferred tax liability | | |
| Balance sheet | | |
| Deferred tax asset | 9712.62 | 9712.62 |
| Deferred tax liabilities | .00 | .00 |
| Deferred tax assets/ (liabilities), net | 9712.62 | 9712.62 |
| (C) Reconciliation of deferred tax assets/ (liabilities) (net): | | |
| Opening balance as of 1 April | | |
| Tax liability recognized in Statement of Profit and Loss | 9712.62 | 9712.62 |
| Tax liability recognized in OCI | .00 | .00 |
| On re-measurements gain/(losses) of post-employment benefit obligations | .00 | .00 |
| Tax liability recognized directly in equity | .00 | .00 |
| On convertible preference shares | | |
| Tax asset recognized in Statement of Profit and Loss | .00 | .00 |
| Closing balance as at 31 March | 9712.62 | 9712.62 |

| (D) Deferred tax assets/ (liabilities) to be recognized in Statement of Profit and Loss | | 31 March 2023 | 31 March 2022 |
|---|--|---------------|---------------|
| Tax liability | | .00 | .00 |
| Tax asset | | .00 | .00 |
| | | .00 | .00 |
| (E) Income tax expense | | 31 March 2023 | 31 March 2022 |
| Current tax | | | |
| For the Year | | .00 | .00 |
| MAT Credit entitlement | | .00 | .00 |
| Deferred tax Income/(Charge) | | .00 | .00 |
| Income tax expense reported in the statement of profit or loss | | .00 | .00 |
| (F) Income tax expense charged to OCI | | 31 March 2023 | 31 March 2022 |
| Unrealised (gain)/loss on FVTOCI debt securities | | .00 | .00 |
| Unrealised (gain)/loss on FVTOCI equity securities | | .00 | .00 |
| Net loss/(gain) on remeasurements of defined benefit plans | | .00 | .00 |
| Income tax charged to OCI | | .00 | .00 |
| (G) Reconciliation of tax charge | | 31 March 2023 | 31 March 2022 |
| Profit before tax | | -1026.64 | -4870.00 |
| Tax effects of: | | | |
| - Item not deductible for tax | | .00 | .00 |
| - Others | | .00 | .00 |
| Income tax expense | | .00 | .00 |

Deferred Tax Asset balance as on 31.03.2021 includes MAT Credit Entitlement of INR 174.63 Mn (31.03.2020 INR 171.99 Mn)

8 Other Non-Current Assets

| Particulars | As at | As at |
|--------------------------------|---------------|---------------|
| | 31 March 2023 | 31 March 2022 |
| Claims receivable | .00 | .00 |
| Non-current prepaid expenses | .00 | .00 |
| Bank Deposit | .00 | .00 |
| Total other non-current assets | .00 | .00 |

9 Trade Receivable (Refer Note 40)

| Particulars | As at | As at |
|--|-----------------|-----------------|
| | 31 March 2023 | 31 March 2022 |
| Secured, considered good | | |
| Unsecured | | |
| Considered good | 10143.03 | 10143.03 |
| Considered doubtful | 28121.83 | 28121.83 |
| Less: Allowance for bad and doubtful debts | -28121.83 | -28121.83 |
| | 10143.03 | 10143.03 |

The company has total receivable balance of Rs.9900 lakhs from DQ Ireland. Consequent to the appointment of the Receivers for its subsidiary DQ Ireland the management has lost control on the subsidiary. The company is actively pursuing with potential investors, in order to raise the required funds and settle the dues of the Bondholders as well as the Banks, thereby the company is confident of getting back the control on the subsidiary. The management believes that the loss of control on subsidiary is only temporary and hence provision for impairment of receivables is not provided for in the books of accounts.

| As at March 31, 2023 | Particulars | Unbilled Dues | Not Due | Current | | | | | Total |
|---|-------------|---------------|---------|---|-------------------|-----------|-----------|-------------------|-----------------|
| | | | | Outstanding for following periods from due date of Receipts | | | | | |
| | | | | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables - | - | - | - | - | - | - | - | 10143.03 | 10143.03 |
| (ii) Undisputed Trade Receivables - | - | - | - | - | - | - | - | 28121.83 | 28121.83 |
| (iii) Disputed Trade | - | - | - | - | - | - | - | .00 | .00 |
| (iv) Disputed Trade Receivables - | - | - | - | - | - | - | - | .00 | .00 |
| Less: Provision for doubtful receivable | - | - | - | - | - | - | - | -28121.83 | -28121.83 |
| | - | - | - | - | - | - | - | 10143.03 | 10143.03 |

| As at March 31, 2022 | Particulars | Unbilled Dues | Not Due | Current | | | | | Total |
|---|-------------|---------------|---------|---|-------------------|-----------|-----------|-------------------|-----------------|
| | | | | Outstanding for following periods from due date of Receipts | | | | | |
| | | | | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables - | - | - | - | - | - | - | - | 10143.03 | 10143.03 |
| (ii) Undisputed Trade Receivables - | - | - | - | - | - | - | - | 28121.83 | 28121.83 |
| (iii) Disputed Trade | - | - | - | - | - | - | - | .00 | .00 |
| (iv) Disputed Trade Receivables - | - | - | - | - | - | - | - | .00 | .00 |
| Less: Provision for doubtful receivable | - | - | - | - | - | - | - | -28121.83 | -28121.83 |
| | - | - | - | - | - | - | - | 10143.03 | 10143.03 |

10 Cash and Cash Equivalents

| Particulars | As at | As at |
|---|---------------|---------------|
| | 31 March 2023 | 31 March 2022 |
| Balances with Banks | | |
| Current Accounts | 10.78 | 121.00 |
| Cash on hand | .00 | 45 |
| Deposit with Banks with more than 3 months but less than 12 months* | 15.00 | |
| | 25.78 | 121.45 |

11 Other Current Assets

| Particulars | As at | As at |
|-------------------------------------|---------------|---------------|
| | 31 March 2023 | 31 March 2022 |
| Loans and advances to employees | .00 | .00 |
| Other loans and advances receivable | .00 | .00 |
| Unbilled revenue | .00 | .00 |
| Claim Receivable | 191.88 | 182.63 |
| Prepaid expenses | 3.74 | 3.74 |
| WHT and TDS Receivable | 183.00 | 183.00 |
| | 378.62 | 369.37 |

12 Equity share capital

| Particulars | As at | As at |
|--|----------------|----------------|
| | 31 March 2023 | 31 March 2022 |
| Authorized | | |
| 80,000,000 Equity shares of Rs.10/- each (31.03.2019: 80,000,000 shares of Rs.10/- each) | 8000.00 | 8000.00 |
| | 8000.00 | 8000.00 |
| Issued, Subscribed and Paid up | | |
| 79,283,000 (31.03.2019: 79,283,000) Equity shares of Rs.10/- each fully paid up | 7928.30 | 7928.30 |
| | 7928.30 | 7928.30 |

12.1 Reconciliation of the number of shares

| Particulars | As at | As at |
|------------------------------|---------------|---------------|
| | 31 March 2023 | 31 March 2022 |
| Opening balance | 792.83 | 792.83 |
| Add:- Issued During the Year | .00 | .00 |
| Closing balance | 792.83 | 792.83 |

12.2 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.

12.3 Details of shares held by Holding Company

No. of Shares held by DQ Entertainment Mauritius Limited as on 31.03.2023 is 59461972. (31.03.2022: 59461972)

12.4 Details of shares held by shareholders holding more than 5% of the aggregate shares in the company.

75% of the shares i.e.59,461,972 Equity Shares of Rs.10/- each fully paid up are held by the holding company DQ Entertainment (Mauritius) Limited. (31.03.2021 - 75% 59461972 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.

12.5 Details of shares held by holding company and ultimate holding company.

75% of the shares i.e.59,461,972 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.

12.6 Issue of Bonus Shares

No Bonus Shares have been allotted during 5 years immediately preceding March 31, 2023

13 Other Equity

| Particulars | As at | As at |
|---|------------------|------------------|
| | 31 March 2023 | 31 March 2022 |
| Capital redemption Reserve | 17.64 | 17.64 |
| Securities premium Account | 19466.77 | 19466.77 |
| General reserve | 54.87 | 54.87 |
| Surplus/(Deficit) in the Statement of Profit and Loss | | |
| Opening Balance | -23308.80 | -18438.79 |
| Add:- Profit/ (Loss) for Current Year | -1026.64 | -4870.00 |
| Add:- Re-measurement Gain/(Loss) on post employment benefit obligation (net of tax) | .00 | .00 |
| Closing balance | -24335.43 | -23308.80 |
| Other Comprehensive Income Re-measurement (gain)/loss on post employment benefit obligation (net of tax) | | |
| Opening Balance | 392.20 | 392.20 |
| Add - Re-measurement Gain/(Loss) on post employment benefit obligation (net of tax) | .00 | .00 |
| Closing balance | 392.20 | 392.20 |
| | -4403.95 | -3377.31 |

14 Non Current Liabilities - Lease Liabilities

| Particulars | As at | As at |
|---|---------------|---------------|
| | 31 March 2023 | 31 March 2022 |
| Long term maturities of finance lease obligations | .00 | .00 |
| | .00 | .00 |

15 Non Current Liabilities - Employee Benefit Obligations

| Particulars | As at | As at |
|----------------------------------|---------------|---------------|
| | 31 March 2023 | 31 March 2022 |
| Gratuity Payable (Refer Note 36) | 176.49 | 176.49 |
| Leave Encashment Payable | 197.56 | 197.56 |
| Provision for Sick Leave | 29.94 | 29.94 |
| | 403.99 | 403.99 |

16 Non Current Liabilities - Other non-current liabilities

| Particulars | As at | As at |
|---------------------------|---------------|---------------|
| | 31 March 2023 | 31 March 2022 |
| Rent equalization reserve | .00 | .00 |
| | .00 | .00 |

17 Current Liabilities - Borrowings

| Particulars | As at | As at |
|--|----------------|----------------|
| | 31 March 2023 | 31 March 2022 |
| Working capital loans repayable on demand from banks - Secured | 7569.13 | 7548.04 |
| Loans and advances - Un-secured | | |
| -from related parties | 174.07 | 174.07 |
| -from Others | 16.55 | 16.55 |
| | 7759.75 | 7738.65 |

The company has filed an application with the bankers for one time settlement / restructuring of its term loans for sanction of further moratorium (classified as NPA by the bankers). The application is under active consideration by the bankers.

