

To,  
The Manager  
BSE Limited  
P.J. Towers, Dalal Street,  
Mumbai - 400001

Date: 07.09.2022

Dear Sir/ Madam,

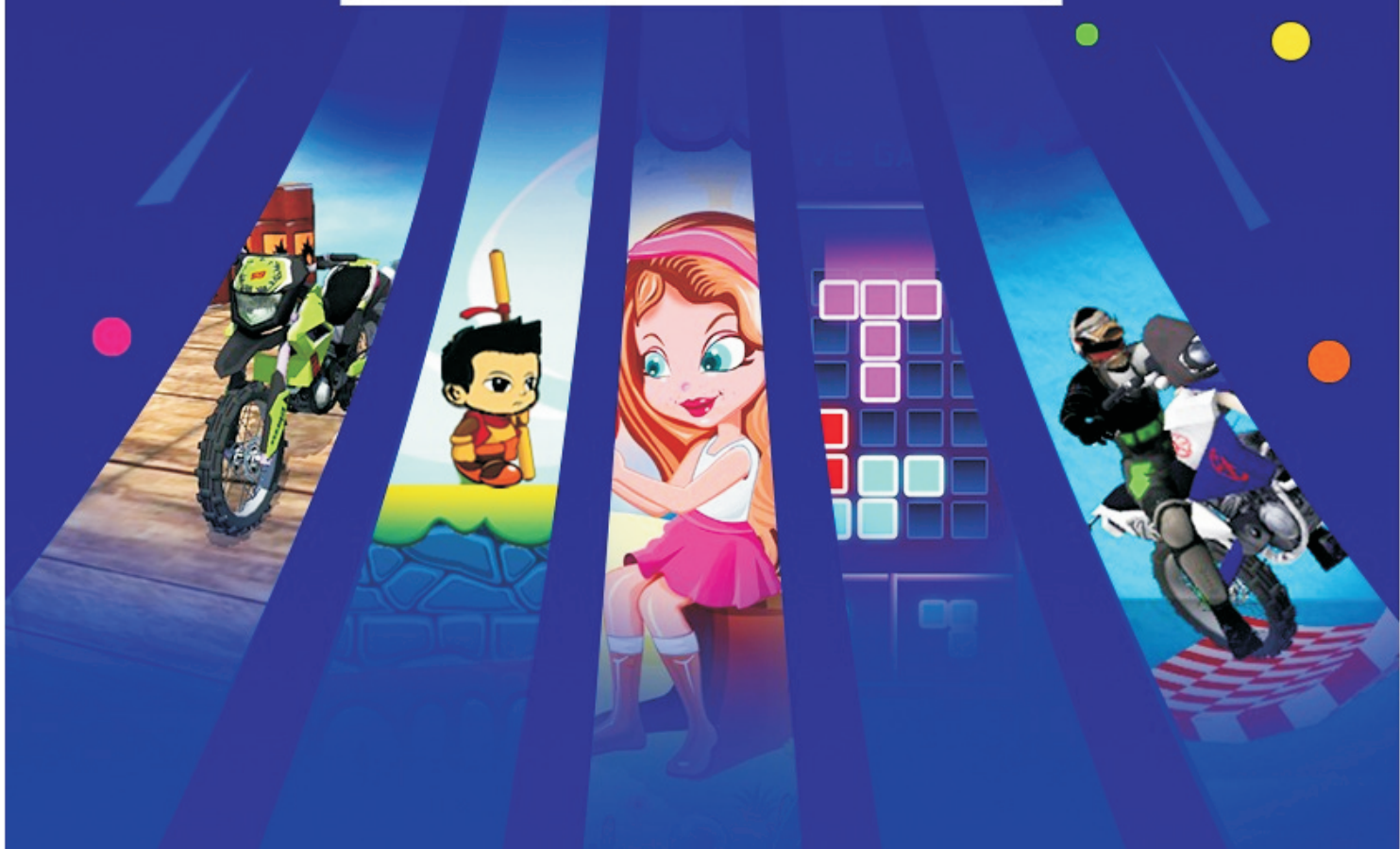
**Sub: Submission of Annual report for the FY 2021-22**

In compliance of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) 2015, we are herewith submitting Annual Report of the Company.

This is for the information and records of the Exchange, please.

Yours faithfully,  
For 7Seas Entertainment Limited

L. Maruti Sanker  
Managing Director  
(DIN: 01095047)



# 31<sup>ST</sup> ANNUAL REPORT

— 2021-2022 —

AWARD-WINNING IP DEVELOPMENT COMPANY FOR GAMES

CONTACT US

+914049533636

info@7seasent.com

www.7seasent.com

# 7SEAS ENTERTAINMENT LIMITED

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS:

Mr. L. Maruti Sanker	-	Managing Director (DIN: 01095047)
Mrs.L. Hemalatha	-	Whole-Time Director cum CFO (DIN: 02226943)
Mr.B. Mohan Rao	-	Non-Executive Director (DIN: 07233665)
Mr. K.Pradeep Kumar	-	Non-Executive Director (DIN: 07062498)
Mr.G.Srinivas Rao	-	Non-Executive Director (DIN: 03502650)
Mrs. Sita Visalakshi	-	Independent Director (DIN: 06380062)
Mr. Mahender Reddy	-	Independent Director (DIN: 09389493)
Mr.B. Kiran Kumar	-	Independent Director (DIN: 07499895)
Mr.D. Harikrishna	-	Independent Director (DIN: 09302531)
Mrs. Anupama	-	Independent Director (DIN:02328744)
Mrs. Surabhi Verma	-	Independent Director (DIN:09725877)

### COMPANY SECRETARY :

Mr. Remo John

### REGISTERED OFFICE :

5th Floor, Plot No.92, 93 & 94  
Kavuri Hills, Madhapur,Hyderabad,  
Telangana-500081

**CORPORATE IDENTITY NUMBER:** L72900TG1991PLC013074

### STATUTORY AUDITORS:

M/s Sathuluri & Co.,  
Chartered Accountants,  
3-4-529/6, Gopamma Nilayam,  
Narayanguda, Hyderabad, Telangana-500027

### INTERNAL AUDITOR:

M/s. DVAK & Co.,  
Hyderabad, Telangana

### BANKERS:

Indian Overseas Bank  
Rajbhavan Road,  
Hyderabad – 500082.

### AUDIT COMMITTEE

Mr. Harikrishna Duggineni	-	Chairman
Mrs. Anupama Govardhanagiri	-	Member
Mrs. Surabhi Verma	-	Member
Mrs. Sita Visalakshi Chimakurthy	-	Member

### NOMINATION & REMUNERATION COMMITTEE:

Mr. Harikrishna Duggineni	-	Chairman
Mrs. Sita Visalakshi Chimakurthy	-	Member
Mr. Bommineni Mohan Rao	-	Member
Mr.G.Srinivas Rao	-	Member

## 7SEAS ENTERTAINMENT LIMITED

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### STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Harikrishna Duggineni	-	Chairman
Mrs. Sita Visalakshi Chimakurthy	-	Member
Mr. Bommineni Mohan Rao	-	Member
N. Mahender Reddy	-	Member

### RISK MANAGEMENT COMMITTEE:

Mr. L. Maruti Sanker	-	Chairman
Mr. B. Mohan Rao	-	Member
Mrs. L. Hemalatha	-	Member

### REGISTRAR & SHARE TRANSFER AGENTS:

M/s. Venture Capital and Corporate Investments Private Limited  
12-10-167, Bharat Nagar, Hyderabad – 500018  
Ph.Nos.040- 23818475/23818476/23868023  
Fax: 040-23868024

**LISTED:** BSE Limited

**ISIN:** INE454F01010

**Investor E-Mail Id:** [investors@7seasent.com](mailto:investors@7seasent.com)

# 7SEAS ENTERTAINMENT LIMITED

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## NOTICE

Notice is hereby given that the 31st Annual General Meeting of the members of M/s. 7Seas Entertainment Limited will be held on Friday, the 30th day of September, 2022 at 11.00 A.M. (IST) through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following businesses:

### Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheets as at March 31, 2022, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Report of Auditors and Directors thereon.
2. To appoint a director in place of Mr.B. Mohan Rao (DIN: 07233665) who retires by rotation and being eligible, offers himself for re-appointment.

### Special Business:

#### 3. Appointment of Mr. K. Pradeep Kumar as Non-Executive Director of the Company:

To consider, and if thought fit, to pass with or without modification(s) the following resolutions as an Ordinary Resolution.

**"RESOLVED THAT** pursuant to the provisions of Sections 149,152, 160 and any other applicable provisions of the Companies Act, 2013 ("the Act"), read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the provisions of the Articles of Association of the Company and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and approval of members, Mr. K.Pradeep Kumar, who was appointed as an Additional Director (Category: Non-Executive, Non-Independent Director) of the Company with effect from 08.11.2022 by the Board and who holds office up to the date of this Annual General Meeting or the last date on which AGM should have been held, whichever is earlier, being so eligible, be and is hereby appointed as a Director (Non-Executive and Non-Independent) of the Company, liable to retire by rotation."

**"RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

#### 4. Appointment of Mr. G.Srinivas Rao as Non-Executive Director of the Company:

To consider, and if thought fit, to pass with or without modification(s) the following resolutions as an Ordinary Resolution.

**"RESOLVED THAT** pursuant to the provisions of Sections 149,152, 160 and any other applicable provisions of the Companies Act, 2013 ("the Act"), read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the provisions of the Articles of Association of the Company and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and approval of members, Mr.G.Srinivas Rao, who was appointed as an Additional Director (Category: Non-Executive, Non-Independent Director) of the Company with effect from 03.09.2022 by the Board and who holds office up to the date of this Annual General Meeting or the last date on which AGM should have been held, whichever is earlier, being so eligible, be and is hereby appointed as a Director (Non-Executive and Non-Independent) of the Company, liable to retire by rotation."

**"RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

### 5. Appointment of Mrs. G. Anupama as a Non-Executive Independent Director of the Company:

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 152, 160 and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualifications of Directors) Rules, 2014 read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and based on the recommendation of the Nomination and Remuneration Committee, Mrs. G Anupama, who was appointed as additional Director of the Company in the Independent category in the board meeting held on 03.09.2022 and holds office up to the date of the next annual general meeting or the last date on which the annual general meeting should have been held, whichever is earlier and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013, and the rules made thereunder, be and is hereby appointed as an Independent Director of the Company, for a term of five consecutive years with effect from 03.09.2022 to 02.09.2027 who shall not be liable to retire by rotation.”

**“RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

### 6. Appointment of Mrs. Surabhi Verma Anupama as a Non-Executive Independent Director of the Company:

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 152, 160 and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualifications of Directors) Rules, 2014 read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and based on the recommendation of the Nomination and Remuneration Committee, Mrs. Surabhi Verma, who was appointed as additional Director of the Company in the Independent category in the board meeting held on 03.09.2022 and holds office up to the date of the next annual general meeting or the last date on which the annual general meeting should have been held, whichever is earlier and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013, and the rules made thereunder, be and is hereby appointed as an Independent Director of the Company, for a term of five consecutive years with effect from 03.09.2022 to 02.09.2027 who shall not be liable to retire by rotation.”

**“RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

### 7. Appointment of Mr.B. Kiran Kumar as a Non-Executive Independent Director of the Company:

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 152, 160 and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualifications of Directors) Rules, 2014 read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and based on the recommendation of the Nomination and Remuneration Committee, Mr.B. Kiran Kumar, who was appointed as additional Director of the Company in the Independent category in the board meeting held on 08.11.2021 and holds office up to the date of the next annual general meeting or the last date on which the annual general meeting should have been held, whichever is earlier and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013, and the rules made thereunder, be and is hereby appointed as an Independent Director of the Company, for a term of five consecutive years with effect from 08.11.2021 to 07.11.2026 who shall not be liable to retire by rotation.”

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**“RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**8. Appointment of Mr. N. Mahender Reddy as a Non-Executive Independent Director of the Company:**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 152, 160 and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualifications of Directors) Rules, 2014 read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and based on the recommendation of the Nomination and Remuneration Committee, Mr. Mahender Reddy, who was appointed as additional Director of the Company in the Independent category in the board meeting held on 08.11.2021 and holds office up to the date of the next annual general meeting or the last date on which the annual general meeting should have been held, whichever is earlier and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013, and the rules made thereunder, be and is hereby appointed as an Independent Director of the Company, for a term of five consecutive years with effect from 08.11.2021 to 07.11.2026 who shall not be liable to retire by rotation.”

**“RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**For and on behalf of the Board of  
7Seas Entertainment Limited**

**Sd/-  
L. Maruti Sanker  
Managing Director  
(DIN: 01095047)**

**Date:03.09.2022  
Place: Hyderabad**

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### NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid -19", General Circular no. 20/2020 dated May 5, 2020, General Circular nos. 02/2021 and 21/2021 dated January 13, 2021 and December 14, 2021 Circular No. 03/2022 dated 05.05.2022, Circular SEBI/HO/CFD/CMD2/ CIR/P/2022/ 62 dated May 13, 2022 issued by SEBI (hereinafter collectively referred to as "the Circulars"), in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)", (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the AGM of the Company is being held through VC/OAVM.
2. The Deemed Venue of the 31st AGM of the Company shall be its Registered Office.
3. The Company has engaged the services of Central Depository Services (India) Limited ("CDSL"), as the authorized agency for conducting the AGM and providing remote e-Voting and e-Voting facility for/during the AGM of the Company. The instructions for participation by Members are given in the subsequent notes.
4. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum of the AGM under Section 103 of the Act.
5. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
7. Compliance with the MCA Circulars and SEBI Circular dated January 15, 2021 as aforesaid, Notice of the AGM along with the Annual Report (viz. Financial Statement) for Financial Year 2021-2022 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories/R&T Agent. Members may note that the Notice and Annual Report for Financial Year 2021-2022 will also be available on the Company's website [www.7seasent.com](http://www.7seasent.com), BSE Limited website i.e. [www.bseindia.com](http://www.bseindia.com).  
  
Alternatively, Member may send signed copy of the request letter providing the e-mail address, mobile number, self-attested PAN copy, DP ID (in case of electronic mode shares), folio No (in case of physical mode shares) via e-mail at the Email: [info@vccilindia.com](mailto:info@vccilindia.com) for obtaining the Annual Report and Notice of e-AGM of the Company electronically.
8. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
9. The facility of joining the e-AGM through VC / OAVM will be opened 15 minutes before and will remain open upto 15 minutes after the scheduled start time of the e-AGM, and will be available for 1000 members on a first-come first-served basis. This rule would however not apply to participation in respect of large Shareholders (Shareholders holding 2% or more shares of the Company), Promoters, Institutional Investors, Auditors, Key Managerial Personnel and the Directors of the Company including Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee.
10. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 24.09.2022 to Friday, 30.09.2022 (both days inclusive) for the purpose of AGM.
11. Mr. Basi Reddy Vinay Kumar Reddy, Practicing Chartered Accountant, has been appointed as the Scrutinizer to scrutinize the remote e-Voting/e-Voting process in a fair and transparent manner. The Scrutinizer will submit the report to the Chairman, or any person authorised by him after completion of the scrutiny and the results of voting will be announced after the AGM of the Company. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM. The result will also be displayed on the website of the Company at [www.bseindia.com](http://www.bseindia.com), and [www.evotingindia.com](http://www.evotingindia.com) (agency providing e-Voting facility).



