

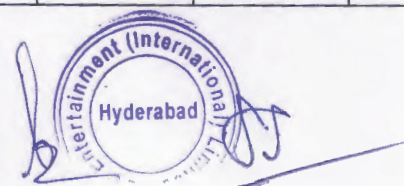


DQ ENTERTAINMENT (INTERNATIONAL) LIMITED

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

Un-Audited Standalone Financial Results for the quarter and half year ended 30 September 2015

Sl. No	Particulars	(Rs in million)					
		For Quarter ended 30 September 2015	For Quarter ended 30 June 2015	For Quarter ended 30 September 2014	For Half year ended 30 September 2015	For Half year ended 30 September 2014	For Year ended 31 March 2015
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-Audited)	(Un-Audited)	(Audited)
1	Net Income from Operations	402.04	291.82	527.45	693.86	669.79	1,815.65
2	Expenditure						
a	Production Expenses	32.02	17.95	7.74	49.97	15.98	116.84
b	Employee Expenses	142.07	132.15	152.58	274.22	318.13	633.71
c	Other Expenses	48.50	64.36	30.17	112.86	64.10	140.71
d	Depreciation, Amortisation and Impairment	64.23	56.10	66.40	120.33	131.16	366.63
e	Expenses transferred to Capital Account	-	-	41.72	-	-	-
	Total Expenses [2a to 2e]	286.82	270.56	298.61	557.38	529.37	1,257.89
3	Profit / (Loss) from Operations before Other Income, Interest and Finance expense and Exceptional Items [1 - 2]	115.22	21.26	228.84	136.48	140.42	557.76
4	Other Income	5.56	6.94	7.04	12.50	16.56	29.61
5	Profit / (Loss) before Interest and Finance expense and Exceptional Items [3+ 4]	120.78	28.20	235.88	148.98	156.98	587.37
6	Interest and Finance Expenses	38.40	35.11	55.31	73.51	110.86	207.34
7	Profit/(Loss) after Interest and Finance expense but before Exceptional Items [5 - 6]	82.38	(6.91)	180.57	75.47	46.12	380.03
8	Exceptional items*	121.18	59.49	15.81	180.67	17.28	(23.99)
9	Profit / (Loss) from Ordinary Activities before tax [7 - 8]	203.56	52.58	196.38	256.14	63.40	356.04
10	Less: Tax expense	44.53	15.78	(16.68)	60.31	(38.24)	66.05
11	Profit / (Loss) from Ordinary Activities after tax [9 - 10]	159.03	36.80	213.06	195.83	101.64	289.99
12	Extraordinary Item	-	-	-	-	-	-
13	Profit / (Loss) for the period [11-12]	159.03	36.80	213.06	195.83	101.64	289.99
14	Paid-up equity share capital [Face value Rs.10 per share]	792.83	792.83	792.83	792.83	792.83	792.83
15	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	-	-	3,689.60
16	Earnings Per Share [Face value Rs.10 per share] (not annualised/ in `)						
	a) Basic	2.01	0.46	2.69	2.47	1.28	3.66
	b) Diluted	2.01	0.46	2.69	2.47	1.28	3.66
17	Public Shareholding						
	a) Number of Shares	19,820,782	19,820,782	19,820,782	19,820,782	19,820,782	19,820,782
	b) Percentage of shareholding	25%	25%	25%	25%	25%	25%
	c) Shares held by custodians against depository receipts	-	-	-	-	-	-
18	Promoters and Promoter group Shareholding						
	a) Pledged / Encumbered - No. of Shares	59,461,972	59,461,972	17,838,000	59,461,972	17,838,000	59,461,972
	Percentage of shares (as a % of the total share holding of promoter and promoter group)	100.00%	100.00%	30.00%	100%	30.00%	100.00%
	Percentage of shareholding (as a % of the total share capital of the company)	75.00%	75.00%	22.50%	75%	22.50%	75.00%
	b) Non encumbered - No. of Shares	246	246	41,624,218	246	41,624,218	246
	Percentage of shares (as a % of the total share holding of promoter and promoter group)	0.00%	0.00%	70.00%	0%	70.00%	0.00%
	Percentage of shares (as a % of the total share capital of the company)	0.00%	0.00%	52.50%	0%	52.50%	0.00%
	c) Shares held by custodians against depository receipts	-	-	-	-	-	-