17.1 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.26,471,815 (31.03.2022: Rs.24,362,597) 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. 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.201,762,418 (31.03.2022: Rs.201,762,418) 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. | Repayable on demand with base Rate plus 3.95% p.a. payable monthly |
| The working capital loans from bank for Rs.528,678,545 (31.03.2022: Rs.528,678,545) 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% |

18 Current Liabilities - Trade Payables

| Trade payables | 31 March 2023 | 31 March 2022 |
|--|---------------|---------------|
| Total outstanding dues of micro enterprises and small enterprises | 223.63 | 223.63 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 584.97 | 519.74 |
| Total trade payables | 808.60 | 743.37 |

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---------------|---------------|
| (a) Amount remaining unpaid to any supplier at the end of each accounting year: | | |
| Principal | 223.63 | 223.63 |
| Interest | 169.60 | 169.60 |
| Total | 393.23 | 393.23 |
| (b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year. | .00 | .00 |
| (c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act. | .00 | .00 |
| (d) The amount of interest accrued and remaining unpaid at the end of each accounting year. | 169.60 | 169.60 |
| (e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act. | | |

| Particulars | As at March 2023 | | Current | | | | |
|-----------------------------|-------------------|------------------|--|--------------|-----------|-------------------|---------------|
| | Unbilled Payables | Payables Not Due | Outstanding for following periods from due date of payment | | | | Total |
| | | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | .00 | .00 | .00 | .00 | - | .00 | .00 |
| (ii) Disputed dues - MSME | .00 | .00 | .00 | .00 | - | .00 | .00 |
| (iii) Others | .00 | .00 | 67.23 | 46.23 | - | 697.13 | 810.60 |
| (iv) Disputed dues - Others | .00 | .00 | .00 | .00 | - | .00 | .00 |
| Total | .00 | .00 | 67.23 | 46.23 | - | 697.13 | 810.60 |

| Particulars | As at March 2022 | | Current | | | | |
|-----------------------------|-------------------|------------------|--|------------|---------------|-------------------|---------------|
| | Unbilled Payables | Payables Not Due | Outstanding for following periods from due date of payment | | | | Total |
| | | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | .00 | .00 | .00 | .00 | .00 | .00 | .00 |
| (ii) Disputed dues - MSME | .00 | .00 | .00 | .00 | .00 | .00 | .00 |
| (iii) Others | .00 | .00 | 46.23 | .00 | 414.77 | 282.36 | 743.37 |
| (iv) Disputed dues - Others | .00 | .00 | .00 | .00 | .00 | .00 | .00 |
| Total | .00 | .00 | 46.23 | .00 | 414.77 | 282.36 | 743.37 |

| 19 Current Liabilities - Lease Liabilities | | As at | As at |
|---|--|---------------|---------------|
| Particulars | | 31 March 2023 | 31 March 2022 |
| Current maturities of finance lease obligations | | 63.49 | 63.49 |
| | | 63.49 | 63.49 |

| 20 Current Liabilities - Other Current Liabilities | | As at | As at |
|--|--|-----------------|-----------------|
| Particulars | | 31 March 2023 | 31 March 2022 |
| Interest accrued and due to banks | | 11899.20 | 11899.20 |
| Other Payables: | | | |
| Statutory dues payable | | 3200.13 | 3202.45 |
| Income received in advance | | .00 | .00 |
| Advance from customers | | 3.19 | 3.19 |
| Interest Payable to MSME Creditors | | 169.60 | 169.60 |
| Unearned revenue | | 51.49 | 51.49 |
| Employee benefits payable | | 2011.90 | 2121.13 |
| Current maturities of long-term debt | | 10237.33 | 10237.33 |
| Security Deposit-EMD | | 15.00 | .00 |
| Provision for expenses & Others | | 1493.93 | 1516.81 |
| | | 29081.77 | 29201.20 |

The company has filed an application with the bankers for one time settlement / restructuring of its term loans for sanction of further moratorium (classified as NPA by the bankers). The application is under active consideration by the bankers.

| 21 Current Liabilities - Employee Benefits Obligations & other Provisions | | As at | As at |
|---|--|----------------|----------------|
| Particulars | | 31 March 2023 | 31 March 2022 |
| Gratuity Payable | | 1697.99 | 1697.99 |
| Leave Encashment payable | | 318.56 | 318.56 |
| Provision for Retakes | | .00 | .00 |
| | | 2016.55 | 2016.55 |

| 22 Revenue from Operations | | For the year ended | For the year ended |
|----------------------------|--|--------------------|--------------------|
| Particulars | | 31 March 2023 | 31 March 2022 |
| Production : Export | | .00 | .00 |
| Domestic | | .00 | .00 |
| Distribution income | | 60.54 | 7.73 |
| | | 60.54 | 7.73 |

| 23 Other Income | | For the year ended | For the year ended |
|---|--|--------------------|--------------------|
| Particulars | | 31 March 2023 | 31 March 2022 |
| Interest Income and others | | .00 | .00 |
| Profit on sale of fixed assets | | .00 | 3.49 |
| Liabilities no longer required written back | | .00 | .00 |
| Foreign exchange fluctuation gain (net) | | .00 | .00 |
| Sale of duty scripts | | .00 | .00 |
| Miscellaneous income | | 100.00 | .00 |
| | | 100.00 | 3.49 |

| 24 Production Expenses | | For the year ended | For the year ended |
|------------------------|--|--------------------|--------------------|
| Particulars | | 31 March 2023 | 31 March 2022 |
| Outsourcing Expenses | | .00 | .00 |
| Power and fuel | | .25 | 19.80 |
| | | .25 | 19.80 |

25 Employee benefits expense

| Particulars | For the year ended | For the year ended |
|--------------------------------|--------------------|--------------------|
| | 31 March 2023 | 31 March 2022 |
| Salaries and wages | 41.47 | 261.05 |
| Contribution to provident fund | .70 | .00 |
| Staff welfare expenses | .00 | .67 |
| Gratuity* | .00 | .00 |
| Compensated absences* | .00 | .00 |
| | 42.17 | 261.72 |

* Refer Note 36

26 Finance Costs

| Particulars | For the year ended | For the year ended |
|--|--------------------|--------------------|
| | 31 March 2023 | 31 March 2022 |
| Interest on borrowings | | |
| Terms loans | .00 | 982.55 |
| Working capital loan | .00 | 1612.72 |
| Interest on MSME Creditors | .00 | .00 |
| Interest on Lease Liability | .00 | 57.34 |
| Interest on delay in payment of statutory dues | .00 | 1392.07 |
| | .00 | 4044.68 |

27 Other Expenses - Administrative & Others

| Particulars | For the year ended | For the year ended |
|--------------------------------------|--------------------|--------------------|
| | 31 March 2023 | 31 March 2022 |
| Communication expenses | .17 | 2.96 |
| Printing and stationery | .23 | .19 |
| Professional and consultancy charges | 40.86 | 109.17 |
| Repairs and Maintenance : | | |
| Building | .00 | .83 |
| Plant and Machinery | 7.50 | .11 |
| Others | .00 | 2.93 |
| Insurance | .07 | .99 |
| Business promotion | 1.49 | 4.91 |
| Rates and taxes | 4.55 | 2.16 |
| Rent | 66.48 | 36.23 |
| Payment to auditors as: | | |
| As Auditor | | |
| Audit fees | 1.00 | 1.00 |
| In Other capacity | | |
| Tax audit | .00 | .00 |
| Other Matters | .00 | .00 |
| Directors remuneration | 21.67 | 100.00 |
| Selling and distribution expenses | .00 | .00 |
| Travelling and conveyance expenses | .00 | .26 |
| Bad debts written off | .00 | .00 |
| Bank charges | .76 | .08 |
| Listing Fee | 6.49 | .61 |
| Assets written off | 19.04 | |
| Miscellaneous expenses | .67 | 8.22 |
| | 170.98 | 270.65 |

28 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.

29 Disclosure required by Schedule V of the Listing Regulations

| Amount of loans & advances outstanding from subsidiaries as at 31 March 2023 | Outstanding as at 31 March 2023 | Maximum amount outstanding during the | Outstanding as at 31 March 2023 | Maximum amount outstanding during the |
|--|---------------------------------|---------------------------------------|---------------------------------|---------------------------------------|
| Wholly Owned Subsidiary company - DQ Entertainment (Ireland) Limited | 1,140,428,810 | 1,116,403,503 | 11404.29 | 11164.04 |

30

| Particulars | 31 March 2023 | 31 March 2022 |
|--|---------------|---------------|
| Contingent Liabilities (to the extent not provided for) | | |
| a) Bonds executed in favour of customs and excise authorities | 5.00 | 5.00 |
| b) Demand Disputed on appeal :- | | |
| 1. Income Tax | .00 | .00 |
| 2. Service Tax | 1088.71 | 1088.71 |
| The company has fair chances of succeeding in the appeals and therefore does not expect any liability to materialize | | |

31

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---------------|---------------|
| Earnings in Foreign Currency - Accrual basis | | |
| Income from production (net of unbilled) | .00 | .00 |
| Other income | .00 | .00 |
| Distribution Income | 60.54 | 7.73 |

32

| Particulars | 31 March 2023 | 31 March 2022 |
|--|---------------|---------------|
| Expenditure in Foreign currency - Accrual basis (Subject to deduction of tax where applicable) | | |
| Overseas business travel | .00 | .00 |
| Production Expenses | .00 | .00 |
| Consultancy, commission, storage systems and other expenses | .00 | .00 |
| Financial Charges | .00 | .00 |
| TOTAL | .00 | .00 |

33

| Particulars | 31 March 2023 | 31 March 2022 |
|--|---------------|---------------|
| Directors remuneration | | |
| Salaries and allowances | 21.67 | 100.00 |
| Other perquisite | .00 | .00 |
| | 21.67 | 100.00 |
| Remuneration to Non - Whole-time Director | | |
| Sitting fees | .00 | .00 |
| Professional fees | .00 | .00 |
| Total remuneration | 21.67 | 100.00 |

The above figure does not include provision for gratuity and leave encashment liability actuarially valued as separate figure are not available.

34 Related party disclosures

| (A) Names of related parties and description of relationship as identified and certified by the Company: | | |
|---|--|--|
| Holding Company : DQ Entertainment (Mauritius) Limited - Holding Company DQ Entertainment Plc - Parent of holding company Zenithal Private Limited - Ultimate Holding Company Entity under common control :- DQ Entertainment (Ireland) Limited - Subsidiary company (Loss of control w.e.f 15th October 2019) DQ Entertainment USA, LLC- Subsidiary of Subsidiary company (Loss of control w.e.f 15th October 2019) DQ Entertainment (International) Films Limited - Joint Venture company by DQ Entertainment (International) Limited and DQ Entertainment Plc | | |

Key Management Personnel (KMP)

Mr. Tapaas Chakravarti - Managing Director & Chief Executive Officer
 Mr. Sanjay Choudhary - Chief Financial Officer
 Ms. Rashida Adenwala – Professional, Non-Independent Director
 Mr. S Sundar – Independent Director
 Mr. B. N. Sirish – Independent Director
 Mr. Auknoor Gautam – Independent Director
 Ms. Sukhmani Walia – Company Secretary (Resigned w.e.f 3rd October, 2019)

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:

| | 31 March 2023 | 31 March 2022 |
|---|---------------|---------------|
| (i) Entity under common control | | |
| Production services provided to DQ Entertainment (Ireland) Limited | .00 | .00 |
| Professional consultancy & Others to DQ Entertainment (Ireland) Limited | .00 | .00 |
| (ii) Key Management Personnel (KMP) | | |
| Transactions with Key management personnel | | |
| Loan (re-paid)/ taken - Managing Director & Chief Executive Officer | .00 | -6.50 |
| Remuneration | 21.67 | 100.00 |
| Director Sitting Fee | .00 | .00 |
| (iii) Relative of KMP and Directors | | |
| Remuneration | .00 | .00 |
| (iv) Professional fee paid to | | |
| Director | .00 | .00 |
| Firm in which a Director is a partner | .00 | .00 |

(C) Amount due to/from related party as on:

| | 31 March 2023 | 31 March 2022 |
|--|---------------|---------------|
| (i) Holding Company | | |
| Amount receivable at year end - DQ Entertainment Plc | .00 | .00 |
| (ii) Entity under common control | | |
| Amount receivable at year end - DQ Entertainment (Ireland) Limited | 24030.67 | 24030.67 |
| (iii) Key Management Personnel (KMP) | | |
| Loan taken - Managing Director & Chief Executive Officer | 174.07 | 174.07 |
| Remuneration payable | 448.38 | 426.71 |
| (iv) Professional fee payable | | |
| Firm in which a Director is a partner | 6.95 | 6.95 |