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12. Members of the Company under the category of Institutional/Corporate Shareholders are encouraged to attend and vote at the AGM through VC. Corporate Members intending to authorize their representatives to participate and vote are requested to send a certified copy of the Board resolution / authorization letter to the Scrutinizer by email at corp7seasent@gmail.com and the same should also be uploaded on the VC portal / e-Voting portal of CDSL.
13. Members who have not yet registered their e-mail addresses are requested to register the same with their DP in case the shares are held by them in demat mode and with RTA in case the shares are held by them in physical mode.
14. To register e-mail address for all future correspondence and update the bank account details, please follow the below process:
  - a. Members holding shares in Demat mode can get their details registered/updated only by contacting their respective DP.
  - b. Members holding shares in physical mode may register their email address and mobile number with the RTA by sending an e-mail request to the email ID info@vccilindia.com along with signed scanned copy of the request letter providing the email address and mobile number, self-attested copy of Permanent Account Number Card ("PAN") and copy of a share certificate for registering their email address. Additional details like name and branch of Bank along with bank account type, bank account number, 9-digit MICR code, 11-digit IFSC code and scanned copy of cancelled cheque will be required for updating bank account details.
15. SEBI has mandated submission of PAN by every participant in the securities market. Members holding shares in demat mode are, therefore, requested to submit their PAN to their DP. Members holding shares in physical mode are required to submit their PAN details to the RTA.
16. As per the provisions of Section 72 of the Companies Act, 2013 ("the Act"), the facility for submitting nomination is available for Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same with their DP in case the shares are held by them in demat mode, and to the RTA, in case the shares are held in physical mode.
17. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the AGM.

### **18. INSTRUCTIONS FOR E-VOTING AND JOINING THE AGM:**

#### **A. VOTING THROUGH ELECTRONIC MEANS**

- i. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of Listing Regulations and applicable circulars, the Members are provided with the facility to cast their vote electronically (through remote e-Voting as well as the e-Voting system on the date of the AGM), through the e-Voting services provided by CDSL, on all the resolutions set forth in this Notice.
- ii. The remote e-Voting period commences on Tuesday, September 27, 2022 (9.00 A.M. IST) and ends on Thursday, September 29, 2022 (5.00 P.M. IST). During this period, Members holding shares either in physical mode or in demat mode, as on Friday, September 23, 2022 i.e. cut-off date, may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting thereafter. A person who is not a member as on the Cut-off date should treat Notice of this Meeting for information purposes only.
- iii. The Members who have cast their vote by remote e-Voting prior to the AGM may attend/ participate in the AGM through VC but shall not be entitled to cast their vote again.
- iv. The voting rights of the Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date i.e., Friday, September 23, 2022.
- v. Any person or non-individual Shareholders (in physical mode/ demat mode) who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow the steps mentioned below.

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- vi. Login method for e-Voting and voting during the meeting for Individual Shareholders holding securities in demat mode.

In terms of the SEBI circular dated December 9, 2020 on the e-Voting facility provided by listed companies and as part of increasing the efficiency of the voting process, e-Voting process has been enabled to all individual Shareholders holding securities in demat mode to vote through their demat account maintained with depositories / websites of depositories / depository participants. Shareholders are advised to update their mobile number and email ID in their demat accounts in order to access e-Voting facility. Login method for Individual Shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<p>a. Users who have opted for Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest is <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>b. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider (“ESP”) i.e. CDSL, for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there are also links provided to access the system of all ESP i.e. CDSL/NSDL, so that the user can visit the ESP website directly.</p> <p>c. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</p> <p>d. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/Evoting Login</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP i.e. CDSL where the e-Voting is in progress.</p>
Individual Shareholders holding securities in Demat mode with NSDL	<p>a. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>.</p> <p>b. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services.</p> <p>c. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider- CDSL and you will be re-directed to the CDSL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

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	<p>d. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</a>.</p> <p>e. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a>. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.</p> <p>f. A new screen will open. You will have to enter your User ID (i.e. your 16 digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.</p> <p>g. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider- CDSL and you will be redirected to e-Voting website of CDSL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
<p>Individual Shareholders (holding securities in Demat mode) login through their Depository Participants</p>	<p>a. You can also login using the login credentials of your Demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</p> <p>b. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</p> <p>c. Click on Company name or e-Voting service provider name - CDSL and you will be redirected to e-Voting website of CDSL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use “Forget User ID” and “Forget Password” option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
<p>Individual Shareholders holding securities in Demat mode with <b>CDSL</b></p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cDSLindia.com">helpdesk.evoting@cDSLindia.com</a> or contact at 022- 23058738 and 22-23058542-43.</p>
<p>Individual Shareholders holding securities in Demat mode with <b>NSDL</b></p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nSDL.co.in">evoting@nSDL.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30</p>

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- vii. Login method for e-Voting and voting during the meeting for Shareholders holding securities in physical mode and Shareholders other than Individual Shareholders holding securities in demat mode.
- a) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - b) Click on Shareholders tab/ module.
  - c) Now Enter your User ID
    - For CDSL: 16 digits beneficiary ID,
    - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - d) Next enter the Image Verification as displayed and Click on Login.
  - e) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - f) If you are a first time user follow the steps given below:

	<b>For Shareholders holding securities in physical mode and Shareholders other than Individual Shareholders holding securities in demat mode.</b>
PAN	Enter your 10-digit alpha-numeric "PAN" issued by Income Tax Department. Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by RTA or contact RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.  If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

- g) After entering these details appropriately, click on "SUBMIT" tab.
- h) Shareholders holding shares in physical mode will then directly reach the Company selection screen. However, Shareholders holding shares in Demat mode will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat account holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- i) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- j) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- k) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- l) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- m) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- n) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

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- o) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- p) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- q) If a Demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot password and enter the details as prompted by the system.
- r) Additional Facility for Non – Individual Shareholders and Custodians –For Remote e-Voting only.
  - Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (“POA”) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual Shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at the email address viz; [corp7seasent@gmail.com](mailto:corp7seasent@gmail.com), if they have voted from individual tab & not uploaded same in the CDSL e-Voting system for the scrutinizer to verify the same.

### **B. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC AND E-VOTING DURING THE AGM:**

- i. The procedure for attending AGM and e-Voting on the day of AGM is same as the instructions mentioned above for e-Voting.
- ii. Members attending the AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- iii. The facility for joining the AGM shall open 15 minutes before the scheduled time for commencement of the AGM.
- iv. The link for VC to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-Voting.
- v. Shareholders who have voted through remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- vi. Shareholders are encouraged to join the Meeting through Laptops / iPad for better experience.
- vii. Further Shareholders will be required to allow Camera (in case of speakers) and use Internet with a good speed to avoid any disturbance during the AGM.
- viii. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- ix. Members (holding shares as on Cut-off date) who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request, on or before Friday, September 16, 2022, from their registered e-mail address mentioning their name, DP ID and Client ID / folio number, PAN, mobile number at [corp7seasent@gmail.com](mailto:corp7seasent@gmail.com). Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

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- x. Only those Shareholders, who are present in the AGM through VC facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- xi. If any Votes are cast by the Shareholders through the e-Voting available during the AGM and if the same Shareholders have not participated in the meeting through VC facility, then the votes cast by such Shareholders shall be considered invalid as the facility of e-Voting during the meeting is available only to the Shareholders attending the AGM.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

- 19. Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Act and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Act, shall be available for inspection during the AGM at e-Voting portal.
- 20. Statement pursuant to Section 102(1) of the Act, in respect of the Special Business to be transacted at the AGM along with details pursuant to SEBI Regulations and other applicable laws are annexed hereto. All documents referred to in the accompanying Notice and the Statement shall be available for inspection electronically. Members seeking to inspect such documents can send an email to [corp7seasent@gmail.com](mailto:corp7seasent@gmail.com).
- 21. The term 'Members' or 'Shareholders' has been used to denote Shareholders of 7Seas Entertainment Limited.
- 22. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.7seasent.com](http://www.7seasent.com) and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.

## 7SEAS ENTERTAINMENT LIMITED

23. Disclosure pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with respect to Directors seeking appointments at the Meeting is given below:

<b>Name of the Director</b>	<b>Mr. Gandra Srinivas Rao</b>	<b>Mr. Pradeep Kumar Kamisetti</b>
Date of Birth	05/05/1982	01/07/1963
Qualification	MBA	B.com
Brief profile	Mr. G. Srinivas Rao MBA graduate, 15 years of experience in the entertainment industry. Founder and chairman of Shreyas group, Leading Media and entertainment company in India. Shreyas Media, the One Stop Solution for branding and promotional activities of a film. The sole aim of Shreyas Media is to provide an extensive helping hand to the movie makers in terms of promotion of the movie. The only agency in South India which deals with every aspect of a movie be it In film advertising, Press Release, Audio, Trailer Launch, Audio Function, Success Meet, 50 days, 100 days, Premiere shows, promotion through TV reality shows, Celebrity Endorsements. Our Corporate ethos revolves round delivering the most effective, customized and target-oriented solutions to our clients	Mr. Pradeep Kumar Kamisetti is Bachelor of Commerce (Hons.) and have 30 years of rich experience in the areas of Accounting and Financing and is well adept with Construction and Infrastructure business. He is also a partner associate with M/s K. Subba Rao & Associates and M/s Venkateswara Developers, Venkata Sai Builders.
Expertise in specific functional areas	Business Promotion and Brand Building	Finance & Risk Management
Names of Listed entities in which the person also holds the directorship and the membership of Committees of the board	NIL	NIL
No. of Equity Shares held in the Company	1,01,000	1,00,000
Disclosure of relationships between directors.	None	None

## 7SEAS ENTERTAINMENT LIMITED

Name of the Director	Mrs. Surabhi Verma	Mrs. Anupama Govardhanagiri
Date of Birth	03/11/1991	16/10/1977
Qualification	ACS	FCS
Brief profile	<p>Mrs. Surabhi Verma, A commerce graduate and company Secretary by Profession qualified in the year 2014 from the Institute of Company Secretaries of India (ICSI). After qualifying, she is Working in Touchstone Equities Limited.</p> <p>She has a vast experience and knowledge of secretarial compliances including compliance of Trust registered as AIF Category II regulated by SEBI (Presently handling 4 schemes in the AIF among which one scheme is having foreign Contributor). Actively involved in AIF formation and launching of schemes for the AIF and replying to all queries of SEBI, preparation of Contribution Agreements, Private Placement Memorandum, Term Sheets for investment and other agreements and documents required and Liaising with the trustees, custodians, bankers, investment bankers and other parties in the fund includes SEBI reporting and RBI reporting and Well versed in vetting the investment documents and handling the transaction.</p>	<p>Mrs. Anupama Govardhanagiri A commerce graduate in the year March 1998 and company Secretary by Profession qualified in the year 2022 from the Institute of Company Secretaries of India (ICSI). After qualifying, she has worked as a Company Secretary of listed companies for various listed companies (2002 - 2016) i.e.,</p> <ol style="list-style-type: none"> <li>a. NCL Industries Limited</li> <li>b. Srinu Pharmaceuticals Limited</li> <li>c. Olectra Greentech Limited</li> <li>d. Southern Online Bio Technologies Limited</li> </ol> <p>Presently Working at Prasaditya Group, as Company Secretary for the group from May, 2017</p> <p>She has a vast experience and knowledge of secretarial compliances including SEBI regulations and provisions of the Company Law applicable to listed and unlisted companies but she has completed a part of executing process revocation of a listed company under suspension on stock exchange, buy-back of shares in unlisted companies, fast track mergers and mergers through NCLT route, preferential allotment of shares and warrants in listed and unlisted companies.</p>
Expertise in specific functional areas	secretarial and legal compliances	secretarial compliances and corporate Law including SEBI provisions, mergers through NCLT
Names of Listed entities in which the person also holds the directorship and the membership of Committees of the board	NIL	NIL
No. of Equity Shares held in the Company	NIL	NIL
Disclosure of relationships between directors.	None	None



## 7SEAS ENTERTAINMENT LIMITED

<b>Name of the Director</b>	<b>Mr. Kiran Kumar Bodla</b>	<b>Mr. N.Mahender Reddy</b>
Date of Birth	07/12/1981	05/09/1988
Qualification	FCS	B.com
Brief profile	CS Kiran Kumar Bodla, is a Bachelor of Business Administration and Masters of Law in Corporate & Financial Law from Jindal Global Law School (JGLS), and hold a Diploma in English from Ramakrishna Math, Hyderabad, and Professionally a Fellow Member (FCS) of The Institute of Company Secretaries of India (ICSI). Post enrollment as member of ICSI in a career span of over 10 years, has set up BK & Associates, Company Secretaries, a Legal & Corporate Consulting Services Proprietary Concern and thereby acquired expertise in Foreign Exchange Management Act (FEMA) related aspects such as Foreign Direct Investment (FDI), Overseas Direct Investment (ODI) and Compliances Management, Private Placements, Right Issues, Preferential Allotments, Takeovers & Acquisitions, advisory, Corporate Ethics & Governance and overall Corporate Compliances.	Mr. N. Mahender Reddy is a B. Com. and LLB, having 7 years of experience in Legal and Secretarial compliances with expertise in diverse fields including Mergers, Fast track Merger, Capital Reductions, Listing of Companies, Preferential Allotment etc., and is also proficient with compliances under various regulations of SEBI.
Expertise in specific functional areas	Legal & Corporate Consulting and Foreign Exchange Management Act (FEMA), Takeovers & Acquisitions, advisory.	Legal and Secretarial compliances with expertise in diverse fields including Mergers, Fast track Merger, Capital Reductions, Listing of Companies, Preferential Allotment.
Names of Listed entities in which the person also holds the directorship and the membership of Committees of the board	NIL	NIL
No. of Equity Shares held in the Company	NIL	NIL
Disclosure of relationships between directors.	None	None

**For and on behalf of the Board of  
7Seas Entertainment Limited**

**Sd/-  
L. Maruti Sanker  
Managing Director  
(DIN: 01095047)**

**Date:03.09.2022  
Place: Hyderabad**

# 7SEAS ENTERTAINMENT LIMITED

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## EXPLANATORY STATEMENT

(Pursuant to section 102 of the Companies Act, 2013)

### Item No. 3

Pursuant to provisions of Section 152 of the Companies Act, 2013 (“the Act”) read with the applicable rules made thereunder, the Board of Directors of the Company (“Board”) at its meeting held on 11th November, 2021, basis the recommendation of the Nomination and Remuneration Committee (“NRC”), had appointed Mr. K. Pradeep Kumar as an Additional Director (Non-Executive and Non-Independent) with effect from 11th November, 2021.

In accordance with the provisions of Section 161 of the Act read with the applicable rules made thereunder and the Article of Association of the Company Mr.K. Pradeep Kumar being an Additional Director, holds office up to the date of the 31st Annual General Meeting (“AGM”) of the Company. The Company has received a notice in writing from a Member of the Company under Section 160 of the Act proposing the candidature of Mr.K. Pradeep Kumar for the office of a Director of the Company.