DQ ENTERTAINMENT (INTERNATIONAL) LIMITED

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

Standalone Segment Revenue and Results

Particulars	(Rs in million)					
	For Quarter ended 30 September 2015 (Un-Audited)	For Quarter ended 30 June 2015 (Un-audited)	For Quarter ended 30 September 2014 (Un-audited)	For Half year ended 30 September 2015 (Un-Audited)	For Half year ended 30 September 2014 (Un-Audited)	For Year ended 31 March 2015 (Audited)
Segment Revenue						
Animation	389.98	279.70	515.48	669.68	613.55	1,725.84
Distribution	12.06	12.12	11.97	24.18	56.24	89.81
Net Income from Operations	402.04	291.82	527.45	693.86	669.79	1,815.65
Segment Results -Profit/(loss)						
Animation	187.20	80.73	362.32	267.93	302.87	1,104.58
Distribution	(40.34)	(36.30)	(39.31)	(76.64)	(44.78)	(232.47)
Unallocated	95.10	43.26	(71.32)	138.36	(83.83)	(308.73)
Segment Results before Interest and Finance Expense and Tax Expenses	241.96	87.69	251.69	329.65	174.26	563.38
Interest and Finance Expense	(38.40)	(35.11)	(55.31)	(73.51)	(110.86)	(207.34)
Profit / (Loss) before tax	203.56	52.58	196.38	256.14	63.40	356.04
Tax expense	44.53	15.78	(16.68)	60.31	(38.24)	66.05
Profit / (Loss) for the period	159.03	36.80	213.06	195.83	101.64	289.99
Capital Employed						
Animation	3,220.11	3,046.32	2,913.16	3,220.11	2,913.16	3,385.58
Distribution	1,125.72	1,188.32	1,703.26	1,125.72	1,703.26	898.29
Unallocated	332.45	284.59	(322.32)	332.45	(322.32)	198.56
Total	4,678.28	4,519.23	4,294.10	4,678.28	4,294.10	4,482.43





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

Un-Audited Standalone Statement of Assets and Liabilities as at 30 September 2015

<i>(Rs in million)</i>		
Particulars	as at 30 September 2015	as at 31 March 2015
	(Un-Audited)	(Audited)
I. EQUITY AND LIABILITIES		
(1) Shareholders' Funds		
(a) Share capital	792.83	792.83
(b) Reserves and surplus	3,885.45	3,689.60
	4,678.28	4,482.43
(2) Non-Current Liabilities		
(a) Long-term borrowings	160.79	208.93
(b) Long term provisions	90.17	114.34
	250.96	323.27
(3) Current Liabilities		
(a) Short term borrowings	519.47	539.13
(b) Trade payables	149.52	149.57
(c) Other current liabilities:		
(i) Current maturity of long term borrowings	103.07	117.02
(ii) Others	356.44	366.83
(d) Short term provisions	310.74	263.18
	1,439.24	1,435.73
Total	6,368.48	6,241.43
II. ASSETS		
(1) Non-Current Assets		
(a) Fixed assets		
(i) Tangible assets	133.23	86.56
(ii) Intangible assets	1,064.76	898.07
(iii) Capital work-in-progress	1.17	1.17
(iv) Intangible asset under construction	86.07	339.15
(b) Non-current investments	1,256.75	1,256.95
(c) Deferred tax asset (Net)	14.84	21.65
(d) Long-term loans and advances	189.54	178.74
(e) Other non-current assets	-	-
	2,746.36	2,782.29
(2) Current Assets		
(a) Trade receivables	3,462.82	3,096.53
(b) Cash and bank balances	80.50	69.86
(c) Short-term loans and advances	21.23	8.90
(d) Other Current Assets - Unbilled revenue	57.57	283.85
	3,622.12	3,459.14
Total	6,368.48	6,241.43

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

1) The un-audited standalone financial results for the quarter and half year ended September 30, 2015 have been taken on record by the Board of Directors at its meeting held on 9 November 2015. The "Un-audited Standalone Financial Results" have been subjected to the limited review by statutory auditors of the company.