(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 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties for Rs.23138.22 Lakh (31 March 2022: Rs.23138.22 Lakh). 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 Leases

| Lease Liability | | 31 March 2023 | 31 March 2022 |
|--|--|---------------|---------------|
| Particulars | | | |
| Non-Current Lease Liability | | .00 | .00 |
| Current Lease Liability | | 63.49 | 63.49 |
| Total | | 63.49 | 63.49 |
| The following is the movement in Lease liabilities | | | |
| Particulars | | | |
| Opening Lease recognised on adoption of IND AS 116 | | .00 | .00 |
| Reclassification on adoption of IND AS 116 | | .00 | .00 |
| Add: Additions | | .00 | .00 |
| Add: Additions through business Combination | | .00 | .00 |
| Less: Deletion | | .00 | .00 |
| Add: Finance cost accrued during the period | | .00 | .00 |
| Less: Payment of Lease obligation | | .00 | .00 |
| Transitional Loss or gain | | .00 | .00 |
| Carrying amount as on 31.03.2021 | | .00 | .00 |
| Amount recognised in the statement of profit and loss account | | | |
| Particulars | | | |
| Interest Expense (Included in finance Cost) | | .00 | 57.34 |
| Expenses relating to lease of low value assets that are not included above(Included in Other Expenses) | | .00 | |

36 Employee benefits

| (A) Defined benefit plans | | 31 March 2023 | 31 March 2022 |
|---|--|--------------------------|---------------|
| During the year, the Company has recognized the following amounts in the Statement of Profit and Loss – | | | |
| a) Employers' Contribution to Gratuity (Refer note 25) | | .00 | .00 |
| b) Employers' Contribution to Compensated Employees (Refer note 25) | | .00 | .00 |
| (B) Defined benefit plans | | | |
| a) Gratuity payable to employees | | 1874.48 | 1874.48 |
| b) Compensated absences for Employees | | 516.12 | 516.12 |
| 1) Actuarial assumptions | | | |
| Discount rate (per annum) | | 31 March 2023 | 31 March 2022 |
| Rate of increase in Salary | | | |
| Expected average remaining working lives of employees (years) | | | |
| Attrition rate | | | |
| ii) Changes in the present value of defined benefit obligation | | | |
| | | Employee's gratuity fund | |
| | | 31 March 2023 | 31 March 2022 |
| Present value of obligation at the beginning of the year | | | |
| Interest cost | | | |
| Past service cost | | | |
| Current service cost | | | |
| Curtailments | | | |
| Settlements | | | |
| Benefits paid | | | |
| Actuarial (gain)/ loss on obligations | | | |
| Present value of obligation at the end of the year* | | .00 | .00 |
| *Included in provision for employee benefits (Refer note 15 & 21) | | | |

iii) **Expense recognized in the Statement of Profit and Loss**

Current service cost
 Past service cost
 Interest cost
 Expected return on plan assets
 Actuarial (gain) / loss on obligations
 Settlements
 Curtailments

Total expenses recognized in the Statement Profit and Loss*

*Included in Employee benefits expense (Refer Note 25). Actuarial (gain)/loss of INR 20,875,398 (31 March 2019: INR 5,694,511) is included in other comprehensive income.

| Employee's gratuity fund | |
|--------------------------|---------------|
| 31 March 2023 | 31 March 2022 |
| | |
| | |
| | |
| | |
| | |
| | |
| .00 | .00 |
| | |

iv) **Assets and liabilities recognized in the Balance Sheet:**

Present value of unfunded obligation as at the end of the year
 Unrecognized actuarial (gains)/losses

Unfunded net asset / (liability) recognized in Balance Sheet*

*Included in provision for employee benefits (Refer note 15 & 21)

v) A quantitative sensitivity analysis for significant assumption as at 31 March 2023 is as shown below.

Impact on defined benefit obligation

Discount rate
 1% increase
 1% decrease

Rate of increase in salary
 1% increase
 1% decrease

Maturity profile of defined benefit obligation
 Year

1 year
 2 to 5 years
 6 to 10 years
 More than 10 years

| Employee's gratuity fund | |
|--------------------------|---------------|
| 31 March 2023 | 31 March 2022 |
| | |
| | |
| | |
| .00 | .00 |
| | |
| Employee's gratuity fund | |
| 31 March 2023 | 31 March 2022 |
| | |
| | |
| | |
| | |
| | |
| Employee's gratuity fund | |
| 31 March 2023 | 31 March 2022 |
| | |
| | |
| | |

37 **Earnings / Loss per share**

Particulars
 Weighted average number of equity shares for basic EPS
 Effect of dilution:
 Share options
 Convertible preference shares
Weighted average number of equity shares adjusted for the effect of dilution
 Basic loss per share (INR)
 Diluted loss per share (INR)

| | 31 March 2023 | 31 March 2022 |
|---|---------------|----------------|
| Weighted average number of equity shares for basic EPS | 792.83 | 7928.30 |
| Effect of dilution: | | |
| Share options | .00 | .00 |
| Convertible preference shares | .00 | .00 |
| Weighted average number of equity shares adjusted for the effect of dilution | 792.83 | 7928.30 |
| Basic loss per share (INR) | .00 | .00 |
| Diluted loss per share (INR) | .00 | .00 |

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 2023 is as follows:

| | Animation | Distribution | Total |
|-------------------------------|-----------|--------------|-------|
| Revenue from operation | | | .00 |
| Total Revenue | | | .00 |
| | | | .00 |
| Depreciation and Amortisation | | | .00 |
| Segment result | | | .00 |
| | | | .00 |
| Unallocated expenses | | | |
| Operating Profit | | | |
| Net financing costs | | | |
| Income Tax expense | | | |
| Profit after tax | | | |
| Segment assets | | | |
| Unallocated assets | | | |
| Total assets | | | |
| Segment liabilities | | | |
| Unallocated liabilities | | | |
| Total liabilities | | | |
| Capital expenditure | | | |
| Tangible Fixed Assets | | | |
| Intangible Assets | | | |

Note: Figures in Bookman Old Style represent previous year

38.2 **Geographical Segment**

Revenue from geographic segments based on domicile of the customers is outlined below:

| | America | Europe | Others | Total |
|------------------------|---------|--------|--------|-------|
| Revenue from operation | | | | |
| Animation | | | | |
| Distribution | | | | |
| Total Revenue | | | | |
| Total Assets | | | | |
| Capital expenditure | | | | |
| Tangible Fixed Assets | | | | |
| Intangible Assets | | | | |

Note: Figures in Bookman Old Style 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:

- recognised and measured at fair value
- 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 2023 | Level 1 | Level 2 | Level 3 |
| Financial assets measured at amortised cost | | | | |
| Loans | .00 | - | .00 | .00 |
| Trade receivables | 10143.03 | - | .00 | .00 |
| Cash and cash equivalents including other bank balances | 25.78 | - | .00 | .00 |
| Other financial assets | 184.02 | - | .00 | .00 |
| Financial assets measured at fair value | | | | |
| Investment in Preference shares | .00 | - | .00 | .00 |
| Total financial assets | 10352.84 | - | .00 | .00 |
| Financial liabilities measured at amortised cost | | | | |
| Non-convertible debentures | .00 | - | .00 | .00 |
| Borrowings | 7759.75 | - | .00 | .00 |
| Trade payables | 808.60 | - | .00 | .00 |
| Other Financial liabilities | 10237.33 | - | .00 | .00 |
| Total financial liabilities | 18805.68 | - | .00 | .00 |

| Particulars | Carrying amount | Fair value | | |
|---|-----------------|------------|------------|------------|
| | 31 March 2022 | Level 1 | Level 2 | Level 3 |
| Financial assets measured at amortised cost | | | | |
| Loans | .00 | - | .00 | .00 |
| Trade receivables | 10143.03 | - | .00 | .00 |
| Cash and cash equivalents including other bank balances | 121.45 | - | .00 | .00 |
| Other financial assets | 184.02 | - | .00 | .00 |
| Financial assets measured at fair value | | | | |
| Investment in Preference shares | .00 | - | .00 | .00 |
| Total financial assets | 10448.50 | - | .00 | .00 |
| Financial liabilities measured at amortised cost | | | | |
| Non-convertible debentures | - | - | .00 | .00 |
| Borrowings | 7738.65 | - | .00 | .00 |
| Trade payables | 743.37 | - | .00 | .00 |
| Other Financial liabilities | 10237.33 | - | .00 | .00 |
| Total financial liabilities | 18719.35 | - | .00 | .00 |

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 31 March 2020 and 31 March 2019 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.

| Particulars | As at | |
|---|---------------|---------------|
| | 31 March 2023 | 31 March 2022 |
| Balance as at the beginning of the year | -27633.20 | -27633.20 |
| Impairment loss allowances recognised (FE Impact) | 00 | 00 |
| Bad Debt Written off | 00 | 00 |
| Balance as at the end of the year | -27633.20 | -27633.20 |

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 2020 and 31 March 2019. 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 2023 | | | | | |
| Borrowings | 7759.75 | 7759.75 | - | .00 | |
| Trade payables | 808.60 | 808.60 | - | .00 | |
| Other Financial liabilities | 10237.33 | 10237.33 | - | .00 | |
| | | | | | |
| | | | | | |
| As at 31 March 2022 | | | | | |
| Borrowings | 7738.65 | 7738.65 | - | .00 | |
| Trade payables | 743.37 | 743.37 | - | .00 | |
| Other Financial liabilities | 10237.33 | 10237.33 | - | .00 | |

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 2023 | | As at 31 March 2022 | |
|-------------------|--------------------------|---------------------|--------|---------------------|--------|
| | | Foreign currency* | Amount | Foreign currency* | Amount |
| Trade receivables | AUD EUR GBP USD | | | | |
| Trade payables | USD | | | - | .00 |

*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 2023 | 31 March 2022 |
| AUD/INR | 89.30 | .00 |
| EUR/INR | | |
| GBP/INR | | |
| USD/INR | 82.18 | .00 |

Sensitivity analysis

A reasonably possible strengthening (weakening) of the foreign currencies against INR at 31 March 2020 and 31 March 2019 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 2023 | | | | |
| AUD(2%) | - | - | .00 | .00 |
| EUR(5%) | - | - | .00 | .00 |
| GBP(5%) | - | - | .00 | .00 |
| USD(5%) | - | - | .00 | .00 |
| 31 March 2022 | | | | |
| AUD(2%) | - | - | .00 | .00 |
| EUR(5%) | - | - | .00 | .00 |
| GBP(5%) | - | - | .00 | .00 |
| USD(5%) | - | - | .00 | .00 |

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.

| | 31 March 2023 | 31 March 2022 |
|---|-----------------|-----------------|
| Equity | | |
| Convertible preference share | 3524.35 | 4550.99 |
| Total equity (i) | .00 | .00 |
| Borrowings other than convertible preference shares | 3524.35 | 4550.99 |
| Less: cash and cash equivalents | 17997.08 | 17975.99 |
| Total debt (ii) | -25.78 | -121.45 |
| Overall financing (iii) = (i) + (ii) | 17971.30 | 17854.54 |
| Gearing ratio (ii) / (iii) | 21495.64 | 22406.53 |
| | 0.84 | 0.80 |

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2023 and 31 March 2022.

42 Commitments

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---------------|---------------|
| Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances | .00 | .00 |

43 Amount Spent on Corporate Social Responsibility

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---------------|---------------|
| (a) Gross amount required to be spent by the company during financial year. | .00 | .00 |
| (b) Amount spent during the financial year. | .00 | .00 |

The prescribed CSR expenditure required to be spent in the year 2022-23 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 The company has incurred losses for the quarter and for the year ended, March 31, 2023. The company has also submitted a request letter to the bankers in November 2019, for onetime settlement of its loans (classified as NPA by bankers) and the bankers are actively considering the said application. Further the company is also making all efforts to raise funds to settle the dues of the Banks and is in discussion with few agencies.