Mr.K. Pradeep Kumar is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. He is not debarred from holding the office of a director by virtue of any order of the Securities and Exchange Board of India or any other such authority.

Details pursuant to Reg. 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India is attached as Annexure- I.

The Board of Directors, therefore, recommends the Resolution as set out at Item No.3 to be passed as Special Resolution by the Members.

None of the other Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Ordinary Resolution.

### Item No. 4

Pursuant to provisions of Section 152 of the Companies Act, 2013 (“the Act”) read with the applicable rules made thereunder, the Board of Directors of the Company (“Board”) at its meeting held on 3rd September, 2022, basis the recommendation of the Nomination and Remuneration Committee (“NRC”), had appointed Mr. G. Srinivas Rao as an Additional Director (Non-Executive and Non-Independent) with effect from 3rd September, 2022.

In accordance with the provisions of Section 161 of the Act read with the applicable rules made thereunder and the Article of Association of the Company Mr. G. Srinivas Rao being an Additional Director, holds office up to the date of the 31st Annual General Meeting (“AGM”) of the Company. The Company has received a notice in writing from a Member of the Company under Section 160 of the Act proposing the candidature of Mr. G. Srinivas Rao for the office of a Director of the Company.

Mr. G. Srinivas Rao is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. He is not debarred from holding the office of a director by virtue of any order of the Securities and Exchange Board of India or any other such authority.

Details pursuant to Reg. 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India is attached as Annexure- I.

The Board of Directors, therefore, recommends the Resolution as set out at Item No.4 to be passed as Special Resolution by the Members.

None of the other Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Ordinary Resolution.

### Item 5 & 6:

Mrs. Anupama Govardhanagiri and Mrs. Surabhi Verma were appointed as an Additional Directors in the category Non-Executive Independent Director of the Company by the Board of Directors in their Meeting held on 03rd September, 2022 to hold office of Independent Director up to the ensuing Annual General Meeting.

## 7SEAS ENTERTAINMENT LIMITED

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In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of Independent Directors requires approval of the members of the Company. Further, in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), effective January 1, 2022, a listed entity shall ensure that approval of shareholders by way of Special Resolution for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Accordingly, the appointment of Mrs. Anupama Govardhanagiri and Mrs. Surabhi Verma would require the approval of the members of the Company by way of Special Resolution.

Based on recommendations of Nomination and Remuneration Committee, Board have approved the appointment of Mrs. Anupama Govardhanagiri and Mrs. Surabhi Verma as Non-Executive Independent Directors of the Company, not liable to retire by rotation to hold office for a First term of Five (5) consecutive years up to the conclusion of 36th Annual General Meeting to be held in the year 2027 subject to approval of the Shareholders.

Section 149 of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribe that an Independent Director of a Company shall meet the criteria of independence as provided in Section 149(6) of the Act and regulation 16(1)(b) of the Listing Regulations.

Mrs. Anupama Govardhanagiri and Mrs. Surabhi Verma are not disqualified from being appointed as Directors in terms of Section 164 of the Act and has given their consent to act as a Director.

The Company has also received declarations from Mrs. Anupama Govardhanagiri and Mrs. Surabhi Verma that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations.

The details of Mrs. Anupama Govardhanagiri and Mrs. Surabhi Verma nature of their expertise in specific functional areas and names of company in which they hold directorships, shareholding and relationships between directors are provided in "Annexure" to the Notice pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

The Board of Directors, therefore, recommends the Resolution as set out at Item No.5 & 6 to be passed as Special Resolution by the Members.

Except the appointee Directors with regard to the resolution of their appointment, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution

### **Item 7 & 8:**

Mr. B. Kiran Kumar and Mr. N. Mahender Reddy were appointed as an Additional Directors in the category Non-Executive Independent Director of the Company by the Board of Directors in their Meeting held on 08th November, 2021 to hold office of Independent Director up to the ensuing Annual General Meeting.

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of Independent Directors requires approval of the members of the Company. Further, in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), effective January 1, 2022, a listed entity shall ensure that approval of shareholders by way of Special Resolution for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Accordingly, the appointment of Mr. B. Kiran Kumar and Mr. N. Mahender Reddy would require the approval of the members of the Company by way of Special Resolution.

Based on recommendations of Nomination and Remuneration Committee, Board have approved the appointment of Mr. B. Kiran Kumar and Mr. N. Mahender Reddy as Non-Executive Independent Directors of the Company, not liable to retire by rotation to hold office for a First term of Five (5) consecutive years up to the conclusion of 35th Annual General Meeting to be held in the year 2026 subject to approval of the Shareholders.

Section 149 of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribe that an Independent Director of a Company shall meet the criteria of independence as provided in Section 149(6) of the Act and regulation 16(1)(b) of the Listing Regulations.

## 7SEAS ENTERTAINMENT LIMITED

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Mr. B. Kiran Kumar and Mr. N. Mahender Reddy are not disqualified from being appointed as Directors in terms of Section 164 of the Act and has given their consent to act as a Director.

The Company has also received declarations from Mr. B. Kiran Kumar and Mr. N. Mahender Reddy that they meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations.

The details of Mr. B. Kiran Kumar and Mr. N. Mahender Reddy Verma nature of they expertise in specific functional areas and names of company in which he hold directorships, shareholding and relationships between directors are provided in "Annexure" to the Notice pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

The Board of Directors, therefore, recommends the Resolution as set out at Item No.7 & 8 to be passed as Special Resolution by the Members.

Except the appointee Directors with regard to the resolution of their appointment, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution

**For and on behalf of the Board of  
7Seas Entertainment Limited**

**Date:03.09.2022  
Place: Hyderabad**

**Sd/-  
L. Maruti Sanker  
Managing Director  
(DIN: 01095047)**

# 7SEAS ENTERTAINMENT LIMITED

## DIRECTORS' REPORT

To the Members,

7Seas Entertainment Limited,  
Hyderabad, Telangana, India

The Board of Directors hereby submits the report of the business and operations of your Company ('the Company' or '7Seas') along with the audited "Financial statement for the "Fiscal Year ended March 31, 2022.

### 1. Financial summary/highlights:

The performance during the period ended 31st March, 2022 has been as under:

(Amount in Rs.)

Particulars	Amount	
	2021-22	2020-21
Turnover/Income (Gross)	51,64,535	1,55,147
Other Income	37,18,129	2,82,63,296
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	2,47,182	2,29,23,815
Less: Depreciation/ Amortisation/ Impairment	--	51,40,000
Profit /loss before Finance Costs, Exceptional items and Tax Expense	2,47,182	1,77,83,815
Less: Finance Costs	--	--
Profit /loss before Exceptional items and Tax Expense	2,47,182	1,77,83,815
Add/(less): Exceptional items	--	--
Profit /loss before Tax Expense	--	--
Less: Tax Expense (Current & Deferred)	--	--
Profit /loss for the year (1)	2,47,182	1,77,83,815
Total Comprehensive Income/loss (2)	--	--
Total (1+2)	--	--
Balance of profit /loss for earlier years	--	--
Less: Transfer to Debenture Redemption Reserve	--	--
Less: Transfer to Reserves	--	--
Less: Dividend paid on Equity Shares	--	--
Less: Dividend paid on Preference Shares	--	--
Less: Dividend Distribution Tax	--	--
Balance carried forward	2,47,182	1,77,83,815

### 2. Overview & state of the company's affairs:

During the year under review, the Company has recorded total income including other income of Rs. 88,82,664 and profit of Rs. 2,47,182 as against the income of Rs. 2,84,18,443 and Profit of Rs. 1,77,83,815 in the previous financial year ending 31.03.2021.

### 3. Business update and state of company's affairs:

The information on Company's affairs and related aspects is provided under Management Discussion and Analysis report, which has been prepared, inter-alia, in compliance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and forms part of this Report.

## 7SEAS ENTERTAINMENT LIMITED

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### 4. Change in the nature of business, if any:

The Company has not undergone any change in the nature of business during the FY 2021-22.

### 5. Transfer to reserves:

Pursuant to provisions of Section 134 (3) (j) of the Companies Act, 2013, the company has not proposed to transfer any amount to general reserves account of the company during the year under review.

### 6. Revision of financial statements:

There was no revision of the financial statements for the year under review.

### 7. Material changes & commitment affecting the financial position of the company:

There have been no material changes and commitments affecting the financial position of the Company which have occurred during the end of the Financial Year of the Company to which the financial statements relate and the date of the report.

### 8. Significant & material orders passed by the regulators or courts or tribunals:

No significant or material orders have been passed against the Company by the Regulators, Courts or Tribunals, which impacts the going concern status and company's operations in future.

### 9. Dividend:

Keeping the Company's growth plans in mind, your directors have decided not to recommend dividend for the year.

### 10. Investor Relations:

The Company continuously strives for excellence in its Investor Relations engagement with International and Domestic investors through structured conference-calls and periodic investor/analyst interactions like individual meetings, participation in investor conferences, quarterly earnings calls and analyst meet from time to time. The Company ensures that critical information about the Company is available to all the investors, by uploading all such information on the Company's website.

### 11. Transfer of un-claimed dividend to Investor Education and Protection:

There is no such amount of Un-paid or Unclaimed Dividend be transferred to Investor and Education and Protection Fund for the financial year ended 31st March 2022.

### 12. Details of utilization of funds:

The Company raised capital through Preferential issue during FY 2021- 22 aggregating to Rs. 32,750,000. The funds raised through the Preferential issue have been utilized for the general business purpose and there is no deviation in the utilization of proceeds.

### 13. Details of Nodal Officer:

The Company has designated Mr. L. Maruti Sanker as a Nodal Officer for the purpose of IEPF.

### 14. Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") read with the relevant circulars and amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund ("IEPF"), constituted by the Central Government

During the Year, no amount of dividend was unpaid or unclaimed for a period of seven years and therefore no amount is required to be transferred to Investor Education and Provident Fund under the Section 125(1) and Section 125(2) of the Act.

### 15. Deposits from public:

The Company has not accepted any public deposits during the Financial Year ended March 31, 2022 and as such, no amount of principal or interest on public deposits was outstanding as on the date of the balance sheet.

Since the Company has not accepted any deposits during the Financial Year ended March 31, 2022, there has been no non-compliance with the requirements of the Act.

### 16. Independent director's familiarization programmes:

Independent Directors are familiarized about the Company's operations, businesses, financial performance and significant development so as to enable them to take well-informed decisions in timely manner. Interaction with the Business heads and key executives of the Company is also facilitated. Detailed presentations on important policies of the Company are also made to the directors. Direct meetings with the Chairperson are further facilitated to familiarize the incumbent Director about the Company/its businesses and the group practices.

The details of familiarisation programme held in FY 2021-22 are also disclosed on the Company's website and its web link is <http://www.7seasent.com>.

### 17. Board Evaluation

Performance of the Board and Board Committees was evaluated on various parameters such as structure, composition, diversity, experience, corporate governance competencies, performance of specific duties and obligations, quality of decision-making and overall Board effectiveness. Performance of individual Directors was evaluated on parameters such as meeting attendance, participation and contribution, engagement with colleagues on the Board, responsibility towards stakeholders and independent judgement. All the Directors were subjected to peer-evaluation.

All the Directors participated in the evaluation process. The results of evaluation were discussed in the Board meeting held in February 2022. The Board discussed the performance evaluation reports of the Board, Board Committees, Individual Directors, and Independent External Persons. The Board upon discussion noted the suggestions / inputs of the Directors. Recommendations arising from this entire process were deliberated upon by the Board to augment its effectiveness and optimize individual strengths of the Directors.

The detailed procedure followed for the performance evaluation of the Board, Committees and Individual Directors is enumerated in the Corporate Governance Report.

### 18. Meetings of the Board

During the year, Seven (7) meetings of the Board of Directors of the Company were convened and held in accordance with the provisions of the Act. The date(s) of the Board Meeting, attendance by the directors is given in the Corporate Governance Report forming an integral part of this report.

### 19. Committees of the Board

There are various Board constituted Committees as stipulated under the Act and Listing Regulations namely Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship and Risk Management Committee. Brief details pertaining to composition, terms of reference, meetings held and attendance thereat of these Committees during the year have been enumerated in Corporate Governance Report forming part of this Annual Report.

### 20. Audit Committee Recommendations:

During the year, all recommendations of Audit Committee were approved by the Board of Directors.

### 21. Directors and key managerial personnel:

As on date of this report, the Company has Ten Directors, out of which Six are Independent Directors and two are executive directors and Two Non-Executive Directors.

## 7SEAS ENTERTAINMENT LIMITED

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### a) Appointment/Re-appointment of Directors of the Company:

- i. In accordance with the provisions of the companies Act, 2013 and Articles of Association of the company Mr. Bommineni Mohan Rao, non-independent -non executive director, retire by rotation and being eligible, offers himself for re-appointment.
- ii. Appointment of Mr. Pradeep Kamiseti Kumar as Non –Executive Director and Non-Independent Director of the company with effect from November 08, 2021.
- b. Appointment of Mr. Gandra Srinivas Rao as Non –Executive Director and Non-Independent Director of the company with effect from September 03, 2022.
- c. Appointment of Mr. Kiran Kumar Bodla as Non –Executive Director and Independent Director of the company with effect from November 08, 2021.
- d. Appointment of Mr.N. Mahender Reddy as Non –Executive Director and Independent Director of the company with effect from November 08, 2021.
- e. Appointment of Mrs. Anupama Govardhanagiri as Non –Executive Director and Independent Director of the company with effect from September 03, 2022.
- f. Appointment of Mrs. Surabhi Verma as Non –Executive Director and Independent Director of the company with effect from September 03, 2022.

### b) Resignation:

- a. Mr.Narra Venkateswarlu ceased as Independent Director on the Board of the Company due to certain professional Responsibilities and personal reasons on September 3, 2022.

### c) Key Managerial Personnel:

Key Managerial Personnel for the financial year 2021-22

- Mr. Maruti Sanker Lingamaneni, Managing Director of the company.
- Mr. Hemalatha Lingamaneni, Whole Time Director cum CFO of the company.
- Mr. Remo John, Company Secretary & Compliance Officer of the Company.

## 22. Statutory audit and auditors report:

The members of the Company at their Annual General Meeting held on 28th December, 2020 have appointed M/s. Sathuluri & Co., as statutory auditors of the Company to hold office until the conclusion of 34th Annual General meeting of the Company. The Auditors' Report for fiscal year 2021-2022 does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report. The Company has received audit report with unmodified opinion for Audited Financial Results of the Company for the Financial Year ended March 31, 2022 from the statutory auditors of the Company.

The Auditors have confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and hold valid certificate issued by the Peer Review Board of the ICAI.

## 23. Internal auditors:

Pursuant to provisions of Section 138 read with Rule 13 of the Companies (Accounts) Rules, 2014 and Section 179 read with Rule 8(4) of the Companies (Meetings of Board and its Powers) Rules, 2014; during the year under review, the Internal Audit of the functions and activities of the Company was undertaken by M/s. DVAK & Co., the Internal Auditor of the Company.