2) Pursuant to clause 41 of the listing agreement, the company opted to publish standalone results only of the company as decided by the board of directors for the financial year 2015-16 in its board meeting. Investor can also view the financial results (standalone and consolidated) on the company's website "www.dqentertainment.com" as well as the website of BSE (www.bseindia.com) and NSE (www.nseindia.com)

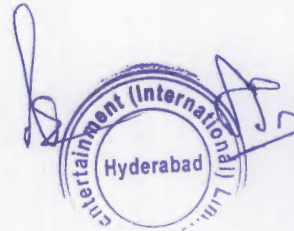
3) *Exceptional items are notional foreign exchange gain / (loss) arisen on foreign exchange fluctuation calculated on translation of monetary items as per Accounting Standard - 11

4) Receivables include amounts which are due for more than a year of Rs. 2,072 Mn. The company is following up with the customers to make early collection. There are no disputes with the customers and the balances have been confirmed by them. The customers have also expressed their willingness to settle the balances. The payments are delayed in view of the prevailing market & industry conditions in Europe and other places where the customers are located. In the opinion of the management these balances are good and are fully recoverable.

5) Information on investor complaints pursuant to Clause 41 of the Listing Agreement for the quarter ended September 30, 2015.

Nature of complaints	Opening Balance	Received during the quarter	Disposed during the quarter	Closing Balance
Investor complains	-	8	8	-

6) Corresponding quarter and half year figures have been regrouped / reclassified wherever necessary.





DQ ENTERTAINMENT (INTERNATIONAL) LIMITED

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

Un-Audited Consolidated Financial Results for the quarter and half year ended 30 September 2015

Sl. No	Particulars	For Quarter ended 30 September 2015	For Quarter ended 30 June 2015	For Quarter ended 30 September 2014	For Half year ended 30 September 2015	For Half year ended 30 September 2014	For Year ended 31 March 2015
		(Un-Audited)	(Un-Audited)	(Un-audited)	(Un-Audited)	(Un-Audited)	(Audited)
1	Net Income from Operations	478.53	257.33	526.41	735.86	732.78	1,947.98
2	Expenditure						
a	Production Expenses	16.68	37.52	17.76	54.20	39.27	216.29
b	Employee Expenses	142.98	133.03	153.40	276.01	319.79	637.11
c	Other Expenses	72.56	82.03	55.51	154.59	106.36	223.22
d	Depreciation, Amortisation and Impairment	86.59	72.20	79.77	158.79	156.02	432.24
e	Expenses transferred to Capital Account	(33.79)	(28.62)	(54.08)	(62.41)	(95.80)	(195.79)
	Total Expenses [2a to 2e]	285.02	296.16	252.36	581.18	525.64	1,313.07
3	(Loss) / Profit from Operations before Other Income, Interest and Finance expense and Exceptional Items [1 - 2]	193.51	(38.83)	274.05	154.68	207.14	634.91
4	Other Income	4.45	5.68	1.77	10.13	5.93	12.69
5	(Loss) / Profit before Interest and Finance expense and Exceptional Items [3 + 4]	197.96	(33.15)	275.82	164.81	213.07	647.60
6	Interest and Finance Expenses**	148.62	145.63	75.01	294.25	150.47	427.26
7	(Loss) / Profit after Interest and Finance expense but before Exceptional Items [5 - 6]	49.34	(178.78)	200.81	(129.44)	62.60	220.34
8	Exceptional items *	205.35	68.02	(73.17)	273.37	(77.09)	(351.42)
9	(Loss) / Profit from Ordinary Activities before tax [7 - 8]	254.69	(110.76)	127.64	143.93	(14.49)	(131.08)
10	Less: Tax expense	44.53	15.78	(16.68)	60.31	(38.24)	66.05
11	(Loss) / Profit from Ordinary Activities after tax [9 - 10]	210.16	(126.54)	144.32	83.62	23.75	(197.13)
12	Extraordinary Item	-	-	-	-	-	-
13	(Loss) / Profit for the period [11-12]	210.16	(126.54)	144.32	83.62	23.75	(197.13)
14	Paid-up equity share capital [Face value Rs.10 per share]	792.83	792.83	792.83	792.83	792.83	792.83
15	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	-	-	3,680.82
16	Earnings Per Share [Face value Rs.10 per share] (not annualised/ in `)						
a)	Basic	2.65	(1.60)	1.82	1.05	0.30	(2.49)
b)	Diluted	2.65	(1.60)	1.82	1.05	0.30	(2.49)
17	Public Shareholding						
a)	Number of Shares	19,820,782	19,820,782	19,820,782	19,820,782	19,820,782	19,820,782
b)	Percentage of shareholding	25%	25%	25%	25%	25%	25%
c)	Shares held by custodians against depository receipts	-	-	-	-	-	-
18	Promoters and Promoter group Shareholding						
a)	Pledged / Encumbered - No. of Shares	59,461,972	59,461,972	17,838,000	59,461,972	17,838,000	59,461,972
	Percentage of shares (as a % of the total share holding of promoter and promoter group)	100%	100%	30.00%	100%	30.00%	100%
	Percentage of shareholding (as a % of the total share capital of the company)	75%	75%	22.50%	75%	22.50%	75%
b)	Non encumbered - No. of Shares	246	246	41,624,218	246	41,624,218	246
	Percentage of shares (as a % of the total share holding of promoter and promoter group)	0%	0%	70.00%	0%	70.00%	0%
	Percentage of shares (as a % of the total share capital of the company)	0%	0%	52.50%	0%	52.50%	0%
c)	Shares held by custodians against depository receipts	-	-	-	-	-	-