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

45 Loss of control over Subsidiary

By virtue of Bond Instrument entered between OL Master Limited ("Bondholders"), DQ Entertainment (Mauritius) Limited ("DQE Mauritius" - Our Holding Company) and DQ Entertainment (Ireland) Limited ("DQE Ireland" - our wholly owned subsidiary Company) in the year 2014 and due to the non-payment of the cash coupon and the consequent Redemption amount which constituted an Event of default under the aforementioned Instrument, the Bondholders have appointed Receivers on the assets of our wholly owned subsidiary Company i.e. DQE Ireland.

The Receivers have now taken control of all the intellectual properties and the Bank accounts of our subsidiary Company (DQE Ireland) and all affairs and business, of our subsidiary Company is now being managed by the Receivers appointed by the Bondholders.

The company has informed the stock exchanges regarding the above fact.

The company is actively pursuing with potential investors, in order to raise the required funds and settle the dues of the Bondholders as well as the Banks.

46 Other Important notes

a) Pursuant to an order dated 17 June 2022 ("CIRP Commencement Date") of the Hon'ble National Company Law Tribunal, Hyderabad Bench ("NCLT"), Corporate Insolvency Resolution Process ("CIRP") has been initiated in case of the Company under the provisions of the Insolvency and Bankruptcy Code, 2016 (the "Code") and related rules and regulations issued thereunder. By the said order, Mr. Madhusudhan Rao Gonugunta has been appointed as the Interim Resolution Professional ("IRP"). Thereafter, the Committee of Creditors of the Company resolved with the requisite voting share, to appoint CS Dr. Ahalada Rao Vummenthala as the resolution professional ("Resolution Professional") of the Company.

The powers of the Board of Directors of the Company stand suspended effective from the CIRP Commencement Date and such powers along with the management of affairs of the Company are vested with the IRP/RP in accordance with the provisions of Section 17 and 23 of the Code. Upon initiation of CIRP, the Hon'ble NCLT has declared moratorium under Section 14 of the Code and the order for moratorium shall have effect from the date of the said order till the completion of the CIRP. Since the powers of Board of Directors has been suspended and vested with Resolution Professional all the Board and Committee meetings are held after obtaining authority from Resolution Professional.

The Resolution Professional has approved these financial statements without prejudice and without any guarantee on the accuracy, adequacy, correctness, completeness or reliability of the financial statements as the same pertains to period prior to the CIRP Commencement Date. It is important to note that such approval by the Resolution Professional of these financial statements is to comply with the provisions of the "Insolvency and Bankruptcy Code, 2016 (I&B Code) and this without prejudice to the rights and contentions of the Resolution Professional under applicable laws and the Resolution Professional reserves/ retains his right to file avoidance transactions under Section 43, 45, 66, and 50 of the Code at a later date and that such approval of these financial statements shall not be in conflict with such proceedings that may be initiated before relevant court / tribunal.

Further, the members of the Committee of Creditors (hereinafter referred to as "CoC") in their 18th meeting held on 05th September 2023, in the absence of viable and compliant Resolution Plans have unanimously approved for initiation of liquidation proceedings against the Corporate Debtor. The Resolution Professional is in the process of filing an Application before Hon'ble NCLT Hyderabad.

b) The landowner of the registered office premises taken over the possession forcibly in contravention of Insolvency & Bankruptcy Code, 2016 stating the reasons for not in receipt of the pending arrears of rent and other administrative reasons. The Resolution Professional after repeated requests and discussions, approached police station initially, there afterwards approached Hon'ble NCLT Hyderabad Bench for the same.

c) The Resolution Professional filed an Interlocutory Application against the past management before the Hon'ble NCLT Hyderabad Bench for not providing the requisite information and significant documents for the purpose of CIRP process including in particular for statutory audit and for statutory compliances.

d) The Resolution Professional has filed an Interlocutory Application under Section 66 of Insolvency & Bankruptcy Code, 2016 for Fraudulent Transactions for the Financial Year 2017-18 for a sum of INR 57,34,63,000/- against the past management before the Hon'ble NCLT Hyderabad Bench based on Transaction Audit reports and other reports for the for not providing the requisite information and significant documents for the purpose of CIRP process including in particular for statutory auditing and for statutory compliance.

e) The Resolution Professional has filed an Interlocutory Application under Section 43, 44 & 45 of Insolvency & Bankruptcy Code 2016 for Preferential transactions for the Financial Years 2017-18, 2018-19 & 2019-20 for a sum of INR 1,35,21,000/- and INR 1,19,26,000/- against the past management before the Hon'ble NCLT Hyderabad Bench based on Transaction Audit reports and other reports for the for not providing the requisite information and significant documents for the purpose of CIRP process including in particular for statutory auditing and for statutory compliance.

f) The Resolution Professional filed an Interlocutory Application against Hyderabad Metropolitan Development Authority and others under section 17(2)(d), 19(2) and 60(5) of Insolvency & Bankruptcy Code 2016 for not providing the information, validity of lease agreement and possession of the property of the leasehold land situated at Survey Numbers 239, 240 with plot no.9 admeasuring 2 acres and 87 Gts, Kokapet Village of Rajendranagar Mandal, Rangareddy District. Further, he also made an application under RTI for the requisite information about the status of the compliance of the lease conditions and pending lease rentals payable if any.

g) The Resolution professional requested the Provident Fund for reduction of the Provident Fund liability based on reduction number of the employees because of the resignation and other reasons. Further, he also made a request for the division and distribution of the Provident Fund Liability of INR 20,56,99,027/- for the claim received, along with past management who is also jointly accountable and responsible for such amount which includes interest, penalties and damages, in accordance with The Employees' Provident Funds And Miscellaneous Provisions Act, 1952. The Provident Fund officials are examining the same.

h) The Company has Investments of INR 231.38 22 lakhs in the Subsidiaries in the Form of Equity and other Loans. In the absence of any information with regard to the recovery of the said investments from the suspended management, the Resolution Professional is not able to comment on the recovery of the said amounts.

i) The Company has Investments of INR 231.38 22 lakhs in the Subsidiaries in the Form of Equity and other Loans. In the absence of any information with regard to the recovery of the said investments from the suspended management, the Resolution Professional is not able to comment on the recovery of the said amounts.

j) The Company has receivables of Rs.10143.03 lakhs from its Trade Receivables. In the absence of any information with regard to the recovery of the said receivables from the suspended management, the Resolution Professional is not able to comment on the recovery of the said amounts.

k) The Company has receivables of Rs 184.02 lakhs and 378.62 lakhs from various parties. In the absence of any information with regard to the recovery of the said receivables from the suspended management, the Resolution Professional is not able to comment on the recovery of the said amounts.

l) The Company has Deferred Tax Assets of Rs.972.12 lakhs as on 31 March 2022. The Resolution Professional has not created any additional Provision. The Resolution Professional believes that the Company has will handed over to a Resolution Applicant and taxable profits will be available for utilization of these deferred tax assets in future.

J) As a part of Corporate Insolvency Resolution Process (CIRP) Creditors were called upon to submit their claims. Till the date of our signing of the Standalone Financial Statements, claims submitted by Creditors have been reconciled with the books of accounts of the Company. However such finalisation process and final outcome of the CIRP differs from the audit process and methodologies. Further, as the coc recommends for liquidation and honourable NCLT order being pending, thus the books of accounts have been made not considering the claim amount. Such claims may be excess, short or non-receipts of claims from operational and Financial Creditors. Hence, it is not practicable to quantify the Financial Impact of the same, if any, on the Standalone Financial Statements.

K) Further, in accordance with Section 134 of the Companies Act, 2013 read with The Companies (Accounts) Rules, 2014, "The financial statement, including consolidated financial statement, if any, shall be approved by the Board of Directors before they are signed on behalf of the Board by the chairperson of the company where he is authorised by the Board or by two Directors out of which one shall be managing director, if any, and the Chief Executive Officer, the Chief Financial Officer and the company secretary of the company, wherever they are appointed, or in the case of One Person Company, only by one director, for submission to the auditor for his report thereon."

In light of the above-mentioned provisions, the Financial Statements of the Corporate Debtor shall be signed by the Resolution Professional and by the Managing Director of the Corporate Debtor. To ensure compliance with the same, the Resolution Professional requested Mr. Tapaas Chakravarti, the erstwhile Managing Director/Promoter of the Corporate Debtor to share the signed copies of the Financial Statements for the Financial Years 2020-21, 2021-22, and 2022-23 received from the Auditors. However, there was no response received from him. It is a well laid principle of the Insolvency and Bankruptcy Code, 2016 that it is the duty of the Board of Directors/Managing Director to sign on the Financial Statements of the Company, failing which it shall be treated as a statutory non-compliance.

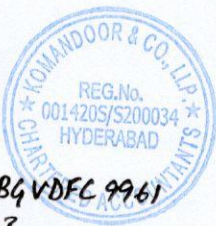
In the present case of the Corporate Debtor, since all the Directors except Mr. Tapaas Chakravarti resigned from the Board, he was requested to verify the Financial Statements and sign the same for the Financial Years 2020-21, 2021-22 and 2022-23. Due to non-cooperation by Mr. Tapaas Chakravarti for signing the Financial Statements, the Resolution Professional has filed an Interlocutory Application against him before Hon'ble NCLT.

L) The Corporate Debtor has a wholly-owned subsidiary company in Ireland i.e., DQ Entertainment (Ireland) Limited, and a step-down wholly-owned subsidiary Company in the USA i.e., DQ Entertainment USA, LLC. DQ Entertainment (Mauritius) Limited is the holding company of the Corporate Debtor. The consolidated Financial Statements were not prepared as the subsidiaries and holding companies of the Corporate Debtor are undergoing insolvency proceedings in accordance with the laws of their home countries and the receiver has taken control and charge over the companies.

47 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 Komandoor & Co. LL
Chartered Accountants
(FRN- 001420S / S2001334)

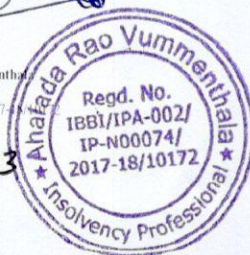
Komandoor Mohan Acharya
Partner
(Membership No. 0267022)
UDIN 23029082BQVDFC 9961
Place Hyderabad
Date 11-09-2023



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

CS Dr Ahalada Rao Vummenthala
Resolution Professional
IBBI/PA-002/IP-N00074/2017-18