Deviations are reviewed periodically and due compliance was ensured. Summary of Significant Audit Observations along with recommendations and its implementations are reviewed by the Audit Committee and concerns, if any, are reported to the Board. There were no adverse remarks or qualification on accounts of the Company from the Internal Auditor.



## 7SEAS ENTERTAINMENT LIMITED

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The Board has re-appointed M/s. DVAK & Co., Chartered Accountants, Hyderabad, as Internal Auditors for the Financial Year 2022-23.

### **24. Secretarial Auditor & Audit Report:**

In terms of section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, based upon the recommendations of the Audit Committee, the Board of Directors had appointed M/s. Chakravarthy & Associates, Practicing Company Secretaries (CP No. 22563) as the Secretarial Auditor of the Company, for conducting the Secretarial Audit for financial year ended March 31, 2022.

The Secretarial Audit was carried out by M/s. Chakravarthy & Associates, Practicing Company Secretaries (CP No. 22563) for the financial year ended March 31, 2022. The Report given by the Secretarial Auditor is annexed herewith as Annexure-I and forms integral part of this Report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

### **25. Annual Secretarial Compliance Report:**

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019 read with Regulation 24(A) of the Listing Regulations, directed listed entities to conduct Annual Secretarial compliance audit from a Practicing Company Secretary of all applicable SEBI Regulations and circulars/guidelines issued thereunder. Further, Secretarial Compliance Report dated June 30, 2022, was given by Mrs. P. Sarada, Practicing Company Secretary which was submitted to Stock Exchanges within 60 days of the end of the financial year.

The Secretarial Compliance Report does not contain any qualification, reservation or adverse remark.

### **26. Information about The Financial Performance / Financial Position of The Subsidiaries / Associates:**

The Company does not have any subsidiary. During the year neither any company became a subsidiary nor ceased as a subsidiary.

### **27. Cost records and cost audit:**

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Act, are not applicable for the business activities carried out by the Company.

### **28. No Frauds reported by statutory auditors**

During the Financial Year 2021-22, the Auditors have not reported any matter under section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under section 134(3) (ca) of the Companies Act, 2013.

### **29. Declaration by the Company**

None of the Directors of the Company are disqualified for being appointed as Directors as specified in Section 164 (2) of the Act read with Rule 14 of Companies (Appointment and Qualifications of Directors) Rules, 2014.

### **30. Conservation of energy, technology absorption and foreign exchange outgo:**

The required information as per Sec.134 (3) (m) of the Companies Act 2013 is provided hereunder and Rule 8 of Companies (Accounts) Rules, 2014:

#### **A. Conservation of Energy:**

Your Company's operations are not energy intensive. Adequate measures have been taken to conserve energy wherever possible by using energy efficient computers and purchase of energy efficient equipment.

#### **B. Technology Absorption:**

1. Research and Development (R&D): NIL
2. Technology absorption, adoption and innovation: NIL

C. Foreign Exchange Earnings and Out Go:

1. Foreign Exchange Earnings: Nil
2. Foreign Exchange Outgo: Nil

**31. Management discussion and analysis report:**

Management discussion and analysis report for the year under review as stipulated under Regulation 34(2) (e) read with schedule V, Part B of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 with the stock exchange in India is annexed herewith as Annexure- I to this report.

**32. Risk management policy:**

The Board of Directors had constituted Risk Management Committee to identify elements of risk in different areas of operations and to develop policy for actions associated to mitigate the risks. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continual basis.

**33. Corporate governance:**

Your Company has taken adequate steps to ensure compliance with the provisions of Corporate Governance as prescribed under the Listing Regulations. A separate section on Corporate Governance, forming a part of this Report and the requisite certificate from the Company's Auditors confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance as Annexure II.

**34. Annual Return:**

Pursuant to Sections 92 & 134(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return in Form MGT-7 is also available on the Company's website URL: <https://www.7seasent.com>

**35. Authorised and paid-up capital of the company:**

The authorized capital of the company stands at Rs. 15,20,00,000/- divided into 1,52,00,000 equity shares of Rs. 10/- each. The company's paid up capital is Rs. 15,13,59,000/- divided into 1,51,35,900 equity shares of Rs. 10/- each.

**36. Declaration of independence:**

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with both the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and under Regulation 16(1)(b) read with Regulation 25 of the Listing Regulations.

In compliance with Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014, all the PIDs of the Company have registered themselves with the India Institute of Corporate Affairs (IICA), Manesar and have included their names in the databank of Independent Directors within the statutory timeline.

The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company's Code of Conduct.

In terms of Regulations 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

During the year, Independent Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board of Directors and Committee(s).

### 37. Director's Responsibility Statement:

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that for the financial year ended March 31, 2021:

- a) in the preparation of the annual accounts for the financial year ended 31 March 2021, the applicable accounting standards and schedule III of the Companies Act, 2013 have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as on 31 March 2021 and of the profit and loss of the Company for the financial year ended 31 March 2021 ;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The annual accounts have been prepared on a going concern basis;
- e) Proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) Proper systems to ensure compliance with the provisions of all applicable laws were followed and that such systems were adequate and operating effectively.

### 38. Vigil Mechanism/Whistle Blower Policy:

The Company has formulated a Vigil Mechanism / Whistle Blower Policy pursuant to Regulation 22 of the Listing Regulations and Section 177(10) of the Act, enabling stakeholders to report any concern of unethical behaviour, suspected fraud or violation.

The said policy inter-alia provides safeguard against victimization of the Whistle Blower. Stakeholders including directors and employees have access to the Managing Director & CFO and Chairperson of the Audit Committee.

During the year under review, no stakeholder was denied access to the Chairperson of the Audit Committee.

The policy is available on the website of the Company at [www.7seasent.com](http://www.7seasent.com)

### 39. Corporate social responsibility policy:

Since your Company does not have net worth of Rs. 500 Crore or more or turnover of Rs. 1000 Crore or more or a net profit of Rs. 5 Crore or more during the financial year, section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is not applicable and hence the Company need not adopt any Corporate Social Responsibility Policy.

### 40. Board Evaluation:

Performance of the Board and Board Committees was evaluated on various parameters such as structure, composition, diversity, experience, corporate governance competencies, performance of specific duties and obligations, quality of decision-making and overall Board effectiveness. Performance of individual Directors was evaluated on parameters, such as meeting attendance, participation and contribution, engagement with colleagues on the Board, responsibility towards stakeholders and independent judgement. All the Directors were subjected to peer-evaluation.

All the Directors participated in the evaluation process. The results of evaluation were discussed in the Board meeting held in Feb 2022. The Board discussed the performance evaluation reports of the Board, Board Committees, Individual Directors, Independent External Persons and noted the suggestions / inputs of the Directors. Recommendations arising from this entire process were deliberated upon by the Board to augment its effectiveness and optimize individual strengths of the Directors.

The detailed procedure followed for the performance evaluation of the Board, Committees and Individual Directors is enumerated in the Corporate Governance Report.

## 7SEAS ENTERTAINMENT LIMITED

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### 41. Audit Committee Recommendations:

During the year, all recommendations of Audit Committee were approved by the Board of Directors.

### 42. Companies which have become or ceased to be subsidiaries:

None of the companies have become or ceased to become the subsidiaries, joint ventures or associates' company to M/s. 7Seas Entertainment Limited during the year 2021-22.

### 43. Policies:

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. All the policies are available on our website [www.7seasent.com](http://www.7seasent.com)

### 44. Secretarial Standards:

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and such systems are adequate and operating effectively. During the year under review, the Company was in compliance with the Secretarial Standards (SS) i.e., SS-1 and SS- 2, relating to "Meetings of the Board of Directors" and "General Meetings", respectively.

### 45. Insurance:

The properties and assets of your Company are adequately insured.

### 46. Particulars of Loans, Guarantees or Investments

The Company has availed Credit and Guarantee facilities from Indian Overseas Bank, Raj Bhavan Road Branch during the year. Due to non- payment of interest on cash credit accounts, the bank has classified cash credit as NPA account. The management is going to negotiate with bank towards one time settlement

Further, the company has not given loans or guarantees or made investments attracting section 186 of the Companies Act, 2013 during the year under review.

### 47. Internal Financial Control Systems:

Your Company has well laid out policies on financial reporting, asset management, adherence to Management policies and also on promoting compliance of ethical and well-defined standards. The Company follows an exhaustive budgetary control and standard costing system. Moreover, the management team regularly meets to monitor goals and results and scrutinizes reasons for deviations in order to take necessary corrective steps. The Audit Committee which meets at regular intervals also reviews the internal control systems with the Management and the internal auditors.

The internal audit is conducted at the Company and covers all key areas. All audit observations and follow up actions are discussed with the Management as also the Statutory Auditors and the Audit Committee reviews them regularly.

### 48. Related Party Transactions:

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. During the financial year 2021-22, there were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. The transactions with the related parties are routine and repetitive in nature.

The summary statement of transactions entered into with the related parties are approved by the Audit Committee and the Board of Directors on a quarterly basis. The summary statements are supported by an independent audit report certifying that the transactions are at an arm's length basis and in the ordinary course of business.

The Form AOC-2 pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed herewith as Annexure- III to this report.

### **49. Policy on director's appointment and remuneration:**

In adherence to the provisions of Section 134(3)(e) and 178(1) & (3) of the Companies Act, 2013, the Board of Directors upon recommendation of the Nomination and Remuneration Committee approved a policy on Director's appointment and remuneration, including, criteria for determining qualifications, positive attributes, independence of a Director and other matters. The said Policy extract is covered in Corporate Governance Report which forms part of this Report and is also uploaded on the Company's website at [www.7seasent.com](http://www.7seasent.com)

### **50. Particulars of Employees and related Disclosure:**

Disclosure pertaining to remuneration and other details as required under section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in Annexure-IV to this Report.

The Statement containing the particulars of employees as required under section 197(12) of the Companies Act, 2013 read with rule 5(2) and other applicable rules (if any) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding

During the year none of the employees is drawing a remuneration of Rs.1,02,00,000/- and above per annum or Rs.8,50,000/- per month and above in aggregate per month, the limits specified under the Section 197(12) of the Companies Act,2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### **51. Declaration by the company:**

The Company has issued a certificate to its Directors, confirming that it has not made any default under Section 164(2) of the Companies Act, 2013, as on March 31, 2022.

### **52. Non-executive directors' compensation and disclosures:**

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

No compensation was paid to the Independent and Non-Executive Directors.

### **53. Implementation of Corporate Action**

During the year under review, the Company has complied with the specified time limit for implementation of Corporate Actions.

### **54. Shares transferred to investor education and protection fund:**

No shares were transferred to the Investor Education and Protection Fund during the year under review.

### **55. Ratio of remuneration to each director:**

Under section 197(12) of the Companies Act, 2013, and Rule 5(1)(2) & (3) of the Companies (Appointment & Remuneration) Rules, 2014, the ratio of Managing Director's (Mr. L. Maruti Sanker) and Whole-Time Director's (Mrs. L. Hemalatha) remuneration to median employees is 2.94:1 and 1.76:1 respectively.

### **56. Non-executive directors' compensation and disclosures:**

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

### **57. Industry based disclosures as mandated by the respective laws governing the company:**

The Company is not a NBFC, Housing Companies etc., and hence Industry based disclosures is not required.

### **58. Failure to implement corporate actions:**

During the year under review, no corporate actions were done by the Company.

**59. Corporate insolvency resolution process initiated under the insolvency and bankruptcy code, 2016.**

No corporate insolvency resolution processes were initiated against the Company under the Insolvency and Bankruptcy Code, 2016, during the year under review.

**60. Policies:**

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. All the policies are available on our website (<https://www.7seasent.com/investors/policies>). The policies are reviewed periodically by the Board and updated based on need and new compliance requirement

**61. Statutory compliance:**

The Company has complied with the required provisions relating to statutory compliance with regard to the affairs of the Company in all respects.

**62. Code of conduct for the prevention of insider trading:**

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, the Company has formulated a Code of Conduct for Prevention of Insider Trading ("Insider Trading Code") and a Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information ("UPSI").

The Code of Practices and Procedures for fair disclosure of UPSI is available on the website of the Company at <https://www.7seasent.com>

**63. Details of difference between valuation amount on one time settlement and valuation while availing loan from banks and financial institutions:**

During the year under review, there has been no one time settlement of loans taken from banks and financial institutions.

**64. CEO/CFO Certification:**

As required Regulation 17(8) read with Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO/CFO certification is attached with the annual report as Annexure V.

**65. Prevention of sexual harassment at workplace:**

The Company has always believed in providing a safe and harassment free workplace for every individual working in its premises through various policies and practices. The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Company has adopted a policy on Prevention of Sexual Harassment at Workplace which aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of undesired behaviour. An Internal Complaints Committee ("ICC") has been set up by the senior management (with women employees constituting the majority). The ICC is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the Policy.

During the financial year ended March 31, 2022, no complaints pertaining to sexual harassment have been received.

**66. Green Initiatives:**

In commitment to keep in line with the Green Initiative and going beyond it to create new green initiatives, electronic copy of the Notice of 31st Annual General Meeting of the Company are sent to all Members whose email addresses are registered with the Company/Depository Participant(s). For members who have not registered their e-mail addresses, physical copies are sent through the permitted mode.

**67. Event Based Disclosures**

During the year under review, the Company has not taken up any of the following activities:

## 7SEAS ENTERTAINMENT LIMITED

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1. Issue of sweat equity share: NA
2. Issue of shares with differential rights: NA
3. Issue of shares under employee's stock option scheme: NA
4. Disclosure on purchase by Company or giving of loans by it for purchase of its shares: NA
5. Buy back shares: NA
6. Disclosure about revision: NA
7. Preferential Allotment of Shares: NA

### 68. Other Disclosures:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- b. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.
- c. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.

### 69. Appreciation & acknowledgement:

Your Directors place on record their appreciation for the overwhelming co-operation and assistance received from the investors, customers, business associates, bankers, vendors, as well as regulatory and governmental authorities. Your Directors also thanks the employees at all levels, who through their dedication, co-operation, support and smart work have enabled the company to achieve a moderate growth and is determined to poise a rapid and remarkable growth in the year to come.

Your Directors also wish to place on record their appreciation of business constituents, banks and other "financial institutions and shareholders of the Company like SEBI, BSE, NSDL, CDSL, etc. for their continued support for the growth of the Company.

**For and on behalf of the Board of  
7Seas Entertainment Limited**

Date:03.09.2022  
Place: Hyderabad

Sd/-  
**L. Maruti Sanker**  
Managing Director  
(DIN: 01095047)

Sd/-  
**L. Hemalatha**  
Whole-Time Director cum CFO  
(DIN: 02226943)

# 7SEAS ENTERTAINMENT LIMITED

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## MANAGEMENT'S DISCUSSION & ANALYSIS REPORT

7Seas Entertainment Ltd (7Seas) is India's First ISO 9001:2008 certified Independent Games Development Company. 7Seas focuses on developing and Publishing Game IPs in all genres for different age groups. 7Seas developed & released games 600+ IP based online games, 25+ Mobile Games. 7Seas is focusing on Racing, Shooting, Action, Simulation and Casual Games.