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

Consolidated Segment Revenue and Results

Particulars	(Rs in million)					
	For Quarter ended 30 September 2015	For Quarter ended 30 June 2015	For Quarter ended 30 September 2014	For Half year ended 30 September 2015	For Half year ended 30 September 2014	For Year ended 31 March 2015
	(Un-Audited)	(Un-Audited)	(Un-audited)	(Un-Audited)	(Un-Audited)	(Audited)
Segment Revenue						
Animation	394.05	239.32	399.35	633.37	498.64	1,423.41
Distribution	84.48	18.01	127.06	102.49	234.14	524.57
Net Income from Operations	478.53	257.33	526.41	735.86	732.78	1,947.98
Segment Results -Profit/(loss)						
Animation	206.59	20.81	236.18	227.40	164.67	702.70
Distribution	(15.27)	(65.08)	120.18	(80.35)	108.26	136.69
Unallocated	211.99	79.14	(153.71)	291.13	(136.95)	(543.21)
Segment Results before Interest and Finance Expense and Tax Expenses	403.31	34.87	202.65	438.18	135.98	296.18
Interest and Finance Expense	(148.62)	(145.63)	(75.01)	(294.25)	(150.47)	(427.26)
(Loss)/Profit before tax	254.69	(110.76)	127.64	143.93	(14.49)	(131.08)
Tax expense	44.53	15.78	(16.68)	60.31	(38.24)	66.05
(Loss)/Profit for the period	210.16	(126.54)	144.32	83.62	23.75	(197.13)
Capital Employed						
Animation	2,376.82	2,342.41	2,603.90	2,376.82	2,603.90	(1,213.01)
Distribution	6,890.23	6,372.38	6,043.15	6,890.23	6,043.15	5,167.58
Unallocated	(4,404.49)	(4,143.99)	(3,734.17)	(4,404.49)	(3,734.17)	519.08
Total	4,862.56	4,570.80	4,912.88	4,862.56	4,912.88	4,473.65





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

Un-Audited Consolidated Statement of Assets and Liabilities as at 30 September 2015