Place: Hyderabad
Date: 11-09-2023



| STANDALONE | DQE India | INDAS Adj | Total | |
|------------|--|---------------|---------------------------|---------------------------|
| | 31 March 2022 | 31 March 2022 | 31 March 2022 | 31 March 2021 |
| 3 | Share Capital: | | | |
| | Authorised | | | |
| | 800,000,000.00 | | 800,000,000.00 | 800,000,000.00 |
| | 800,000,000.00 | | 800,000,000.00 | 800,000,000.00 |
| | Issued, Subscribed and Paid up | | | |
| | 792,830,000.00 | | 792,830,000.00 | 792,830,000.00 |
| | 792,830,000.00 | - | 792,830,000.00 | 792,830,000.00 |
| 4 | Reserves and Surplus | | | |
| | Capital Redemption Reserve | | | |
| | 1,763,860.00 | | 1,763,860.00 | 1,763,860.00 |
| | Securities Premium Account | | | |
| | 1,946,676,687.46 | | 1,946,676,687.46 | 1,946,676,687.46 |
| | General Reserve | | | |
| | 5,487,393.00 | | 5,487,393.00 | 5,487,393.00 |
| | Less: Transfer to Capital Redemption Reserve | | | |
| | - | | - | - |
| | 5,487,393.00 | - | 5,487,393.00 | 5,487,393.00 |
| | Profit and Loss Account | | | |
| | Balance brough forward | | | |
| | (2,330,879,511.41) | | (2,330,879,511.41) | (1,843,879,130.00) |
| | Opening PnL Adjustment for Ind AS | | | |
| | - | | - | - |
| | Less: Adjustment | | | |
| | - | | - | - |
| | Add: Profit for the year | | | |
| | (102,663,670.18) | - | (102,663,670.18) | (487,000,381.41) |
| | Closing balance | | | |
| | (2,433,543,181.59) | - | (2,433,543,181.59) | (2,330,879,511.41) |
| | Foreign Currency Translation Reserve - opening | | | |
| | - | | - | - |
| | Other Comprehensive Income | | | |
| | 39,220,073.00 | | 39,220,073.00 | 39,220,073.00 |
| | Other Reserves | | | |
| | Capital Subsidy * | | | |
| | - | | - | - |
| | (440,395,168.13) | - | (440,395,168.13) | (337,731,497.95) |
| 5 | Non Current Liabilities - Borrowings | | | |
| | Term Loans - Secured | | | |
| | - | | - | - |
| | From Banks | | | |
| | - | | - | - |
| | From Others | | | |
| | - | | - | - |
| | - | - | - | - |
| 8 | Non Current Liabilities - Long Term Provisions | | | |
| | Provision for Employee benefits | | | |
| | 40,398,765.00 | | 40,398,765.00 | 40,398,765.00 |
| | Gratuity Payable | | | |
| | 17,648,816.00 | | 17,648,816.00 | 17,648,816.00 |
| | Leave Encashment Payable | | | |
| | 19,755,987.00 | | 19,755,987.00 | 19,755,987.00 |
| | Provision for Sick Leave | | | |
| | 2,993,962.00 | | 2,993,962.00 | 2,993,962.00 |
| | 40,398,765.00 | - | 40,398,765.00 | 40,398,765.00 |
| 7 | Other Long Term Liabilities | | | |
| | Other non current liab - Rent Eq Reserve | | | |
| | Rent equalisation reserve | | | |
| | - | | - | - |
| | - | - | - | - |
| 9 | Current Financial Liabilities - Short Term Borrowings | | | |
| | Working capital loans | | | |
| | 756,912,776.82 | | 756,912,776.82 | 754,803,558.82 |
| | Related parties - unsecured | | | |
| | 17,406,858.99 | | 17,406,858.99 | - |
| | Others - unsecured | | | |
| | 1,655,000.00 | | 1,655,000.00 | - |
| | 775,974,635.81 | - | 775,974,635.81 | 754,803,558.82 |
| 10 | Trade Payables | | | |
| | Due to Others | | | |
| | Sundry Creditors | | | |
| | for services | | | |
| | 27,895,820.39 | | 27,895,820.39 | 27,895,820.39 |
| | for others | | | |
| | 52,963,722.84 | | 52,963,722.84 | 46,440,777.84 |
| | 80,859,543.23 | - | 80,859,543.23 | 74,336,598.23 |
| 11 | Other Current Liabilities | | | |
| | Interest accrued but not due | | | |
| | Interest accrued and due (specify if any) | | | |
| | 1,189,920,134.24 | | 1,189,920,134.24 | 1,189,920,134.24 |
| | Other Payables: | | | |
| | Statutory Dues | | | |
| | 320,012,836.84 | | 320,012,836.84 | 320,244,866.84 |
| | Income received in advance | | | |
| | - | | - | - |

| STANDALONE | DQE India | INDAS Adj | Total | |
|---|-------------------------|---------------|-------------------------|-------------------------|
| | 31 March 2022 | 31 March 2022 | 31 March 2022 | 31 March 2021 |
| Advance from Customers | 318,583.53 | | 318,583.53 | 17,725,442.52 |
| Interest Payable to MSME Creditors | 16,960,291.00 | | 16,960,291.00 | 16,960,291.00 |
| <i>Lease Liability</i> | | | | |
| Unearned Revenue - Unbilled revenue (Liability) | 6,349,349.00 | | 6,349,349.00 | 6,349,349.00 |
| Employee benefits payable | 5,149,200.00 | | 5,149,200.00 | 5,149,200.00 |
| Current Maturity value of long term borrowings | 201,189,655.23 | | 201,189,655.23 | 212,113,023.14 |
| EMD | 1,023,733,369.05 | | 1,023,733,369.05 | 1,023,733,369.05 |
| Services | 1,500,000.00 | | 1,500,000.00 | |
| | 149,392,929.26 | | 149,392,929.26 | 153,335,746.26 |
| | | | | |
| | 2,914,526,348.15 | | 2,914,526,348.15 | 2,945,531,422.05 |
| 12 Current Liabilities - Provision | | | | |
| Provision for employee benefits | 201,655,111.00 | | 201,655,111.00 | 201,655,111.00 |
| Gratuity Payable | - | | - | - |
| Leave Encashment Payable | - | | - | - |
| Gratuity Payable F&F | 169,798,890.00 | | 169,798,890.00 | 169,798,890.00 |
| Leave Encashment Payable - F&F | 31,856,221.00 | | 31,856,221.00 | 31,856,221.00 |
| | | | | |
| Retakes | | | | |
| Opening balance | | | - | - |
| Closing balance | | | - | - |
| | 201,655,111.00 | | 201,655,111.00 | 201,655,111.00 |
| Curren Liabilities - Current Tax Liability | | | | |
| Taxation | | | - | - |
| | | | - | - |
| | | | | |
| 13 Fixed Assets: | | | | |
| Tangible Assets | | | | |
| Gross Block | 114,834,507.61 | | 114,834,507.61 | 114,790,680.61 |
| Acc Dep | (107,214,119.06) | | (107,214,119.06) | (97,187,813.06) |
| Net Block | 7,620,388.56 | - | 7,620,388.56 | 17,602,867.56 |
| Intangible Assets | | | | |
| Gross Block | 910,136,192.00 | | 910,136,192.00 | 910,136,192.00 |
| Acc Dep | (910,136,191.61) | | (910,136,191.61) | (824,335,422.61) |
| Net Block | 0.39 | - | 0.39 | 85,800,769.39 |
| | 7,620,388.95 | - | 7,620,388.95 | 103,403,636.95 |
| Capital work-in-progress | - | | - | 1,550,349.00 |
| | - | | - | 1,550,349.00 |
| Intangible asset under construction | 24,644,745.81 | | 24,644,745.81 | 24,644,745.81 |
| Acc Dep | (24,644,745.81) | | (24,644,745.81) | (24,644,745.81) |
| Net Block | - | | - | - |
| | | | | |
| Non Current Investment | | | | |
| Other Investments: | | | | |
| In Subsidiary Company -DQ Ireland | | | | |
| Equity Portion | 1,167,503,269.70 | | 1,167,503,269.70 | 1,167,503,269.70 |
| Investment in DQ ITES | - | | - | - |
| Investment in DQ Powerkidz | - | | - | - |
| Investment in DQ Films | 89,245,345.20 | | 89,245,345.20 | 89,245,345.20 |
| Less: Diminution value of investment | (89,245,345.00) | | (89,245,345.00) | (89,245,345.00) |
| | 1,167,503,269.90 | - | 1,167,503,269.90 | 1,167,503,269.90 |
| Loans & Advance | 1,146,318,276.59 | | 1,146,318,276.59 | 1,146,318,276.59 |
| | | | | |
| | 2,313,821,546.49 | - | 2,313,821,546.49 | 2,313,821,546.49 |
| 15 Non-Current Financial assets - Others | | | | |
| Security Deposits | 18,402,011.53 | | 18,402,011.53 | 18,402,011.53 |
| Deferred Rent | | | | |
| Long term deposits with banks > 12M | | | | |
| | 18,402,011.53 | - | 18,402,011.53 | 18,402,011.53 |
| 6 Deferred Tax | | | | |
| Depreciation | | | | |
| Gratuity | 796,636,013.00 | | 796,636,013.00 | 796,636,013.00 |
| MAT Credit Entitlement | 174,625,898.00 | | 174,625,898.00 | 174,625,898.00 |

| STANDALONE | DQE India | INDAS Adj | Total | |
|---|-------------------------|---------------|-------------------------|-------------------------|
| | 31 March 2022 | 31 March 2022 | 31 March 2022 | 31 March 2021 |
| Deferred Tax Asset/(Liability)-Net | 971,261,911.00 | - | 971,261,911.00 | 971,261,911.00 |
| Other non-current assets | | | | |
| Prepaid Expenses | - | - | - | - |
| Claims Receivable | - | - | - | - |
| Bank Deposit | - | - | - | - |
| MAT Credit Entitlement | - | - | - | - |
| | - | - | - | - |
| | - | - | - | - |
| 18 Trade Receivable | | | | |
| (Unsecured) | | | | |
| A) Exceeding six months | | | | |
| Considered good | 991,677,632.26 | | 991,677,632.26 | 991,677,632.26 |
| Considered doubtful | 2,812,183,079.94 | | 2,812,183,079.94 | 2,812,183,079.94 |
| B) Other Debts | | | | |
| Considered good | 22,625,671.00 | | 22,625,671.00 | 22,625,671.00 |
| Considered doubtful | | | | |
| | 3,826,486,383.20 | | 3,826,486,383.20 | 3,826,486,383.20 |
| Less: Allowances for bad and doubtful debts | (2,812,183,079.94) | | (2,812,183,079.94) | (2,812,183,079.94) |
| | 1,014,303,303.26 | | 1,014,303,303.26 | 1,014,303,303.26 |
| 19 Cash and Bank Balances | | | | |
| a) Cash and Cash Equivalents: | | | | |
| Balances with Banks | 2,920,702.13 | | 2,920,702.13 | 12,100,040.61 |
| Current Accounts | - | - | - | - |
| Deposit Accounts | 1,500,000.00 | - | - | - |
| Remittance in transit | - | - | - | - |
| Cheques on hand | - | - | - | - |
| Cash balance on hand | 61,560.60 | | 61,560.60 | 44,615.60 |
| | 4,482,262.73 | - | 2,982,262.73 | 12,144,656.21 |
| 20 Other Current Assets | | | | |
| Unsecured considered good - | | | | |
| Others | | | | |
| Interest accrued on deposits | - | - | - | - |
| Loans and advances to employees | | | | |
| Other Advances | | | | |
| Prepaid Expenses (less than 12 months) | 373,505.23 | | 373,505.23 | 373,505.23 |
| Withholding Tax and TDS | 18,299,727.16 | | 18,299,727.16 | 18,299,727.16 |
| Claim Receivable | 19,188,461.52 | | 19,188,461.52 | 18,263,309.52 |
| Unsecured considered good - | | | | |
| Unbilled Revenue | - | - | - | - |
| | 37,861,693.91 | - | 37,861,693.91 | 36,936,541.91 |
| | | | | |
| Verification - cross check | | | | |
| | | | | |
| I. EQUITY AND LIABILITIES | | | | |
| Shareholder's Funds | | | | |
| Share Capital | 792,830,000.00 | - | 792,830,000.00 | 792,830,000.00 |
| Reserves and Surplus | (440,395,168.13) | - | (440,395,168.13) | 817,876,880.33 |
| Non-Current Liabilities | | | | |
| Long-term borrowings | - | - | - | 141,780.00 |
| Deferred tax liabilities (Net) | - | - | - | - |
| Other Long term liabilities - Rent Eq Res | - | - | - | - |
| Long term provisions | 40,398,765.00 | - | 40,398,765.00 | 80,727,808.00 |
| Current Liabilities | | | | |
| Short term borrowings | 775,974,635.81 | - | 775,974,635.81 | 742,775,009.39 |
| Trade payables | 80,859,543.23 | - | 80,859,543.23 | 50,599,419.54 |
| Other financial liabilities | - | - | - | - |
| Other current liabilities | 2,914,526,348.15 | - | 2,914,526,348.15 | 2,017,910,965.78 |
| Current Liabilities - Provision | 201,655,111.00 | - | 201,655,111.00 | 125,382,539.00 |
| Current Tax Liab | - | - | - | (20,853,845.11) |
| | 4,365,849,235.06 | - | 4,365,849,235.06 | 4,627,390,556.93 |