At, 7Seas, it is an ongoing process to produce good quality of games for all the genres complete End to End Game development methodology process is implemented. 7Seas adopts multifaceted revenue strategy. 7Seas is focussing on play to earn model in the games. Two new games titled Treasure King and MMA Sports are in development phase.

### A. Industry Structure, Development and Outlook:

The gaming industry in India is currently valued at US\$ 1.5 billion and is expected to grow at a CAGR of 31% to US\$ 3.5 billion by 2023. Covid 19 outbreak had brought the world to a standstill and rendered year 2020 as the most uneventful year for physical games. The rising millennials and Gen Z population of the Country brought the online gaming world to life. Bolstered by a positive investment climate, increased Government spending, and weak commodity cycle, India enjoys the status of being one of the fastest growing emerging economies.

India is poised to serve as a lucrative avenue for the gaming industry. Indian gaming industry is projected to grow over 31.7% year on year ('YoY') due to the growth of digital infrastructure and significant rise in quality and engaging of gaming content. By 2024, the gaming industry in India is set to be valued at US\$ 3,544 million.

India's online gaming industry has already attracted over US\$ 350 million in investments from venture capital firms between 2014 and 2020. In India, the average revenue per gamer has increased from US\$ 2.3 in 2016 to US\$ 8.85 in 2020. The penetration of gaming in India has also doubled from 15% in 2016 to 30% in 2020. The rise in online gaming activity propelled by the growth in the number of gamers by almost ten times in the last decade, also led to comparable growth in game developing companies over the same period. The proliferation of cheap smartphones, high-speed internet and reduction in data prices are the key drivers for this rapid growth. The mobile gaming segment in the Indian gaming industry is the largest in terms of revenue. This segment was valued at US\$ 272 million in 2016 and is estimated to be about US\$ 1.2 billion in 2020 growing at a CAGR of 39.6%. The mobile gaming segment is expected to reach a market size of US\$ 3.1 billion by 2023. The global mobile games market generated US\$ 40.9 billion in 2016, around US\$ 9.4 billion or 30% more than in 2015.

Almost all these revenues come from free-to-play and freemium games, which can be downloaded and played for free but allow gamers to spend money in the game to enhance the experience. The mobile gaming market is expected to reach a value of US\$ 116 billion by 2023, growing at a CAGR of 15% YoY<sup>12</sup>.

India offers a significant opportunity for mobile gaming publishers and investors, as it is poised for stellar growth in the coming years. The growth rate of mobile gaming in India stands at an extremely healthy CAGR of 39.6%<sup>13</sup> as compared to the growth rates in China and the US, which stood at 14.6%<sup>14</sup> and 12.2%<sup>15</sup>. The global growth rate of the mobile gaming market is only one third of India's, measuring at 13.3%<sup>16</sup>. Growth in the Indian mobile gaming market will be predominantly characterised by the rising adoption of smartphones, drop in data prices, increased internet penetration, high internet speeds etc.

### B. Opportunities and Threats:

Though the overall scenario for the gaming companies is extremely competitive, there are some niche areas where there are many opportunities for Global Growth. The management is exploring these areas to consider entering new specific multiplatform - Multi languages areas for mobile platform and develop expertise in such new Gaming Genres.

### C. Business performance and Segment Reporting:

During the year under review, the Company has recorded an income of Rs. 51.65 Lakhs and profit of Rs. 2.47 Lakhs as against the income of Rs. 1.55 Lakhs and loss of Rs. 104.79 Lakhs in the previous Financial Year 2020-21.



## 7SEAS ENTERTAINMENT LIMITED

### Key financial ratios:

[Pursuant to Schedule V (B) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended]

S.No	Financial Ratios	Financial Year 2021-22	Financial Year 2020-21
1.	Operating Profit Margin (%)	(0.67)	(67.55)
2.	Net Profit Margin (%)	0.03	0.63
3.	Debtors Turnover (no. of times)	126 Days	271 Days
4.	Inventory Turnover	-	-
5.	Current Ratio	0.69	0.02
6.	Return on Net worth (%)	(0.02)	(0.31)
7.	Interest Coverage Ratio	-	-
8.	Debt Equity Ratio	-	-

The company is engaged in the business of Software Games Development, which as per Accounting Standard is considered the only reportable business. A decline in sales due to a series of lockdown and disruption led to lower sales which further resulted in a decline in operating profit net profit margins and consequent decline in return on net worth.

### D. Outlook:

Gaming Industry is more focused on new technologies. The performance of the Company has dropped in comparison to previous financial years. Your company will improve its performance by focusing on new gaming technologies platforms.

### E. Risks and Concerns:

The Company needs to promote the Games Portfolio to reach Global Gamers. It also has to focus on developing games for new multiplatform technologies in Mobile Gaming Industry, the company would need access to Funds. The risk of not being able to raise funds at the timer needed is the biggest risk that the management foresees due to Global Competition.

### F. Internal Control System and its adequacy:

The Company maintains a system of well-established policies and procedures for internal control of operations and activities, and these are continually reviewed for effectiveness.

The business risks and its control procedures are reviewed frequently. Systems audit is also conducted regularly to review the systems with respect to Security and its Adequacy. Reports are prepared and circulated to Senior Management and action taken to strengthen controls where necessary.

### G. Human resources and Industrial relations:

Your company continues to have cordial relations with its employees. During the year the company has employed 20 members in its company and has taken some HR initiatives to train and develop talent pool. In order to improve the performance of management and to scale up the business operations, the company planned to recruit experienced personnel at various levels and technologies apart from strengthening other departments with competent people.

### H. Disclosure of Accounting Treatment:

The Company has not carried out any treatment different from that prescribed in Accounting Standards.

# 7SEAS ENTERTAINMENT LIMITED

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## CORPORATE GOVERNANCE

In accordance with Regulation 34 (3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the report containing the details of Corporate Governance systems and processes at 7Seas Entertainment Limited (“7seas”) as follows:

### 1. **Company’s Philosophy on Code of Governance:**

Company’s endeavor is to maximize shareholder value. 7seas is committed to adopt best governance practices and its adherence in true spirit at all times. It has strong legacy of fair, transparent and ethical governance practices.

Company has adopted a code of conduct which is applicable to all employees and is posted on the website of the Company. The Company also has in place a code for preventing insider trading.

Company is fully compliant with the requirements of the listing regulations and applicable corporate governance norms and is committed to ensuring compliance with all modifications within the prescribed time.

### 2. **Board diversity:**

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us, retain our competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors. The Board Diversity Policy is available on our website [www.7seasent.com](http://www.7seasent.com).

### 3. **Compliance with SEBI (listing obligations and disclosure requirements) regulations, 2015:**

In compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company framed the following policies which are available on Company’s website i.e. website [www.7seasent.com](http://www.7seasent.com).

- Board Diversity Policy
- Policy on preservation of Documents
- Risk Management Policy
- Whistle Blower Policy
- Familiarization programme for Independent Directors
- Sexual Harassment Policy
- Related Party Policy
- Code of Conduct for Board of Directors and Senior Management Personnel

### 4. **7SEAS’ code of conduct for the prevention of insider trading:**

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities.

The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading, is available on our website [www.7seasent.com](http://www.7seasent.com).

## 7SEAS ENTERTAINMENT LIMITED

### 5. Board of Directors:

The composition of the Board of Directors of the company is an appropriate combination of executive and non-executive Directors with right element of independence. As on March 31, 2022, the Company's Board comprised of Nine Directors, three promoter Directors including one woman Director. In addition, there are five independent Directors and one non-executive director on the Board. In terms of Regulation 17(1) (b) of SEBI (LODR) Regulations, 2015 and section 149 of Companies Act 2013, the company is required to have one half of total Directors as independent Directors. The non-executive Directors are appointed or re-appointed based on the recommendation of the Nomination & Remuneration Committee which considers their overall experience, expertise and industry knowledge. One third of the non-executive Directors other than independent Directors, are liable to retire by rotation every year and are eligible for reappointment, subject to approval by the shareholders.

### 6. Skills / Expertise / Competencies of the Board of Directors;

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

Sl. No.	Skills / Expertise / Competence of the Board of Directors are required in the context of business of the Company	skills/expertise/competencies actually available with the board	Names of the Directors who have such skills / expertise / competence
1.	Knowledge on Company's businesses (Software and Games), policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.	The Directors have workplace and personal effective competencies in guiding and leading Board as well as management teams.	Mr. L. Maruti Sanker, Mrs. L. Hemalatha & Mr. Mohan Rao
2.	Behavioural skills – attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.	The Directors have workplace and personal effective competencies in guiding and leading Board as well as management teams.	Mr. L. Maruti Sanker, Mrs. L. Hemalatha & Mr. Mohan Rao
3.	Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making.	The Directors have workplace and personal effective competencies in guiding and leading Board as well as management	Mr. L. Maruti Sanker, Mrs. L. Hemalatha & Mr. Mohan Rao
4.	Financial and Management skills.	The Board has eminent business leaders with knowledge of Accounts and Finance	Mr. L. Maruti Sanker, Mrs. L. Hemalatha & Mr. Mohan Rao, & Mrs. Sita Visalakshi Chimakurthy
5.	Technical / Professional skills	The Board of Directors have profound knowledge of subjects essentially required by the Company such as Engineering, Computers, Foreign Exchange, Economics, Human Resources, Research, etc	Mr. L. Maruti Sanker, Mrs. L. Hemalatha & Mr. Mohan Rao, & Mrs. Sita Visalakshi Chimakurthy

## 7SEAS ENTERTAINMENT LIMITED

### 7. Re-appointment of directors retiring by rotation:

Details of Director seeking appointment/ reappointment at the forthcoming Annual General Meeting as required under Regulation 36 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015 (“Listing Regulations”) is annexed to the Notice convening the Annual General Meeting and forming part of this Annual Report.

### 8. Number of Board Meetings:

The Board of Directors met Seven (7) times during the financial year, on 29th June, 2021, 12th August, 2021, 4th September, 2021, 6th October, 2021, 14th October, 2021, 8th November, 2021 and 7th February, 2022. The agenda for each meeting is prepared well in advance, along with explanatory notes wherever required and distributed to all Directors.

### 9. Attendance and directorships held:

As mandated by the SEBI (LODR) Regulations, 2015, none of the Directors are members of more than ten Board-level committees nor are they chairman of more than five committees in which they are members. Further all the Directors have confirmed that they do not serve as an independent director in more than seven listed companies or where they are whole-time directors in any listed company, then they do not serve as independent director in more than three listed companies.

The names and categories of the Directors on the Board, their attendance at Board meeting during the year and at last Annual General Meeting, as also the number of Directorships and Committee memberships held by them in other companies are shown in Table 1.

Table-1									
Name of Director	Relation ship with other Directors	Category	No. of Meetin gs Held	No. of Meetings Attended	Whether Attended Last AGM held on 30.09.2021	No. of Directorships in other companies (name of the listed company to be mentioned)		No. of committee positions held in other public companies	
						Chairman	Director	Chairman	Director
Mr. L. Maruti Sanker	None	Executive Director	7	7	Yes	--	--	--	--
Mrs. L. Hemalatha	None	Executive Director	7	7	Yes	--	--	--	--
Mr. B. Mohan Rao	None	Non-Executive Director	7	7	Yes	--	--	--	--
Mr. Pradeep Kamiseti Kumar	None	Non-Executive Director	1	1	NA	--	--	--	--
Mrs. Sita Visalakshi Chimakurthy	None	Independent Director	7	7	Yes	--	--	--	--
Mr. Narra Venkateswarlu	None	Independent Director	7	7	Yes	--	--	--	--
Mr. Harikrishna duggineni	None	Independent Director	4	4	Yes	--	--	--	--
Mr. kiran kumar bodla	None	Independent Director	1	1	NA	--	--	--	--
Mr.Mahender Reddy	None	Independent Director	1	1	NA	--	--	--	--

### 10. Information supplied to the Board:

The Board has complete access to all information of the Company and is regularly provided advanced detailed information as a part of the agenda papers or is tabled therein. In addition, detailed quarterly performance report by the Managing Director is presented in the quarterly Board meeting, encompassing all facets of the Company's operations during the quarter, including update of key projects, outlook and matters relating to environment, health & safety, corporate social responsibility etc. The following information is provided to the Board as a part of the agenda papers:

- Annual and Quarterly financial statements for the Company and the Accounting Policy.
- Minutes of the meetings of the Audit Committee and other Committees of the Board.
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary, whenever required.
- Fatal or serious accidents, injuries or any material environmental problems, if any
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company, if any.
- Significant labour problems and their proposed solutions, whenever necessary
- Any significant development in human resources / industrial relations including long-term wage agreement, major voluntary retirement scheme, etc.
- Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement, if material Quarterly disclosure of all the investments made.
- Material non-compliance of any regulatory, statutory nature or listing requirements and shareholders service, such as non-payment of dividend, delay in share transfer and others, if any
- Quarterly review of compliance status under various laws applicable to the Company.
- Substantial non-payment of goods sold by the Company except disputes.
- Related Party Transactions, if they are not at arm's length and in the ordinary course of business.
- Half-yearly summary of bank guarantees issued.
- All other matters required to be placed before the Board for its review / information / approval under the statutes, including SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 11. Familiarization program for independent directors:

The Board members are provided with necessary documents, reports, internal policies and site visits to enable them to familiarize with the Company's operations, its procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company business, strategy and risks involved. Detailed presentations on the Company's business segments were made at the meetings of the Directors held during the year. During the financial year 2021-22, there has been no change in the independent director of the Company.

The Company's Policy of conducting the Familiarization Program and details of such familiarization program during the year, is placed on its website viz., [www.7seasent.com](http://www.7seasent.com).

### 12. Committees of the board:

The Company has four Board-level Committees - Audit Committee, Stakeholder Relationship Committee, Nomination & Remuneration Committee and Risk Management Committee.

All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of service for Committee members are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below:

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### 13. Performance Evaluation of Board, Committees and Directors:

Pursuant to provisions of Regulation 17(10) of the SEBI Listing Regulations and the provisions of the Act, an annual Board effectiveness evaluation was conducted for FY 2021-22 on February 07, 2022, involving the following:

- i. Evaluation of IDs, in their absence, by the entire Board was undertaken, based on their performance and fulfillment of the independence criteria prescribed under the Act and SEBI Listing Regulations; and
- ii. Evaluation of the Board of Directors, its Committees and individual Directors, including the role of the Board Chairman.

An IDs' meeting, in accordance with the provisions of Section 149(8) read with Schedule IV of the Act and Regulation 25(3) and 25(4) of the SEBI Listing Regulations, was convened on February 07, 2022, mainly to review the performance of Independent Directors and the Whole-time Directors as also the Board as a whole. All IDs were present at the said meeting.

- (i) Board: Composition, responsibilities, stakeholder value and responsibility, Board development, diversity, governance, leadership, directions, strategic input, etc.
- (ii) Executive Directors: Skill, knowledge, performance, compliances, ethical standards, risk mitigation, sustainability, strategy formulation and execution, financial planning & performance, managing human relations, appropriate succession plan, external relations including CSR, community involvement and image building, etc.
- (iii) Independent Directors: Participation, managing relationship, ethics and integrity, Objectivity, bringing independent judgement, time devotion, protecting interest of minority shareholders, domain knowledge contribution, etc.
- (iv) Chairman: Managing relationships, commitment, leadership effectiveness, promotion of training and development of directors etc.
- (v) Committees: Terms of reference, participation of members, responsibility delegated, functions and duties, objectives alignment with company strategy, composition of committee, committee meetings and procedures, management relations.