(Rs in million)		
Particulars	as at 30 September 2015 (Un-audited)	as at 31 March 2015 (Audited)
I. EQUITY AND LIABILITIES		
(1) Shareholders' Funds		
(a) Share capital	792.83	792.83
(b) Reserves and surplus	4,069.73	3,680.82
	4,862.56	4,473.65
(2) Non-Current Liabilities		
(a) Long-term borrowings	3,230.13	3,049.40
(b) Deferred tax liabilities (Net)	-	-
(c) Other long term liabilities	225.36	290.11
(d) Long term provisions	90.17	114.34
	3,545.66	3,453.85
(3) Current Liabilities		
(a) Short term borrowings	803.68	798.81
(b) Trade payables	503.21	441.60
(c) Other current liabilities:		
(i) Current maturity of long term borrowings	501.82	495.50
(ii) Others	371.38	360.30
(d) Short term provisions	310.62	256.10
	2,490.71	2,352.31
Total	10,898.93	10,279.81
II. ASSETS		
(1) Non-Current Assets		
(a) Fixed assets		
(i) Tangible assets	133.23	86.56
(ii) Intangible assets	1,777.65	1,589.55
(iii) Capital work-in-progress	1.17	1.17
(iv) Intangible asset under construction	4,707.28	3,654.30
(b) Deferred Tax Assets (Net)	14.84	21.65
(c) Long-term loans and advances	217.10	219.49
(d) Other non-current assets	-	-
	6,851.27	5,572.72
(2) Current Assets		
(a) Trade receivables	3,565.99	3,419.68
(b) Cash and bank balances	325.36	747.40
(c) Short-term loans and advances	99.54	273.30
(d) Other Current Assets - Unbilled revenue	56.77	266.71
	4,047.66	4,707.09
Total	10,898.93	10,279.81



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

1) The un-audited consolidated financial results for the quarter and half year ended September 30, 2015 have been taken on record by the Board of Directors at its meeting held on 9 November 2015. The "Un-audited Consolidated Financial Results" have been subjected to the limited review by statutory auditors of the company.

2) The financial results are prepared in accordance with the principles and procedures for the preparation and presentation of consolidated financial statements as set out in the Accounting Standard on "Consolidated Financial Statements" mandated by Section 133 of the Act Read with Rule 7 of the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India.

3) Pursuant to clause 41 of the listing agreement, the company opted to publish standalone results only of the company as decided by the board of directors for the financial year 2015-16 in its board meeting. Investor can also view the financial results (standalone and consolidated) on the company's website "www.dqentertainment.com" as well as the website of BSE (www.bseindia.com) and NSE (www.nseindia.com)

4) Certain Standalone Information of the Company.

Particulars	For Quarter ended 30 September 2015	For Quarter ended 30 June 2015	For Quarter ended 30 September 2014	For Half year ended 30 September 2015	For Half year ended 30 September 2014	For Year ended 31 March 2015
	(Un-Audited)	(Un-Audited)	(Un-audited)	(Un-Audited)	(Un-Audited)	(Audited)
Net Income from Operations	402.04	291.82	527.45	693.86	669.79	1,815.65
Profit / (Loss) before tax	203.56	52.58	196.38	256.14	63.4	356.04
Profit / (Loss) after tax	159.03	36.80	213.06	195.83	101.64	289.99

5) Information on investor complaints pursuant to Clause 41 of the Listing Agreement for the quarter ended September 30, 2015.

Nature of complaints	Opening Balance	Received during the quarter	Disposed during the quarter	Closing Balance
Investor complains	-	8	8	-

6) *Exceptional items are notional foreign exchange gain / (loss) arisen on foreign exchange fluctuation calculated on translation of monetary items as per Accounting Standard -11

7) **Total interest and finance expense includes of Rs.17.33 Mn on account of debt bond issued at DQ Entertainment (Ireland) Limited.

8) Receivables include amounts which are due for more than a year of Rs. 2,242 Mn. The company is following up with the customers to make early collection. There are no disputes with the customers and the balances have been confirmed by them. The customers have also expressed their willingness to settle the balances. The payments are delayed in view of the prevailing market & industry conditions in Europe and other places where the customers are located. In the opinion of the management these balances are good and are fully recoverable.

9) Corresponding quarter and half year figures have been regrouped / reclassified wherever necessary.