| STANDALONE | DQE India | INDAS Adj | Total | |
|-------------------------------------|-------------------------|---------------|-------------------------|-------------------------|
| | 31 March 2022 | 31 March 2022 | 31 March 2022 | 31 March 2021 |
| check (total as per B S) | | | | |
| II. ASSETS | | | | |
| Non-current assets | | | | |
| Fixed assets | | | | |
| Tangible assets | 7,620,388.56 | - | 7,620,388.56 | 48,885,061.49 |
| Intangible assets | 0.39 | - | 0.39 | 238,078,736.08 |
| Capital work-in-progress | - | - | - | 2,346,720.00 |
| Intangible asset under construction | - | - | - | - |
| Non-current investments | 2,313,821,546.49 | - | 2,313,821,546.49 | 2,307,932,080.02 |
| Non current assets - Other Assets | 18,402,011.53 | - | 18,402,011.53 | 18,900,955.67 |
| Deferred tax Asset (Net) | 971,261,911.00 | - | 971,261,911.00 | 963,256,154.00 |
| Other Non Current Assets | - | - | - | 12,768,633.76 |
| Current assets | | | | |
| Current investments | - | - | - | - |
| Trade receivables | 1,014,303,303.26 | - | 1,014,303,303.26 | 1,004,750,811.67 |
| Cash and Bank Balances | 4,482,262.73 | - | 4,482,262.73 | 16,286,540.62 |
| Other Assets | - | - | - | - |
| Current Tax Asset | - | - | - | - |
| Other current assets | 37,861,693.91 | - | 37,861,693.91 | 14,184,859.56 |
| | 4,367,753,117.87 | - | 4,367,753,117.87 | 4,627,390,552.87 |
| check (total as per B S) | | | | |
| Diff | (1,903,882.81) | - | (1,903,883) | 4.06 |

| | Particulars | DQE India 31 March 2022 | INDAS Adj 31 March 2022 | DQE India 31 March 2022 |
|-----------|--|----------------------------|-------------------------------|----------------------------|
| 22 | Revenue from Operations | | | |
| | Production : Export | - | | - |
| | : Domestic | | | - |
| | Distribution Income | 6,053,786 | | 6,053,786 |
| | | 6,053,786 | - | 6,053,786 |
| 23 | Other Income | | | |
| | Interest Income | - | | - |
| | Profit on Sale of Fixed Assets | - | | - |
| | Liabilities no longer required written back | - | | - |
| | Foreign Exchange Fluctuation Gain (net) | - | | - |
| | Gross Revenue Training | - | | - |
| | Sale of duty scripts | - | | - |
| | Miscellaneous Income: | 10,000,000 | | 10,000,000 |
| | | 10,000,000 | - | 10,000,000 |
| 24 | Production Expenses | | | |
| | Production Expenses - Direct | - | | - |
| | Power and Fuel | 25,277 | | 25,277 |
| | | 25,277 | - | 25,277 |
| 25 | Personnel Costs | | | |
| | Salaries and Wages | 4,147,265 | | 4,147,265 |
| | Contribution to Provident Fund | 69,900 | | 69,900 |
| | Staff Welfare Expenses | - | | - |
| | Gratuity* | | | - |
| | Compensated absences* | | | - |
| | | 4,217,164 | - | 4,217,164 |
| 13 | Depreciation and Amortisation Expenses | | | |
| | Impairment of Assets | 97,377,424 | | |
| | Less: Expenditure transferred to capital account | | | |
| 26 | Administrative and Other Expenses | | | |
| | Communication Expenses | 17,029 | | 17,029 |
| | Printing and Stationery | 23,408 | | 23,408 |
| | Professional and Consultancy Charges | 4,085,590 | | 4,085,590 |
| | Repairs and Maintenance : | | | |
| | Building | - | | - |
| | Plant and Machinery | 749,936 | | 749,936 |
| | Others | | | - |
| | Insurance | 6,945 | | 6,945 |
| | Business Promotion | 148,560 | | 148,560 |
| | Rates and Taxes | 455,000 | | 455,000 |
| | Rent | 6,648,336 | | 6,648,336 |
| | Audit Fee | 100,000 | | 100,000 |
| | Directors Remuneration | 2,166,666 | | 2,166,666 |
| | Selling and Distribution Expenses | | | - |
| | Travelling and Conveyance Expenses | - | | - |
| | Loss on sale of assets | - | | - |
| | Bad debts | - | | - |
| | Listing Fee | 649,000 | | 649,000 |

| | Particulars | DQE India 31 March 2022 | INDAS Adj 31 March 2022 | DQE India 31 March 2022 |
|--|---|------------------------------------|--|------------------------------------|
| | Allowances for bad and doubtful bedts (net) | | | - |
| | Diminution in Value of Investment | | | - |
| | Foreign Exchange Fluctuation Loss (net) | - | | - |
| | Bank charges | 76,279 | | 76,279 |
| | Assets Written off | 1,903,884 | | 1,903,884 |
| | Miscellaneous Expenses | 66,959 | | 66,959 |
| | | 17,097,591 | - | 17,097,591 |

| | Particulars | DQE India 31 March 2022 | INDAS Adj 31 March 2022 | DQE India 31 March 2022 |
|----|--|----------------------------|-------------------------------|----------------------------|
| 27 | Finance Costs | | | |
| | Interest on borrowings | | | |
| | Terms loans | - | | - |
| | Working capital loan | - | | - |
| | (Gain)/Loss on Forward Contract (Net) | | | - |
| | <i>Interest on MSME Creditors</i> | - | | - |
| | Interest on Others | - | | - |
| | Total Finance Cost | - | - | - |
| | Tax expense: | | | |
| | Current Tax | - | | - |
| | Less: MAT Credit Entitlement | | | - |
| | Deferred Tax | - | - | - |

DQ ENTERTAINMENT (INTERNATIONAL) LIMITED (CORPORATE DEBTOR)
CIN: L92113TG2007PLC053585

**STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS "FORMING PART OF THE BALANCE SHEET,
PROFIT AND LOSS ACCOUNT, AND CASH FLOW STATEMENTS FOR THE FINANCIAL YEARS 2020-21,
2021-22 & 2022-23, PURSUANT TO SECTION 2(40)(v) OF THE COMPANIES ACT, 2013", EXPLAINING
THE REASONS FOR SUBMISSION AND PRESENTING THE STATUS.**

1. The Corporate Insolvency Resolution Process (hereinafter referred to as "CIRP") has been commenced against M/s DQ Entertainment (International) Limited (bearing CIN: L92113TG2007PLC053585) (hereinafter referred to as "Corporate Debtor") vide Hon'ble National Company Law Tribunal, Hyderabad Bench (hereinafter referred to as "NCLT") order dated 17th June 2022 in CP (IB) No.402/7/HDB/2020 (hereinafter referred to as "CIRP Commencement Date") in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as "Code") read with relevant rules and regulations made thereunder. By the said order, Mr. Madhusudhan Rao Gonugunta was appointed as the Interim Resolution Professional (hereinafter referred to as "IRP"). Thereafter, the Committee of Creditors of the Corporate Debtor with the requisite voting share, appointed CS Dr. Ahalada Rao Vummenthala as the Resolution Professional (hereinafter referred to as "Resolution Professional") of the Corporate Debtor.
2. The powers of the Board of Directors of the Corporate Debtor stand suspended effective from the CIRP Commencement Date and such powers along with the management of affairs of the Company are vested with the IRP/RP in accordance with the provisions of Section 17 and 23 of the Code. Upon initiation of CIRP, the Hon'ble NCLT has declared moratorium under Section 14 of the Code and the order for moratorium shall have effect from the date of the said order till the completion of the CIRP.
3. Since the powers of the Board of Directors have been suspended and vested with Resolution Professional, however, the duties still lie with the Board of Directors which includes in particular all the applicable compliances with respect to the Corporate Debtor, of which pertinent compliance is furnishing of Financial Statements to all the Statutory and Regulatory Authorities as may be required which includes verification and signing of the Financial Statements.
4. Further, the members of the Committee of Creditors (hereinafter referred to as "CoC") in their 18th meeting held on 05th September 2023, in the absence of viable and compliant Resolution Plans have unanimously approved for initiation of liquidation proceedings against the Corporate Debtor. The Resolution Professional has accordingly filed an Interlocutory Application before Hon'ble NCLT Hyderabad Bench vide IA Number: IA (I.B.C) - 1485/2023 on 10th September 2023 and the matter is under sub-judice and posted to 3rd week of November 2023.
5. It is submitted that pursuant to the Ministry of Corporate Affairs Circular No.08/2020 dated 06-03-2020 "The IRP/RP/Liquidator shall be responsible for filing all the e-forms in the MCA portal and sign the form in the capacity of CEO in order to meet filing protocol in the existing forms architecture. However, this shall in no way affect his legal status as IRP/RP/Liquidator. All filings of e-forms including AOC-4 and MGT-7 shall be filed through e-form GNL-2 by way of attachments till the company is under CIRP. In the existing field no.3 of form no.GNL-2, IRP RP/Liquidator will choose radio button "Filings under IBC".

6. Further, in accordance with Section 134 of the Companies Act, 2013 read with The Companies (Accounts) Rules, 2014, *“The financial statement, including consolidated financial statement, if any, shall be approved by the Board of Directors before they are signed on behalf of the Board by the chairperson of the company where he is authorised by the Board or by two Directors out of which one shall be managing director, if any, and the Chief Executive Officer, the Chief Financial Officer and the company secretary of the company, wherever they are appointed, or in the case of One Person Company, only by one director, for submission to the auditor for his report thereon.”*
7. In light of the above-mentioned provisions, the Financial Statements of the Corporate Debtor shall be signed by the Resolution Professional and by the Managing Director of the Corporate Debtor. To ensure compliance with the same, the Resolution Professional requested Mr. Tapaas Chakravarthi, the erstwhile Managing Director/Promoter of the Corporate Debtor to share the signed copies of the Financial Statements for the Financial Years 2020-21, 2021-22, and 2022-23 received from the Auditors. However, there was no response received from him. It is a well laid principle of the Insolvency and Bankruptcy Code, 2016 that it is the duty of the Board of Directors/Managing Director to sign on the Financial Statements of the Company, failing which it shall be treated as a statutory non-compliance.
8. In the present case of the Corporate Debtor, since all the Directors except Mr. Tapaas Chakravarti resigned from the Board, he was requested to verify the Financial Statements and sign the same for the Financial Years 2020-21, 2021-22 and 2022-23. Due to non-cooperation by Mr. Tapaas Chakravarti for signing the Financial Statements, the Resolution Professional has filed an Interlocutory Application against him before Hon’ble NCLT seeking cooperation for providing signed Financial Statements for the said years and the matter is yet to be listed.
9. The Corporate Debtor has a wholly-owned subsidiary company in Ireland i.e., DQ Entertainment (Ireland) Limited, and a step-down wholly-owned subsidiary Company in the USA i.e., DQ Entertainment USA, LLC. DQ Entertainment (Mauritius) Limited is the holding company of the Corporate Debtor. The consolidated Financial Statements were not prepared as the subsidiaries and holding companies of the Corporate Debtor are undergoing insolvency proceedings in accordance with the laws of their home countries and the receiver has taken control and charge over the companies.
10. Under the above circumstances, keeping in view of the CIRP timelines, the impending order by Hon’ble NCLT for liquidating the Corporate Debtor and since the Interlocutory Application for non-cooperation by Mr. Tapaas Chakravarti with respect to the signing of the Financial Statements leading to violation of the above-mentioned provisions is under sub-judice, the Resolution Professional hereby furnishes the Financial Statements for the Financial Years 2020-21, 2021-22, and 2022-23 received from the Auditors as attachments to Form GNL-2 to the Registrar of Companies and files the same for your records and compliance. Please note that these are provisional and standalone Financial Statements only.
11. Once again we reiterate that the matter is under sub-judice and also the corporate debtor is also on the verge of liquidation. The further compliance's shall be adhered according to the directions of Hon’ble NCLT Hyderabad Bench.