Performance evaluation was done on the scale of 1 to 5, 1 being very poor and 5 being outstanding. The outcome of performance evaluation is given below

Categories	Rating (out of 5)
Board as a whole	4.35
Individual Directors	
Mr. Maruti Sanker Lingamaneni	4.46
Mrs. Lingamaneni Hemalatha	4.32
Mrs. Sita Visalakshi Chimakurthy	4.45
Mr. Bommineni Mohan Rao	4.56
Mr. Narra Venkateswarlu	4.06
Mr. Pradeep Kamiseti Kumar	4.12
Mr. Harikrishna Duggineni	4.20
Mr. Kiran Kumar Bodla	4.16
Mr. N Mahender Reddy	4.83
Audit Committee	4.52
Stakeholder Relationship Committee	4.45
Nomination & Remuneration Committee	4.30

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Disclosures as prescribed under SEBI circular dated May 10, 2018 are given below:

<b>Observations of Board evaluation carried out for the year</b>	<b>No observations.</b>
Previous year's observations and actions taken	Since no observations were received, no actions were taken.
Proposed actions based on current year observations	Since no observations were received, no actions were taken

**14. Audit committee:** Terms of reference of Audit committee covers all the matters prescribed under Regulation 18 of the Listing Regulations and Section 177 of the Act, 2013.

**A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:**

The terms of reference of the Audit Committee encompasses the requirements of Section 177 of Companies Act, 2013 and as per Regulation 18 of SEBI (LODR) Regulations, 2015 and, inter-alia, includes

- i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. Recommending the appointment and removal of External Auditors, fixation of audit fee and approval for payment for any other services;
- iii. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding Rs. 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- iv. Review with the management and statutory auditors of the annual financial statements before submission to the Board with particular reference to:
  - (a) Matters required to be included in the directors' responsibility statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Act;
  - (b) Changes, if any, in accounting policies and practices and reasons for the same;
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) Significant adjustments made in the financial statements arising out of audit findings;
  - (e) Compliance with listing and other legal requirements relating to financial statements;
  - (f) Disclosure of any related party transactions;
  - (g) Modified opinion(s) in the draft audit report;
- v. Review of the quarterly and half yearly financial results with the management before submission to the board for approval;
- vi. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- vii. Review and monitor statutory auditor's independence and performance and effectiveness of audit process;
- viii. Approval or any subsequent modification of transactions with related parties;
- ix. Scrutiny of inter-corporate loans and investments;

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- x. Review of valuation of undertakings or assets of the company wherever it is necessary;
- xi. Evaluation of internal financial controls and risk management systems;
- xii. Review with the management, statutory auditors and the internal auditors about the nature and scope of audits and of the adequacy of internal control systems;
- xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- xiv. discussion with internal auditors of any significant findings and follow up there on;
- xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- xvi. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xvii. Look into the reasons for any substantial defaults in payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividend) and creditors, if any;
- xviii. Review the functioning of the whistle blower mechanism;
- xix. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate
- xx. Review of the following information:
  - (a) Management discussion and analysis of financial condition and results of operations;
  - (b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - (c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - (d) Internal audit reports relating to internal control weaknesses;
  - (e) The appointment, removal and terms of remuneration of the Chief Internal Auditor; (f) Statement of deviations:
    - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations.
    - Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus in terms of Regulation 32(7) of the Listing Regulations.
- xxi. Carrying out any other function as may be referred to the Committee by the Board. xxii. Authority to review / investigate into any matter covered by Section 177 of the Companies Act, 2013 and matters specified in Part C of Schedule II of the Listing Regulations.
- xxiii. Authority to review / investigate into any matter covered by Section 177 of the Companies Act, 2013 and matters specified in Part C of Schedule II of the Listing Regulations.

### **B. Internal Audit**

The Company has adequate internal control and Internal Audit system commensurate with its size and nature of its business. The Internal Audit Plan is approved by the Audit Committee and the Internal Auditors directly present their report to the Audit Committee for their consideration.

### **B. Composition, Meetings & Attendance:**

The Audit Committee of the Company is constituted in accordance with the provisions of Regulation 18 of the Listing Regulations and the provisions of Section 177 of the Act. All members of the Committee are



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financially literate, with Mr.NarraVenkateswarlu, as Chairman of the Committee, having the relevant accounting and financial management expertise.

The composition of the Audit Committee and the details of the meetings attended by its members during the financial year ended 31st March 2022 are as under:

Name	Designation	Category	No of Meetings held	No of Meetings attended
Mr.Narra Venkateswarlu	Chairman	NED(I)	4	4
Mr. Sita Visalakshi Chimakurthy	Member	NED(I)	4	4
Mr. Bommineni Mohan Rao	Member	NED(N)	4	4
Mr. Harikrishna Duggineni	Member	NED(I)	2	2
Mr. N Mahender Reddy	Member	NED(I)	1	1

The Audit Committee Reconstituted On 03.09.2022.

Name	Designation	Category	No of Meetings held	No of Meetings attended
Mr. Harikrishna Duggineni	Chairman	NED(I)	--	--
Mrs. Anupama Govardhanagiri	Member	NED(I)	--	--
Mrs. Surabhi Verma	Member	NED(I)	--	--
Mrs. Sita VisalakshiChimakurthy	Member	NED(I)	--	--

The Audit Committee met 4 times during the financial year 2021-22 and the gap between any two meetings did not exceed 120 days. The dates on which the Audit Committee Meetings held were: 29th June 2021, 12th August 2021, 8th November 2021 and 7th February 2022. Requisite quorum was present at the above Meetings.

All the recommendations of the Audit Committee have been accepted by the Board of Directors.

During the year, the Audit Committee inter alia reviewed key audit findings covering Operational, Financial and Compliance areas, Risk Mitigation Plan covering key risks affecting the Company which were presented to the Committee. The Chairman of the Audit Committee briefed the Board members on the significant discussions which took place at Audit Committee Meetings.

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on 30 September, 2021.

**15. Nomination and remuneration committee:** The Nomination and Remuneration Committee ('NRC') functions in accordance with Section 178 of the Act, Regulation 19 of the Listing Regulations and its Charter adopted by the Board. The terms of reference of the NRC includes:

### BRIEF DESCRIPTION OF TERMS OF REFERENCE

To approve the fixation/revision of remuneration of Executive Directors of the Company and while approving:

- a. To take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
- b. To bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.
- c. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and /or removal.

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- d. To carry out evaluation of every Director's performance.
- e. To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- f. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.
- g. To formulate the criteria for evaluation of Independent Directors and the Board.
- h. To recommend/review remuneration of the Managing Director and Whole-time Director(s) based on their performance and defined assessment criteria.
- i. devising a policy on diversity of board of directors;
- j. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- k. Recommend to the board, all remuneration, in whatever form, payable to senior management.

### **B. Composition of the committee, meetings and attendance during the year:**

There were two (3) Nomination and Remuneration Committee Meetings held during the financial year 2021-22 on 04.09.2021, 08.11.2021&07.02.2022.

Name	Designation	Category	No of Meetings held	No of Meetings attended
Mr. Narra Venkateswarlu	Chairman	NED(I)	3	3
Mr. Sita Visalakshi Chimakurthy	Member	NED(I)	3	3
Mr. Bommineni Mohan Rao	Member	NED(N)	3	3
Mr. HarikrishnaDuggineni	Member	NED(I)	2	2
Mr. N Mahender Reddy	Member	NED(I)	1	1

### **The Nomination and Remuneration Committee Reconstituted On 03.09.2022.**

Name	Designation	Category	No of Meetings held	No of Meetings attended
Mr. Harikrishna Duggineni	Chairman	NED(I)	--	--
Mrs. Sita Visalakshi Chimakurthy	Member	NED(I)	--	--
Mr.Bommineni Mohan Rao	Member	NED(N)	--	--
Mr.G.Srinivas Rao	Member	NED(N)	--	--

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**16. Stakeholder's relationship committee:** Terms of reference of the committee comprise of various matters provided under Regulation 20 of the Listing Regulations and section 178 of the Act, 2013 which inter-alia include:

- (i) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (ii) Proactively communicate and engage with stockholders including engaging with the institutional shareholders at least once a year along with members of the Committee/Board/ KMPs, as may be required and identifying actionable points for implementation.
- (iii) Review of measures taken for effective exercise of voting rights by shareholders
- (iv) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (v) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- (vi) Such other matter as may be specified by the Board from time to time.
- (vii) Authority to review / investigate into any matter covered by Section 178 of the Companies Act, 2013 and matters specified in Part D of Schedule II of the Listing Regulations.

The Committee In the financial year 2021-22, 4 meetings of the Committee were held on 29th June 2021; 12th August, 2021; 8th November 2021 and 7th February 2022. Composition of committees and member's attendance at the meetings during the year are as under:

Name	Designation	Category	No of Meetings held	No of Meetings attended
Mr.NarraVenkateswarlu	Chairman	NED(I)	4	4
Mr. Sita VisalakshiChimakurthy	Member	NED(I)	4	4
Mr. Bommineni Mohan Rao	Member	NED(N)	4	4
Mr. HarikrishnaDuggineni	Member	NED(I)	3	3
Mr. N Mahender Reddy	Member	NED(I)	1	1

The Stakeholder's relationship Committee Reconstituted on 03.09.2022

Name	Designation	Category	No of Meetings held	No of Meetings attended
Mr. Harikrishna Duggineni	Chairman	NED(I)	--	--
Mrs. Sita Visalakshi Chimakurthy	Member	NED(I)	--	--
Mr.Bommineni Mohan Rao	Member	NED(N)	--	--
N.Mahender Reddy	Member	NED(I)	--	--

No Complaints were received during the financial year 2021-22

### 17. Performance evaluation criteria for independent directors:

The Nomination & Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the company's business.

#### Policy:

1. The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company's operations.
2. In evaluating the suitability of individual Board member the NR Committee may take into account factors, such as:
  - General understanding of the company's business dynamics, global business and social perspective;
  - Educational and professional background
  - Standing in the profession;
  - Personal and professional ethics, integrity and values;
  - Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.
- 2.1 The proposed appointee shall also fulfil the following requirements:
  - shall possess a Director Identification Number;
  - shall not be disqualified under the companies Act, 2013;
  - shall endeavour to attend all Board Meeting and Wherever he is appointed as a Committee Member, the Committee Meeting;
  - shall abide by the code of Conduct established by the company for Directors and senior Management personnel;
  - shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
  - Such other requirements as may be prescribed, from time to time, under the companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and other relevant laws.
3. Criteria of independence
  - 3.1 The Nomination & Remuneration Committee shall assess the independence of Directors at time of appointment/ re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interest or relationships are disclosed by a Director.
  - 3.2 The criteria of independence shall be in accordance with guidelines as laid down in companies Act, 2013 and Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - 3.3 The independent Director shall abide by the "code for independent Directors "as specified in Schedule IV to the companies Act, 2013.
4. Other directorships/ committee memberships
  - 4.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as director of the company. The NR Committee shall take into account the nature of and the time involved in a director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

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- 4.2 A Director shall not serve as director in more than 20 companies of which not more than 10 shall be public limited companies.
- 4.3 A Director shall not serve as an independent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time Director in any listed company.
- 4.4 A Director shall not be a member in more than 10 committees or act as chairman of more than 5 committee across all companies in which he holds directorships.

For the purpose of considering the limit of the committee, Audit committee and stakeholder's relationship committee of all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under section 8 of the companies Act, 2013 shall be excluded.

### 18. Name and designation of compliance officer:

Mr. Remo John, is the Company Secretary and Compliance Officer of the Company.

### 19. Details of complaints/requests received, resolved and pending during the year 2021-22:

Number of complaints	Number
Number of complaints received from the investors comprising non-receipt of securities sent for transfer and transmission, complaints received from SEBI / Registrar of Companies / Bombay Stock Exchange / National Stock Exchange / SCORE and so on March 31, 2022	--
Number of complaints resolved	--
Number of complaints not resolved to the satisfaction of the investors as on March 31, 2022	--
Complaints pending as on March 31, 2022	--
Number of Share transfers pending for approval, as on March 31, 2022	--

20. Pecuniary Relationship or Transactions of The Non-Executive Directors Vis-À-Vis The Listed Company:  
The Non- Executive Directors have no pecuniary relationship or transactions.

### A. CRITERIA FOR MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS:

Policy:

1. Remuneration to Executive Director and key managerial personnel
  - 1.1 The Board on the recommendation of the Nomination and Remuneration (NR) committee shall review and approve the remuneration payable to the Executive Director of the company within the overall limit approved by the shareholders.
  - 1.2 The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the company.
  - 1.3 The remuneration structure to the Executive Director and key managerial personnel shall include the following components:
    - (i) Basic pay
    - (ii) Perquisites and Allowances
    - (iii) Stock Options
    - (iv) Commission (Applicable in case of Executive Directors)

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(v) Retrial benefits

(vi) Annual performance Bonus

1.4 The Annual plan and Objectives for Executive committee shall be reviewed by the NR committee and Annual performance Bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.

### 2. Remuneration to Non – Executive Directors

2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders.

2.2 Non – Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

### 3. Remuneration to other employees

3.1. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs

### B. Remuneration to directors paid during the financial year 2021-22 and other disclosures:

Name of the Director	Salary(Rs)	Sitting fees(Rs)	Number of shares held	Service Contracts	Stock Option Details	Fixed Component	Performance Based Incentive
Mr. Maruti Sanker Lingamaneni	650000	--	--	--	--	--	--
Mrs. Lingamaneni Hemalatha	500000	--	--	--	--	--	--
Mrs. Sita Visalakshi Chimakurthy	--	10000	--	--	--	--	--
Mr. Bommineni Mohan Rao	--	--	--	--	--	--	--
Mr. Narra Venkateswarlu	--	10000	--	--	--	--	--
Mr. Pradeep Kamiseti Kumar	--	--	--	--	--	--	--
Mr. Kiran Kumar Bodla	--	10000	--	--	--	--	--
Mr. Harikrishna Duggineni	--	10000	--	--	--	--	--
Mr. Mahender Reddy	--	10000	--	--	--	--	--

### 21. Independent directors' meeting:

As per clause 7 of the schedule IV of the Companies Act (Code for Independent Directors), a separate meeting of the Independent Directors of the Company (without the attendance of Non-Independent directors) was held on 07.02.2022, to discuss:

1. Evaluation of the performance of Non-Independent Directors and the Board of Directors as whole;
2. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors of the Company were present at the meeting.

As required under Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the company regularly familiarizes Independent Directors with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company etc. The details of the familiarization program is given at company's website ([www.7sesent.com](http://www.7sesent.com) / Investor Relations).

### 22. Remuneration policy:

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit. The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities shouldered and individual performance.

### POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE:

#### 1. Scope:

This policy sets out the guiding principles for the Nomination & Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent Directors of the Company.

#### 2. Terms and References:

2.1 "Director" means a Director appointed to the Board of a Company.