Review Report to the Board of Directors of DQ Entertainment (International) Limited:

1. We have reviewed the accompanying statement of unaudited financial results of DQ Entertainment (International) Limited ('the Company') for the quarter ended 30th September 2015, (the "Statement"), being submitted by the Company pursuant to Clause 41 of the Listing Agreement except for the disclosures regarding 'Particulars of Shareholding' and 'Promoter and Promoter Group Shareholding', which have been traced from disclosures made by the Management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors / committee of Board of Directors. Our responsibility is to issue a report on these financial results based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, with the exception of the matter described in the preceding paragraph/ subject to the effects of our observations given in paragraph 3, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies has not disclosed the



MZSK

& Associates

Chartered Accountants

Mumbai
Pune
New Delhi
Aurangabad
Hyderabad

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information required to be disclosed in terms of Clause 41 for equity and / or Clause 29 for debt securities of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

4. Emphasis of Matters

Without qualifying our report we draw your attention to Note No. 4, in the unaudited financial results published by the company, on receivables which are due for more than 1 year. The balances have been confirmed by the parties and collections have also been made in many accounts. There is significant uncertainty and judgment involved in establishing both the timing and level of the future payment patterns of these trade receivables. In view of the significance of this uncertainty we consider that it should be drawn to your attention.

For MZSK & Associates
Chartered Accountants
FRNo.105047 W



Ananthakrishnan.G
Partner - 205226



Place: Hyderabad
Date: 09th November 2015

DQ Entertainment (International) Limited
Earnings Release – September 2015

DQ Entertainment (DQE), a leading animation, gaming, live action entertainment production and Distribution Company, today announces its financial results for the period ended September 30, 2015.

Standalone financial highlights for the period ended 30 September 2015:

- Income from operations: INR 693.86mn (2014: INR 669.79 mn)
- EBITDA: INR 256.81 mn (2014: INR 271.58 mn)
- Profit (Loss) before tax*: INR 256.14 mn (2014: INR 63.40 mn)
- Profit (Loss) after tax*: INR 195.83 mn (2014: INR 101.64 mn)

* Profit before tax and Profit after tax includes the exceptional item by way of notional foreign exchange of approximately INR 180.67 mn for the period ended 30 September 2015 (2014: INR 17.28 mn)

The improvement in the global scenario, particularly in the North America, has positive impact on the operation of the company with the company generating total revenue of INR 693.86 mn which is in line with our annual estimate.

The financials had a positive impact of change due to foreign exchange rates and substantial increase in production/delivery efficiencies. For the half year ended September 2015 there is a foreign exchange gain of Rs. 180.67 mn (2014:Rs.17.28mn) on account of restatement of foreign currency balances as on 30 September 2015.

This quarter our focus had been on improving operational efficiencies and expanding human resources to meet the demands of production in the coming months. Consolidation and expansion of artistic and technical skill sets and productivity improvement across all processes of production has been initiated.

The continuous efforts being done towards collection from customers are bringing in positive results with remittances coming in from almost all the parties. We are confident that these actions will enable us to report significantly improved debtors status by the end of the financial year.

Business Update

We are on the verge of completing second season of our proprietary production 'The New Adventures of Peter Pan'. The production of Season 1 of Miles from Tomorrow land (Disney Junior USA) just got completed, while that of Season 2 has commenced on a back to back basis, showing confidence by our customer of our quality and delivery.

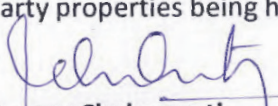
The 5&IT TV series is in production with Disney-Germany and Disney- France.

Our other productions such as The HIVE, Season 2 (a Disney Junior show), Popples (Saban group, USA project), Sheriff Callie's Wild West (Disney Junior, USA) and Seven and Me, a hybrid show combining high quality CGI with live action footage are also moving ahead on schedule.

We are also happy to report that our proprietary TV series 'The Jungle Book' has gone into a third season, in association with ZDF Enterprises and ZDF TV, Germany and Canal Plus, France.

During the quarter, the VFX division was also involved with the visual effects sequences within an epic feature film. Our VFX Division has completed the delivery for the epic feature film Rudrama Devi, by Gunasekhar and feature film Akhil, a Sresthth production containing significant amount of quality computer graphic work which is slated for release soon. The acceptance and appreciation of our VFX work by the feature film industry is bringing in success by way of additional VFX orders. The division is currently engaged on certain high-end visual effects assignments for big banner feature films directed by leading directors from the Indian "Tollywood" industry.

The company owned digital platforms continue to perform satisfactorily and will soon see third party properties being hosted on Pappa Kids and Tiny Toonz.


Tapaas Chakravarti
CMD & CEO