12. The Resolution Professional has submitted the financial statements for FY 2020-21, 2021-22 and FY 2022-23 without prejudice and without any guarantee on the accuracy, adequacy, correctness, completeness or reliability of the financial statements as the same pertains to period prior to the CIRP Commencement Date. It is important to note that such submission by the Resolution Professional of these financial statements is to comply/disclose with the provisions of the "Insolvency and Bankruptcy Code, 2016 (I&B Code) and this is without prejudice to the rights and contentions of the Resolution Professional under applicable laws and the Resolution Professional reserves/ retains his right to file avoidance transactions under Section 43, 45, 66, and 50 of the Code at a later date and that such approval of these financial statements shall not be in conflict with such proceedings that may be initiated before relevant court / tribunal.

13. Please note that under date of board meeting when results were approved, the date of Committee of Creditors meeting in which the financial statements were perused was taken as date of Board meeting in which Financial were approval since, there is no proper composition of Board and all the directors except Managing Director/Promoter Mr. Tapaas Chakravarthi have resigned from their positions prior to CIRP commencement date i.e., 17th June 2022. Thus, there is no Board of Directors as of date. The Financial Statements for FY 2020-21, 2021-22 and 2022-23 were sent to Mr. Tapaas Chakravarthi for his signatures but the same is pending from his end and has failed to cooperate with Resolution Professional for ensuring the compliance. Consequently, the Resolution Professional has filed IAs before Hon'ble NCLT, Hyderabad Bench against Mr. Tapaas Chakravarthi for non-signing of Financial Statements and also against all the Directors including him for non-cooperation. The said matters are under sub-judice. Hence, in place of Board Meeting dates, the Committee of Creditors meeting in which Financial Statements were placed, same dates were mentioned

BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH.

I.A. NO. OF 2023.

IN

CP (IB) NO. 402/7/HDB/2020

IN THE MATTER OF INSOLVENCY AND BANKRUPTCY CODE, 2016
AND
IN THE MATTER OF M/s. DQ ENTERTAINMENT (INTERNATIONAL) LIMITED.
AND
IN THE MATTER OF SECTION 19 OF THE INSOLVENCY AND BANKRUPTCY
CODE, 2016
AND

Between:-

CS Dr Ahalada Rao Vummenthala

Resolution Professional

M/s. DQ ENTERTAINMENT (INTERNATIONAL) LIMITED

... Applicant

Versus

Mr. Tapaas Chakravarti

(Promoter/Erstwhile Company Managing Director (CMD) and Suspended Director of the
Corporate Debtor)

...Respondent

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| 2. | The copies of the e-mail communications made with Respondent regarding Financial Statements is attached as Annexure -1 | 9-11 |
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| 4. | Proof of Services and declaration | 13 |
| 5. | E-filing Receipts | 14 |

Ahalada Rao

BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH.

I.A. NO. OF 2023.

IN
CP (IB) NO. 402/7/HDB/2020

IN THE MATTER OF INSOLVENCY AND BANKRUPTCY CODE, 2016
AND
IN THE MATTER OF M/s. DQ ENTERTAINMENT (INTERNATIONAL)
LIMITED.

AND

IN THE MATTER OF SECTION 19 OF THE INSOLVENCY AND
BANKRUPTCY CODE, 2016

AND

Between:-

CS Dr Ahalada Rao Vummenthala

Resolution Professional

M/s. DQ ENTERTAINMENT (INTERNATIONAL) LIMITED

Regd. No. IBBI/IPA-002/IP-N00074/2017-2018/10172

Address: Flat No. 113, Block - B, Sri Datta Sai Commercial Complex, Opp:

Sapthagiri Theatre, RTC X Roads, Hyderabad – 500 020, Telangana.

Email Id: dqeil2022@gmail.com, rp.ahaladarao@gmail.com.

.... Applicant.

Versus

Mr. Tapaas Chakravarti

(Promoter/Erstwhile Company Managing Director (CMD) and Suspended
Director of the Corporate Debtor)

Address: -

Plot No. 724/A/1, Road No. 37,

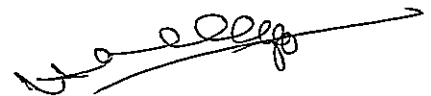
Jubilee Hills, Hyderabad – 500 033, Telangana.

...Respondent

**APPLICATION FILED BY THE RESOLUTION PROFESSIONAL U/S
19(2) & 60 (5) OF IB CODE, 2016 R/W RULE 11 OF THE NCLT RULES,
2016 AGAINST PERSONNEL OF CORPORATE DEBTOR TO EXTEND
CO-OPERATION TO RESOLUTION PROFESSIONAL.**

I. DESCRIPTION OF THE APPLICANT:

The Applicant herein is an Insolvency Professional having Registration No. IBBI/IPA-002/IP-N00074/2017-2018/10172. This Hon'ble Tribunal vide order dated 15.09.2022 in IA (IBC)/943/2022 appointed the Applicant herein as Resolution Professional of Corporate Debtor.



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II. DETAILS OF THE RESPONDENTS:

The Respondent is the member of suspended board and the erstwhile Managing director of the Corporate Debtor.

III. JURISDICTION OF THE BENCH:

The Applicant states that it is a registered Company in the Jurisdiction of this Hon'ble Bench. Therefore, the instant application is within the jurisdiction of this Hon'ble Tribunal.

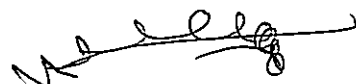
IV. LIMITATION:

The Applicant herein states that the instant Application is filed seeking cooperation from the Respondent with respect to signing of the Financial Statements for the period ending 2020-21, 2021-22 and 2022-23 of the Corporate Debtor. Hence the present application is within the limitation.

V. FACTS OF THE CASE ARE GIVEN BELOW:

1. It is humbly submitted that the present Application is filed by the Resolution Professional of the Corporate Debtor under Section 19(2) of the Insolvency and Bankruptcy Code, 2016 seeking Order/Direction from this Hon'ble Adjudicating Authority to the Respondent to comply with the instructions of the Applicant and to co-operate with Applicant with respect to signing of the Financial Statements for the period ending 2020-21, 2021-22 and 2022-23 of the corporate debtor.
2. It is humbly submitted that the Financial Creditor filed Application under Section 7 of Insolvency and Bankruptcy Code, 2016 read with Rule 7 of IBBI (Application to Adjudicating Authority) Rules, 2016 for initiation of Corporate Insolvency Resolution Process (hereinafter referred to as CIRP) against the Corporate Debtor. This Hon'ble Tribunal vide Order Dated 17.06.2022 in CP (IB) No: 402/7/HDB/2020 admitted the Section 7 Application and initiated Corporate Insolvency Resolution Process against the Corporate Debtor. It is further submitted that Mr. Madhusudhan Rao Gonugunta was appointed as Interim Resolution Professional (hereinafter referred to as IRP) who is directed to take necessary actions in accordance with the relevant provisions of Insolvency and Bankruptcy Code, 2016.

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3. It is humbly submitted that the IRP issued Public Announcement in FORM-A on 22.06.2022 as per Section 15 of Insolvency and Bankruptcy Code, 2016 Read with Regulation 6 of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 in Financial Express, English Daily News Paper, Aajkal Bengali Daily Newspaper and Mana Telangana Telugu Daily News Paper.
4. It is humbly submitted that the IRP conducted First Committee of Creditors (hereinafter referred to as CoC) Meeting on 16.07.2022, in the said Meeting the Committee of Creditors with 68.40% voting decided to replace the Interim Resolution Professional by according consent for appointment of Applicant as Resolution Professional (hereinafter referred to as RP).
5. It is humbly submitted that this Hon'ble Tribunal vide order dated 15.09.2022 in IA(IBC)/943/2022 appointed the Applicant (CS Dr Ahalada Rao Vummenthala) herein as Resolution Professional (hereinafter referred to as RP)
6. It is submitted that this Hon'ble Adjudicating Authority directed the personnel of the Corporate Debtor, its promoters or any other persons associated with the management of the Corporate Debtor to assist and cooperate with the IRP/RP to provide access to documents and records and management of the affairs of the Corporate Debtor vide its order dated 17.06.2021.
7. As per Section 19(1) of IBC 2016 *"The personnel of the corporate debtor, its promoters or any other person associated with the management of the corporate debtor shall extend all assistance and cooperation to the interim resolution professional as may be required by him in managing the affairs of the corporate debtor"*
8. As per Section 19(2) of IBC 2016 *"Where any personnel of the corporate debtor, its promoter or any other person required to assist or cooperate with the interim resolution professional does not assist or cooperate, the interim resolution professional may make an application to the Adjudicating Authority for necessary directions"*.

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W. S. Srinivas

9. It is humbly submitted that pursuant to Ministry of Corporate Affairs Circular No.08/2020 dated 06-03-2020 - The IRP/RP/Liquidator shall be responsible for filing all the e-forms in the MCA portal and sign the form in the capacity of CEO in order to meet filing protocol in the existing forms architecture. However, this shall in no way affect his legal status as IRP/RP/Liquidator. All filings of e-forms including AOC-4 and MGT-7 shall be filed through e-form GNL-2 by way of attachments till the company is under CIRP. In the existing field no.3 of form no.GNL-2, IRP/RP/Liquidator will choose radio button "Filings under IBC".

10. In accordance with Section 134 (1) of Companies Act, 2013 - The financial statement, including consolidated financial statement, if any, shall be approved by the Board of Directors before they are signed on behalf of the Board by the chairperson of the company where he is authorized by the Board or by two Directors out of which one shall be managing director, if any, and the Chief Executive Officer, the Chief Financial Officer and the company secretary of the company, wherever they are appointed, or in the case of One Person Company, only by one director, for submission to the auditor for his report thereon

11. In light of the above-cited provisions and circulars, the Applicant has shared the draft Financial Statement for the financial years 2020-21, 2021-22 and 2022-23 received from the auditor to the Respondent vide email dated 08.09.2023, to review the accounts and provided an opportunity to give suggestions/inputs before the Financial Statements for the said years were forwarded to the Auditors for their verification and auditing. However, there was no response received from the Respondent to the e-mail.

12. It is humbly submitted that, keeping in view of the CIRP timelines, the Applicant vide email dated 12.09.2023, requested the Respondent to share the signed copies of the Financial Statements for the said years in order to file with the Registrar of Companies (hereinafter referred to as ROC) in terms of the applicable provisions of the Companies Act, 2013 read with relevant rules made thereunder. It has been almost 2 weeks since the email was sent and the Respondent has failed to perform his duty by signing on the Financial Statements. Thus, not cooperating with the



Resolution Professional, which is in violation of Section 19 of the Insolvency and Bankruptcy Code, 2016. S

13. It is humbly submitted that the Applicant vide e-mail dated 14.09.2023 and 21.09.2023 has sent reminders to the Respondent requesting to share the signed copies of the financial statements for the said years by providing time till 23.09.2023, failing which the Applicant shall be constrained to take necessary actions. The copies of the e-mail communications made with Respondent is attached as Annexure -1.