2.2 "Nomination and Remuneration Committee means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2.3 "Independent Director" means a Director referred to in sub-Section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### 3. Policy:

#### Qualifications and criteria

3.1.1 The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company's operations.

3.1.2 In evaluating the suitability of individual Board member the Nomination and Remuneration Committee may take into account factors, such as:

- General understanding of the Company's business dynamics, global business and social perspective;
- Educational and professional background
- Standing in the profession;
- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

3.1.3 The proposed appointee shall also fulfil the following requirements:

- shall possess a Director Identification Number;
- shall not be disqualified under the companies Act, 2013;
- shall Endeavour to attend all Board Meeting and wherever he is appointed as a Committee member, the committee meeting;

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- shall abide by the code of conduct established by the company for Directors and senior management personnel;
- shall disclose his concern or interest in any Company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as any prescribed, from time to time, under the Companies Act, 2013,

Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant laws.

3.1.4 The Nomination & Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

### 3.2 Criteria of Independence

3.2.1 The Nomination & Remuneration Committee shall assess the independence of Directors at time of appointment/ re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interest or relationships are disclosed by a Director.

3.2.2 The criteria of independence shall be in accordance with the guidelines as laid down in Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

An independent Director in relation to a Company, means a Director other than a managing Director or a whole-time Director or a nominee Director

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b. (i) who is or was not a promoters of the Company or its holding, subsidiary or associate Company or member of the promoter group of the listed entity;  
(ii) who is not related to promoters or Directors of the Company its holding, subsidiary or associate Company
- c. who, apart from receiving director's remuneration, who has or had no pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their promoters, or Director, during the two immediately preceding financial year or during the current financial year;
- d. none of whose relative
  - (A) is holding securities of or interest in the listed entity, its holding, subsidiary or associate company during the three immediately preceding financial years or during the current financial year of face value in excess of fifty lakh rupees or two percent of the paid-up capital of the listed entity, its holding, subsidiary or associate company, respectively, or such higher sum as may be specified;
  - (B) is indebted to the listed entity, its holding, subsidiary or associate company or their promoters or directors, in excess of such amount as may be specified during the three immediately preceding financial years or during the current financial year;
  - (C) has given a guarantee or provided any security in connection with the indebtedness of any third person to the listed entity, its holding, subsidiary or associate company or their promoters or directors, for such amount as may be specified during the three immediately preceding financial years or during the current financial year; or
  - (D) has any other pecuniary transaction or relationship with the listed entity, its holding, subsidiary or associate company amounting to two percent or more of its gross turnover or total income:

Provided that the pecuniary relationship or transaction with the listed entity, its holding, subsidiary or associate company or their promoters, or directors in relation to points (A) to (D) above shall not exceed two percent of its gross turnover or total income or fifty lakh rupees or such higher amount as may be specified from time to time, whichever is lower.



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- e. who, neither himself nor any of his relative-
  - (i) Holds or has held the position of a key managerial personnel or is or has been employee of the or associate Company or any company belonging to the promoter group of the listed entity in any of the three finance years immediately preceding the finance year in which he is proposed to be appointed;  
  
Provided that in case of a relative, who is an employee other than key managerial personnel, the restriction under this clause shall not apply for his / her employment
  - (ii) Is or has been an employee or proprietor or a partner, in any of the three finance year immediately preceding the financial year in which he is proposed to be appointed of-
    - (A) a firm of auditors or Company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate Company; or
    - (B) any legal or a consulting firm that has or had any transaction with the Company, its holding subsidiary or associate Company amounting to ten per cent or more of the gross turnover of more of the gross turnover of such firm;
  - (i) holds together with his relatives two per cent or more of the total voting power of the Company;
- Or
- (ii) is a chief Executive or Director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipt from the Company any of its promoters, Directors or its holding subsidiary or associate Company or that holds two per cent or more of the total voting power of the Company; or
- (iii) is a material supplier, service provider or customer or a lesser or lessee of the Company.
- f. Shall possess appropriate skills experience and knowledge in one or more field of finance, law Management, sales, marketing administration, research, corporate governance, technical operations, corporate social responsibility or this disciplines related to the Company's business.
- g. Shall possess such other qualifications as may be prescribed from time to time, under the Companies Act, 2013.
- h. who is not less than 21 years of age
- i. Who is not a non-independent Director of another company on the Board of which any non-independent director of the listed entity is an independent director.

3.2.3 The independent Director shall abide by the "code for independent Directors "as specified in Schedule IV to the companies Act, 2013.

### 3.3 Other Directorships/ Committee Memberships

- 3.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance Accordingly, members should voluntarily limit their Directorships in other listed public limited companies in such a way that it does not interfere with their role as Director of the Company. The Nomination and Remuneration Committee shall take into account the nature of, and the time involved in a director service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.
- 3.3.2 A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be public limited companies.
- 3.3.3 A Director shall not serve as an independent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time Director in any listed Company.
- 3.3.4 A Director shall not be a member in more than 10 committee or act as chairman of more than 5 committee across all companies in which he holds Directorships.

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For the purpose of considering the limit of the committee, Audit committee and stakeholder's relationship committee of all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under Section 8 of the companies Act, 2013 shall be excluded.

### **B. Remuneration policy for Directors, key managerial personnel and other employees:**

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit. The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities shouldered and individual performance.

### **Remuneration policy for Directors, key managerial personnel and other employees**

1. Scope:
  - 1 This policy sets out the guiding principles for the Nomination and Remuneration committee for recommending to the Board the remuneration of the Directors, key managerial personnel and other employees of the Company.
  2. Terms and Reference: In this policy the following terms shall have the following meanings:
    - 2.1 "Director" means a Director appointed to the Board of the Company.
    - 2.2 "key managerial personnel" means
      - (i) The Chief Executive Officer or the managing Director or the manager;
      - (ii) The Company Secretary;
      - (iii) The Whole-time Director;
      - (iv) The Chief Financial Officer; and
      - (v) Such other office as may be prescribed under the companies Act, 2013
    - 2.3 "Nomination and Remuneration committee" means the committee constituted by Board in accordance with the provisions of Section 178 of the companies Act, 2013, clause 49 of the Equity Listing Agreement and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  3. Policy:
    - 3.1 Remuneration to Executive Director and key managerial personnel
      - 3.1.1 The Board on the recommendation of the Nomination and Remuneration (NR)
      - 3.1.2 The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the Company.
      - 3.1.3 The remuneration structure to the Executive Director and key managerial personnel shall include the following components:
        - (i) Basic pay
        - (ii) Perquisites and Allowances
        - (iii) Stock Options
        - (iv) Commission (Applicable in case of Executive Directors)
        - (v) Retrial benefits
        - (vi) Annual performance Bonus

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3.1.4 The Annual plan and Objectives for Executive committee shall be reviewed by the Nomination and Remuneration committee and Annual performance bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.

### 3.2 Remuneration to Non – Executive Directors

3.2.1 The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders as per the provisions of the Companies Act.

3.2.2 Non – Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

### 3.3. Remuneration to other employees

3.3.1. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

### 23. Risk Management Committee: -

The Company has an effective risk management procedure, which is governed at the highest level by the Board of Directors. However, to further strengthen & streamline the procedures about risk assessment and minimization procedures, the Board of Directors voluntarily constituted a Board level Risk Management Committee (RMC).

#### A.) Composition:

The Details of composition of the Committee are given below:

Name	Designation	Category
Mr. L. Maruti Sanker	Chairman	ED
Mr. B. Mohan Rao	Member	NED(N)
Mrs. L. Hemalatha	Member	ED

#### Role and responsibilities of the committee includes the following:

- Framing of Risk Management Plan and Policy.
- Overseeing implementation of Risk Management Plan and Policy
- Monitoring of Risk Management Plan and Policy
- Validating the process of risk management
- Validating the procedure for Risk minimisation.
- Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management processes.
- Continually obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed.

### 24. NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES:

None of the Independent/Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

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### 25. Outstanding GDR/ADR/Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued these types of securities.

### 26. Number of shares and convertible instruments held by non-executive directors:

None of the Non-executive Directors hold equity shares or convertible instruments of the Company.

### 27. Disclosure of commodity price risks and commodity hedging activities:

Price and demand of the Company's finished products are inherently volatile and remain strongly influenced by global economic conditions. Any fluctuation in finished product prices or currency has direct impact on the Company's revenue and profits.

The Company considers exposure to commodity price fluctuations to be an integral part of our business and its usual policy is to sell its products at prevailing market prices. The Company has a well-defined policy framework wherein no speculative positions are taken and limited commodity hedging is done with endeavours to achieve month-average rates both in currency and metal prices. The Company follows the policy of taking forward cover for net foreign exposure, if the net is payable in foreign currency, with negligible exposure in non-USD currencies All policies are periodically reviewed basis local and global economic environment.

### 28. Details on general body meetings:

A. Location, date and time of last three AGMs and special resolutions there at as under:

Year	Date	Time	Venue	Special / Ordinary Resolution
2020-21	30-09-2021	9.00	Through VC / OAVM	Yes
2019-20	26.12.2020	10.00	Through VC / OAVM	Yes
2018-19	30.09.2019	09.00 am	Plot no. 60, Flat no. 301, 3rd floor, "Abhi's Hiranya", Kavuri hills, Madhapur, Hyderabad-500033 Telangana	Yes

### 29. Passing of Resolutions By Postal Ballot

There were no resolutions passed by the Company through Postal Ballot during the financial year 2021-22.

### 30. Means Of Communication:

Effective communication of information is an essential component of Corporate Governance. It is a process of sharing information, ideas, thoughts, opinions and plans to all stakeholders which promotes management-shareholder relations. The Company regularly interacts with Members through multiple channels of communication such as results announcement, annual report, media releases, Company's website and subject specific communications.

The quarterly, half yearly and annual results of the Company's performance are published in leading newspapers such as Business Standard and Navatelangana. These results are also made available on the website of the Company <https://www.7seasent.com/investor-relations/quarterly-results/>. The website also displays vital information relating to the Company and its performance, official press releases and presentation to analysts.

All price sensitive information and matters that are material to Members are disclosed to the respective Stock Exchanges where the securities of the Company are listed. The Quarterly Results, Shareholding Pattern and all other corporate communication to the Stock Exchanges are filed through BSE Listing Centre, for dissemination on their respective websites. The stock exchange filings are also made available on the website of the Company <https://www.7seasent.com>.

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### 31. General shareholder information:

#### A. Annual general meeting:

The 31st Annual General Meeting of the Company will be held as per the following schedule:

Day	Friday
Date	30th September, 2022
Time	11.00 a.m.
Venue	at through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM")
Date of Book Closure	24.09.2022 to 30.09.2022(both days inclusive)

#### B. Venue: Financial Year And Financial Year Calendar 2022-23 (Tentative Schedule)

The financial calendar (tentative) shall be as under:

Financial Year	2022-23
First Quarterly Results	11.08.2022
Second Quarterly Results	14.11.2022
Third Quarterly Results	14.02.2022
Fourth Quarterly Results	30.05.2023
Annual General Meeting for year ending 31st March, 2023	30.09.2023

C. Dividend Payment Date: No Dividend was declared during the Financial Year 2021-22.

D. Payment of Listing Fees: The Company has paid annual listing fees for the financial year 2022-23 to the BSE within stipulated time.

#### E. Listing on stock exchange & address:

The equity shares of the Company is listed on BSE Limited (BSE).

BSE Limited
7SEASL
Address: BSE Limited
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001.

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### F. Stock Market Price Data: BSE Limited

#### Bombay Stock Exchange(BSE)

S.No	Month	Open Price (in Rs.)	High Price (in Rs.)	Low Price (in Rs.)	Close Price (inRs.)
1	Apr 21	--	--	--	--
2	May 21	--	--	--	--
3	Jun 21	8.70	10.82	8.31	9.87
4	Jul 21	9.70	19.23	9.70	19.23
5	Aug 21	20.10	22.20	13.40	18.60
6	Sep 21	19.50	21.00	14.90	16.60
7	Oct 21	17.15	25.90	15.80	19.20
8	Nov 21	19.05	23.10	17.25	17.55
9	Dec 21	18.30	31.15	17.80	25.15
10	Jan 22	25.90	27.65	20.05	21.20
11	Feb 22	21.90	23.45	16.90	17.75
12	Mar 22	18.30	28.90	15.85	23.20

### G. Performance in comparison to Board based indices:



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### H. Registrar and share transfer agents:

M/s. Venture Capital And Corporate Investments Private Limited.  
12-10-167, Bharat Nagar Hyderabad, 500018,  
Phone: +91 040-23818475/23818476/23868023  
Fax: +91 040-23868024  
Email: info@vccilindia.com

### I. Share transfer system:

The transfers are normally processed within 10-12 days from the date of receipt, if the documents are complete in all respects. The Company Secretary has been empowered to approve the transfer of shares.

Effective April 1, 2019, SEBI has amended Regulation 40 of the SEBI Listing Regulations, which deals with transfer, transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialised form with a Depository. Therefore, for effecting any transfer, the securities shall mandatorily be required to be in demat form.

Shares received for transfer by the Company or its Registrar and Share Transfer Agent in physical mode are processed and all valid transfers are approved. The share certificate(s) is/are duly transferred and dispatched within a period of 15 days from the date of receipt.

### According to SEBI, this amendment will bring the following benefits:

- It shall curb fraud and manipulation risk in physical transfer of securities by unscrupulous entities.
- Transfer of securities only in demat form will improve ease, convenience and safety of transactions for investors.

### J. Distribution Of Shareholding As On 31st March , 2022:

Category (Amount)	No. of Share holders	% of Total Share holders	No. of Shares	% of Total Share holding
Upto - 5000	1127	69.4	1630860	1.47
5001 - 10000	175	10.78	1533610	1.38
10001 - 20000	90	5.54	1474420	1.33
20001 - 30000	44	2.71	1141940	1.03
30001 - 40000	19	1.17	696810	0.63
40001 - 50000	30	1.85	1421780	1.28
50001 - 100000	44	2.71	3304090	2.97
100001 and above	95	5.85	99905490	89.92
<b>TOTAL</b>	<b>1624</b>	<b>100</b>	<b>1,51,35,900</b>	<b>100</b>

### K. Dematerialisation & liquidity of shares:

7seas Entertainment Limited Shares are tradable in Electronic Form. The Company has established electronic connectivity through Venture Capital And Corporate Investments Private Limited Private Limited with both the depositories, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) The International Securities Identification Number (ISIN) allotted to our shares under the Depository System is INE454F01010. As on March 31, 2022 98.26% of the shares were held in Dematerialised form and the rest in physical form.

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Particulars	No. of Shares	% Share Capital
NSDL	90,17,639	59.58
CDSL	58,54,558	38.68
Physical	2,63,703	1.74
<b>TOTAL</b>	<b>1,51,35,900</b>	<b>100.00</b>

We request the shareholders whose shares are held in physical mode to dematerialize the shares and update their bank accounts with the depository participants.

**L. Outstanding GDRS/ADRS/Warrants or Convertible Instrument:**

The Company has not issued GDRs/ADRs/Warrants or any other instruments convertible into equity.