14. It is humbly submitted that the Applicant keeping in view of the CIRP timelines, has given reasonable time to the Respondent to review and sign the Financial Statements, however the Respondent has failed to perform the same. It is the duty of the Respondent to cooperate with the Applicant and sign the Financial Statements in order to comply with relevant provisions of Insolvency & Bankruptcy Code, 2016 and The Companies Act, 2013, which was not fulfilled by him.

15. It is humbly submitted to this Hon'ble Bench that it is a well laid principle of the Insolvency and Bankruptcy Code, 2016 that it is the duty of the Board of Directors/Managing Director to sign on the Financial Statements of the Company, failing which it shall be treated as a statutory non-compliance. In the present case of the Corporate Debtor, since all the Directors except Mr. Tapaas Chakravarti resigned from the Board, he was requested to verify the Financial Statements and sign the same for the Financial Years 2020-21, 2021-22 and 2022-23.

16. It is humbly submitted that in view of the above submissions, facts, and circumstances that the indulgence of this Hon'ble Adjudicating Authority is absolutely imperative by way of directing the Respondent to cooperate with the Applicant and provide the signed Financial Statements for the FY of 2020-21, 2021-22, and 2022-23 in the interest of justice.

17. It is humbly submitted that the Applicant requires support and assistance of the Respondent for filing the financial Statements including in particular to affixation

of his digital signature, sharing the login Id's of the portal and other incidental matters which may be in nature of technical, operational, legal and otherwise with the MCA portal, Income Tax Portal and with other Statutory and Regulatory Authorities.

18. It is humbly submitted that it is a fit and proper case where necessary directions may be issued and action be taken in accordance with law.

19. It is humbly submitted that the Applicant filed IA (IBC)/1442/2023 seeking cooperation from the personnel of the Corporate Debtor and same is pending for adjudication.

VI) Interim Relief:

In view of the above facts and circumstances it is humbly submitted to the Hon'ble NCLT that in order to avoid further delay, it would be just and proper to direct the Respondent to extend the requisite co-operation to the Applicant in discharge of his functions including in particular

1. To provide signed copy of Financial Statements for the FY of 2020- 21, 2021-22, and 2022-23.
2. To extend other cooperation and assistance in filing the Financial Statements with MCA portal, Income Tax Portal and with other Statutory and Regulatory Authorities.
3. To pass such other orders as the Hon'ble Adjudicating Authority may deem fit.

VII) Reliefs:

i. Reliefs Sought:

- 1) To direct the Respondent to cooperate with the Resolution Professional/Applicant of the Corporate Debtor in discharging his duties by providing the sufficient information, documents and extending co-operation, in the interest of justice.
- 2) To impose the penalty under section 235A of the Insolvency and Bankruptcy Code, 2016 in which the person in default shall be punishable with fine which

6

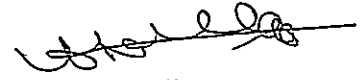
[Handwritten signature]

shall not be less than one lakh rupees but which may extend to two crore rupees
and any other relevant section.

7

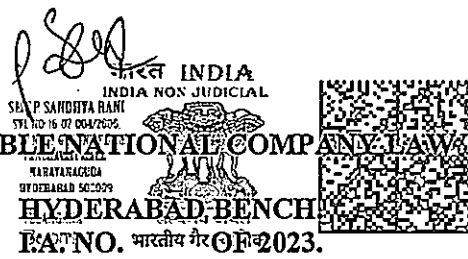
- 3) To pass such order(s) as may be deemed fit and proper by this Hon'ble
Adjudicating Authority in the interest of justice.

Date: 9/10/2023
Place: Hyderabad


Applicant.

7

Phone No:
Sold To/Issued To:
Ahalada Rao
For Whom/ID Proof:
Self



OCT-09-2023 18:36:40

₹ 0000020/-
ZERO ZERO ZERO ZERO ZERO TWO ZERO
Affidavit
38152941696876540628-00055012
3815294 14/2013

IN
CP (IB) NO. 402/7/HDB/2020.

IN THE MATTER OF INSOLVENCY AND BANKRUPTCY CODE, 2016
AND
IN THE MATTER OF M/s. DQ ENTERTAINMENT (INTERNATIONAL) LIMITED.

Between:-

CS Dr Ahalada Rao Vummenthala
Resolution Professional
In the matter of
M/s DQ ENTERTAINMENT (INTERNATIONAL) LIMITED
Regd. No. IBBI/IPA-002/IP-N00074/2017-2018/10172

.... Applicant.

Versus

Mr. Tapaas Chakravarti

...Respondent.

AFFIDAVIT VERIFYING THE APPLICATION

I, CS Dr Ahalada Rao Vummenthala, Resolution Professional for M/s DQ ENTERTAINMENT (INTERNATIONAL) LIMITED (Under CIRP) bearing Regd. No. IBBI/IPA-002/IP-N00074/2017-2018/10172 having office at Flat No. 113, Block - B, Sri Datta Sai Commercial Complex, Opp: Saphagiri Theatre, RTC X Roads, Hyderabad – 500 020, Telangana, do hereby solemnly affirm and state on oath as under:

1. I am the Applicant herein and the Resolution Professional of the Corporate Debtor and that I am fully conversant with the facts and circumstances of the case and am also competent to swear and affirm this affidavit.
2. I state that all the contents of the accompanying Application, are true to the best of my knowledge belief and no part of it is false.

DEPONENT

Solemnly affirmed at Hyderabad on this 9th day of October, 2023

VERIFICATION

I, the Deponent hereinabove, do hereby verify and affirm that the contents of paragraph 1 and 2 of this affidavit are true and correct to my knowledge and belief and no material facts have been concealed therefrom.

DEPONENT



Verified at Hyderabad on the 9th day of October, 2023

- 9 OCT 2023

ATTESTED

P. SATYANARAYANA MURTHY
B.Com., LL.B.
ADVOCATE & NOTARY
Appointed by the Govt. of T.S.
Block-28, Flat-12, MIG-II, Baghningampally, Hyderabad-44.

9/25/23, 12:46 PM

Gmail - DQEIL - Draft Accounts for Financial Years ending on 2020-2023

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CS Dr Ahalada Rao Vummenthala <dqell2022@gmail.com>

DQEIL - Draft Accounts for Financial Years ending on 2020-2023

1 message

DQ Entertainment (International) Limited (under CIRP) <dqell2022@gmail.com>
To: Tapaas <tapaas@dqentertainment.com>
Cc: "IP,Dr Ahaladarao.V" <rp.ahaladarao@gmail.com>

Fri, Sep 8, 2023 at 2:15 PM

To
Mr. Tapaas Chakravarthi,
Managing Director
DQ Entertainment (International) Limited (Under CIRP)
CIN: L92113TG2007PLC053585
Hyderabad.

Dear Sir,

Sub: DQEIL - Draft Accounts for Financial Years ending on 2020-2023

Please find attached the draft accounts for the Financial Years ending on 2020-2023 prepared from the information available with us and the same are submitted to the Auditors for their verification and auditing. Meanwhile, if you have any suggestions/inputs on these draft accounts, request you to share the same as early as possible keeping in view of the CIRP closing date i.e., 11th September 2023.

Looking forward to hearing from you.

Thanks & Regards
CS Dr Ahalada Rao Vummenthala
Resolution Professional
IBBI/IPA-002/IP-N00074/2017-18/10172
AFA Valid Date: 19/10/2022 to 18/10/2023
DQ ENTERTAINMENT (INTERNATIONAL) LIMITED
CIN: L92113TG2007PLC053585

Office address of Resolution Professional:

Flat No. 113, Block - B,
Sri Datta Sai Commercial Complex,
Opp: Saphagiri theatre,
RTC 'X' Roads, Beside Metro Pillar No 1096/1097
Hyderabad - 500 020
Tel No: 040 66623101

Registered address of Corporate Debtor:

644, Aurora Colony, Road No. 3, Banjara Hills
Hyderabad TG 500034 IN
E-mail - dqell2022@gmail.com
rp.ahaladarao@gmail.com

Contact Person and no.-

RP Manager: 8074699306

DQ - Financial FY 19-20 to 22-23 v4.xlsb
1505K

9

9/22/23, 3:45 PM

Gmail - DQEIL - Request to share the signed copies of Financials

10



CS Dr Ahalada Rao Vummenthala <dqeil2022@gmail.com>

DQEIL - Request to share the signed copies of Financials

1 message

Tue, Sep 12, 2023 at 5:52 PM

DQ Entertainment (International) Limited (under CIRP) <dqeil2022@gmail.com>
To: Tapaas <tapaas@dqentertainment.com>
Cc: "IP,Dr Ahaladarao.V" <rp.ahaladarao@gmail.com>




Dear Sir,


Please find attached the Financial Statements for the Financial Years 2020-21, 2021-22 and 2022-23 for your perusal. Request to share the signed copies of the same at the earliest.

Looking forward to hearing from you

Thanks & Regards
For O/o RP
RP Team

3 attachments

-  DQ-FS Standalone-2020-21 rounded in Lakhs(2).xlsx
1311K
-  DQ-FS Standalone-2022-23 rounded in Lakh(1).xlsx
1408K
-  DQ-FS Standalone-2021-22 rounded in Lakh(1).xlsx
1332K



10

9/22/23, 3:46 PM

Gmail - DQEIL - Request to share the signed copies of Financials - Gentle Reminder 02

11



CS Dr Ahalada Rao Vummenthala <dqeil2022@gmail.com>

DQEIL - Request to share the signed copies of Financials - Gentle Reminder 02

1 message

DQ Entertainment (International) Limited (under CIRP) <dqeil2022@gmail.com>
To: Tapaas <tapaas@dqentertainment.com>
Cc: "IP.Dr Ahaladarao.V" <rp.ahaladarao@gmail.com>

Thu, Sep 21, 2023 at 3:15 PM

Dear Sir,

Further to the trailing mail, this a gentle reminder to share the signed copy of the financial statements for the years 2020-21, 2021-22 & 2022-23 preferably on or before Saturday, 23rd September 2023, IST 18:00 Hrs (06:00 pm).

In case of failure to receive the reply within the time specified herein above from your end, the undersigned will be constrained to take the necessary actions.

Looking forward to hearing from you

Thanks & Regards

CS Dr Ahalada Rao Vummenthala

Resolution Professional

IBBI/IPA-002/IP-N00074/2017-18/10172

AFA Valid Date: 19/10/2022 to 18/10/2023

DQ ENTERTAINMENT (INTERNATIONAL) LIMITED

CIN: L92113TG2007PLC053585

Office address of Resolution Professional:

Flat No. 113, Block - B,

Sri Datta Sai Commercial Complex,

Opp: Saphagiri theatre,

RTC 'X' Roads, Beside Metro Pillar No 1096/1097

Hyderabad - 500 020

Tel No: 040 66623101

Registered address of Corporate Debtor:

644, Aurora Colony, Road No. 3, Banjara Hills

Hyderabad TG 500034 IN

E-mail - dqeil2022@gmail.com

rp.ahaladarao@gmail.com

Contact Person and no.-

RP Manager: 8074699306

On Thu, Sep 14, 2023 at 2:45 PM DQ Entertainment (International) Limited (under CIRP) <dqeil2022@gmail.com> wrote:

Dear Sir,

Further to the trailing mail, a gentle reminder to share the signed copies of the Financials for all the periods (2020-21, 2021-22, 2022-23) on priority basis

Looking forward to hearing from you

Thanks & Regards

For O/o RP

RP Team

On Tue, Sep 12, 2023 at 5:52 PM DQ Entertainment (International) Limited (under CIRP) <dqeil2022@gmail.com> wrote:

Dear Sir,

Please find attached the Financial Statements for the Financial Years 2020-21, 2021-22 and 2022-23 for your perusal. Request to share the signed copies of the same at the earliest.

Looking forward to hearing from you

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