**M. Book closure date:**

The date of Book Closure for the purpose of Annual General Meeting from 24.09.2022 to 30.09.2022 (both days inclusive).

**N. Electronic connectivity:**

Demat ISIN Number: INE454F01010

**O. National Securities Depository Limited**

Trade World, Kamala Mills Compound  
Senapati Bapat Marg, Lower Parel  
Mumbai – 400 013.

**P. Central Depository Services (India) Limited**

Marathon Futurex, A-Wing, 25th floor,  
NM Joshi Marg, Lower Parel, Mumbai 400013

**Q. ADDRESS FOR CORRESPONDANCE:**

M/s. 7Seas Entertainment Limited,  
5th Floor, Plot No.92, 93 & 94 Kavuri Hills, Madhapur Hyderabad, Telangana-500081

**R. Shareholding Pattern as on 31st March, 2022:**

Sl. No	Name of the Shareholders	No. of Equity shares held	% Of holding
A	Promoter and Promoter Group	61,09,764	40.37
	<b>Sub- Total A</b>	<b>61,09,764</b>	<b>40.37</b>
B	Public shareholdings		
1.	Institutions	--	--
2.	Non- Institutions		
a	Bodies Corporate	105649	0.70
b	Indian public and others	8850591	58.47



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c	Any others		
	i. NRI,s	60267	0.40
	ii. Clearing Members	9629	0.06
	iii. Employee	--	--
	iv. Foreign Portfolio Investors (Corporate)	--	--
	<b>Sub- Total B</b>	9026136	59.63
	<b>Grand Total (A+B)</b>	1,51,35,900	100

**S. Confirmation by the Board of Directors regarding acceptance of recommendation of all Committees:**

In terms of the amendments made to the Listing Regulations, the Board of Directors confirm that during the year, it has accepted all recommendations received from all its Committees.

**T. Fees paid to Statutory Auditor:**

A total fee of Rs. 1,25,000/- was paid by the Company , on a consolidated basis, for all services to M/s. For Sathuluri & Co., Statutory Auditors and all entities in the network firm/ network entity of which they are part.

Particulars	Amount in Rs.
Audit fees	1,00,000
Fees for other services – Certification	25000
Reimbursement of out of pocket expenses	--
<b>Total</b>	<b>1,25,000</b>

**U. Other disclosures:**

**i. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

The Company has established an appropriate mechanism for dealing with complaints in relation to Sexual Harassment of Women at Workplace, in accordance with its Policy on Prevention of Sexual Harassment at Workplace ('POSH') which is available on the website of the Company. There was on Complaints received during the financial year.

**ii. Whistle Blower Policy (Set up in terms of Sec 177 of the Companies Act, 2013 read with Regulation 22 of SEBI LODR Regulations, 2015):**

With a view to adopt the highest ethical standards in the course of business, the Company has a whistle blower policy in place for reporting the instances of conduct which are not in conformity with the policy. Directors, employees, vendors or any person having dealings with the Company may report non-compliance to the Chairman of the Audit Committee, who reviews the report. Confidentiality is maintained of such reporting and it is ensured that the whistle blowers are not subjected to any discrimination. No person was denied access to the Audit Committee.

**iii. Details of compliance with mandatory requirements and adoption of the non- mandatory requirements:**

The Company has complied with the mandatory requirements of SEBI (LODR) Regulations, 2015 and is in the process of implementation of non- mandatory requirements.

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**iv. Policy on Related Party Transactions:**

The Policy on dealing with Related Party Transactions is available on the Company's website: [www.7seasent.com](http://www.7seasent.com).

**v. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) etc.,**

The Company raised capital through Preferential issue during FY 2021- 22 aggregating to Rs. 32,750,000. The funds raised through the Preferential issue have been utilized for the general business purpose and there is no deviation in the utilization of proceeds.

vi. None of the Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such statutory authority. A Certificate to this effect, duly signed by the Practicing Company Secretary is annexed to this Report.

**vii. Recommendations of Committees of the Board:**

There were no instances during the financial year 2021–22 wherein the Board had not accepted the recommendations made by any Committee of the Board.

viii. Commodity price risk, Foreign Exchange Risks and commodity hedging activities: Not Applicable

ix. Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount: Nil

x. Non-compliance of any requirement of Corporate Governance Report of sub-para (2) to (10) of Schedule-V:

The company has complied with the requirement of Corporate Governance Report of sub-para (2) to (10) of Schedule-V of the Securities Exchange Board of India (LODR) Regulations, 2015.

**xi. Adoption of discretionary requirements as specified in Part E of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

With regard to discretionary requirements, the Company has adopted clauses relating to the internal auditor directly reporting to the Audit Committee.

xii. The Disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 are as follows:

Regulation	Particulars of Regulations	Compliance status (Yes/No)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	NA
22	Vigil mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirement with respect to subsidiary of listed entity	NA
25	Obligations with respect to Independent Directors	Yes
26	Obligation with respect to Directors and senior management	Yes
27	Other Corporate Governance requirements	Yes. Regulation 46(2)(b) to (i) Functional Website

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**xiii. Disclosure with respect to Demat suspense account/unclaimed suspense account:**

There are no instances with respect to Demat suspense account/unclaimed suspense account.

**xiv. Code of Conduct:**

The Board of Directors has laid down a 'Code of Conduct' (code) for all the Board members and the Senior Management of the Company and this code is posted on the website of the company. Annual declaration is obtained from every person covered by the code.

The Company has a comprehensive Code of Conduct for prevention of insider trading in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015. The Board has formulated a Code of Conduct to regulate, monitor and report trading by insiders and the Board has also adopted a code of practices and procedures for fair disclosure of un-published price sensitive information, in order to align the same with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

**xv. Disclosure of Accounting Treatment:**

The Company has complied with the appropriate accounting policies and has ensured that they have been applied consistently. There have been no deviations from the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with relevant rules.

**xvi. Non-Executive Directors' Compensation and Disclosures**

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

**xvii. CEO/ CFO Certification:**

In terms of regulation 17(8) of the Listing Regulations, the CFO made a certification to the Board of Directors which has been reviewed by the Audit Committee and taken on record by the Board and enclosed in part of Annual Report.

**For and on behalf of the Board of  
7Seas Entertainment Limited**

**Sd/-  
L. Maruti Sanker  
Managing Director  
(DIN: 01095047)**

**Sd/-  
L. Hemalatha  
Whole-Time Director cum CFO  
(DIN: 02226943)**

**Date:03.09.2022  
Place: Hyderabad**

## 7SEAS ENTERTAINMENT LIMITED

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### COMPLIANCE CERTIFICATE PURSUANT TO REGULATION 17(8) OF SEBI LODR, 2015

To

The Board of Directors  
7Seas Entertainment Limited

We, Maruti Sanker, Managing Director and L. Hemalatha, Whole-Time Director cum CFO of 7Seas Entertainment Limited ("Company") to the best of our knowledge and belief certify that:

1. We have reviewed standalone as well as consolidated financial statements and the cash flow statement of the Company for the quarter/year ended 31st March, 2022 and to the best of their knowledge and belief:
  - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit committee
  - a. There have not been any significant changes in internal control over financial reporting during the year;
  - b. There have not been any significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - c. There have not been any instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Date:03.09.2022**  
**Place: Hyderabad**

**Sd/-**  
**L. Maruti Sanker**  
**Managing Director**  
**(DIN: 01095047)**

**Sd/-**  
**L. Hemalatha**  
**Whole-Time Director cum CFO**  
**(DIN: 02226943)**

# 7SEAS ENTERTAINMENT LIMITED

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## COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of

7Seas Entertainment Limited

Hyderabad

I have examined the compliance of conditions of Corporate Governance by 7Seas Entertainment Limited ('the Company'), for the Financial Year ended 31st March 2022, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

We have conducted our examination on the basis of the relevant records and documents maintained by the Company and furnished to us for the purpose of the review and the information and explanations given to us by the Company during the course of such review

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management of the Company, we certify that the Company has in all material respect complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations, as applicable.

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

**For Sathuluri & Co.,  
Chartered Accountants**

**Sd/-  
S S Prakash  
Partner**

**UDIN:Membership No. 202710**

**Place: Hyderabad  
Date: 03.09.2022**

# 7SEAS ENTERTAINMENT LIMITED

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## FORM MR-3

### SECRETARIAL AUDIT REPORT

(Pursuant to section 204(1) of the Companies Act, 2013

and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014

FOR THE FINANCIAL YEAR ENDED 31STMARCH, 2022

To,

The Members

M/s.7Seas Entertainment Limited  
5th Floor, Plot No.92, 93 & 94,  
Kavuri Hills, Madhapur Hyderabad,  
Telangana-500015

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by 7Seas Entertainment Limited(hereinafter called "the Company"). Audit was conducted in a manner that provided us a reasonable basis forevaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the Financial Year commencing from 1st April, 2021 and ended 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st of March, 2022 according to the provisions of:
  - i. The Companies Act, 2013 (the Act) and the rules made there under;
  - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment and External Commercial Borrowings;
2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') is furnished hereunder for the financial year 2021-22:-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Amended Regulations 2018; The Company has framed code of conduct for regulating & reporting trading by insiders and for fair disclosure and displayed the same on the Company's website i.e., [www.msrandia.in](http://www.msrandia.in).
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - The Company has allotted 40,25,000 Equity shares on preferential basis to the promoters and non-promoters pursuant to the members approval in the AGM held on 30 Sep 2021.
  - d. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; Not Applicable as the Company has not issued any Employee Stock Options during the year under review.
  - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021: Not Applicable as the Company has not issued any debt securities during the year under review.
  - f. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review.
  - g. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; Not Applicable as the company has not delisted/ proposed to delist its equity shares during the year under review.
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; Not Applicable as the Company has not bought back/ proposed to buy-back any of its securities during the year under review.
  - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were complied with to the extent applicable.

## 7SEAS ENTERTAINMENT LIMITED

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3. I have also examined compliance with the applicable clauses of the following:
- a. Secretarial Standards issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.
  - b. Securities and Exchange Board of India Act, 1992 & Circulars, Master Circulars and Regulations issued by SEBI and applicable to the Company.
  - c. Listing Agreements entered into by the Company with BSE Limited.
4. As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that
- (i) the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:
    - External Commercial Borrowings were not attracted to the Company under the financial year under report;
    - Foreign Direct Investment (FDI) was not attracted to the company under the financial year under report;
    - Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.
  - (ii) As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.
5. We have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial auditor and other designated professionals.
6. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above including the following:
- a) During the year the Company has conducted 6 meetings of the Board of Directors, 4 Meetings of Audit Committee meeting, 4 Meetings of Stakeholder Relationship Committee, 1 Meetings of Nomination & Remuneration Committee and 1 meeting of Independent Directors. We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company secretaries of India.
  - b) Adequate notice of board meeting is given to all the directors along with agenda at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
  - c) As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.
  - d) I further report that during the year under report, the Company has not undertaken event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. other than those already disclosed to Stock Exchange i.e., BSE.
  - e) I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For Chakravarthy & Associates**

**Sd/-**

**N. Phani Chakravarthy**  
**Practicing Company Secretary**  
**UDIN: A032380D000908521**  
**M. No. A32380, C.P. No: 22563**

**Place: Hyderabad**  
**Date: 03.09.2022**

## 7SEAS ENTERTAINMENT LIMITED

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### Annexure A

To

The Members of

M/s. 7seas Entertainment Limited

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have relied on the reports given by the concerned professionals in verifying the correctness and appropriateness of financial records and books of accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company

**For Chakravarthy & Associates**

Sd/-

**N. Phani Chakravarthy**  
**Practicing Company Secretary**  
**UDIN: A032380D000908521**  
**M. No. A32380, C.P. No: 22563**

**Place: Hyderabad**  
**Date: 03.09.2022**



## 7SEAS ENTERTAINMENT LIMITED

### Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Board of Directors

M/s. 7seas Entertainment Limited  
5th Floor, Plot No.92, 93 & 94  
Kavuri Hills, Madhapur,  
Hyderabad Telangana-500081

I have examined the relevant registers, records, forms, returns and disclosures received from 7Seas Entertainment Limited having CIN: L72900TG1991PLC013074 and having registered office at 5th Floor, Plot No.92, 93 & 94 Kavuri Hills, Madhapur, Hyderabad Telangana-500081 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No	DIN No	Name of the Director	Designation
1.	01095047	Mrs. Maruti Sanker Lingamaneni	Managing Director
2.	02226943	Mrs. Hemalatha Lingamaneni	Whole Time Director
3.	07233665	Mr. Bommineni Mohan Rao	Non-Executive Director
4.	07062498	Mr. Pradeep Kamiseti Kumar	Non-Executive Director
5.	06380062	Mrs. Chimakurthy Sita Visalakshi	Independent Director
6.	07499895	Mr. Kiran Kumar Bodla	Independent Director
7.	08468341	Mr. Narra Venkateswarlu	Independent Director
8.	9302531	Mr. Harikrishna Duggineni	Independent Director
9.	09389493	Mr.N. Mahender Reddy	Independent Director

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Chakravarthy & Associates**

**Sd/-**  
**N. Phani Chakravarthy**  
**Practicing Company Secretary**  
**UDIN:A032380D000908519**  
**M. No. A32380, C.P. No: 22563**

**Place: Hyderabad**  
**Date: 03.09.2022**

# 7SEAS ENTERTAINMENT LIMITED

## INDEPENDENT AUDITORS REPORT

To the members of,

M/s. 7SEAS ENTERTAINMENT LIMITED

Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of M/s. 7SEAS ENTERTAINMENT LIMITED (“the Company”), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the standalone financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the “Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (“SA”)s specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (“ICAI”) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below as key audit matters to be communicated in our report.

S.No	Key Audit Matter	Auditor’s Response
1.	<p>Revenue Recognition</p> <p>Revenue is recognized to the extent that economic benefit will flow to the Company and the revenue can be reliably measured. It is measured at fair value consideration received or receivable, net of returns and allowances, discounts and rebates. The Company recognizes revenue when it satisfies its performance obligation by transferring the goods to the customers.</p> <p>Revenue is key driver of the business and judgment is involved in determining when contractual obligations have been performed and to the extent that the right to consideration has been earned.</p> <p>The management of the Company focuses on revenue as a key performance measure which</p>	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"><li>• We understood business revenue recognition policy and how they are applied, including the relevant controls, and tested controls over revenue recognition;</li><li>• Analytical review of the revenue recognized over the year</li><li>• Agreeing on a sample basis amounts of revenue to customer contracts and verifying the extent, timing and customer acceptance of goods, where relevant.</li><li>• We performed cut-off testing for a sample of revenue transactions around the period end date, to check that they were recognized in the appropriate period;</li></ul>

## 7SEAS ENTERTAINMENT LIMITED

	<p>could create an incentive for revenue to be recognized before the risks and rewards have been transferred. We therefore identified Revenue Recognition as a significant risk and key audit matter.</p>	<ul style="list-style-type: none"> <li>• We discussed key contractual arrangements with management and obtained relevant documentation, including in respect of rebate and returns arrangements.</li> <li>• The Company's accounting policy on Revenue recognition is shown in note XI to the financial statements and related disclosures are included in notes.</li> <li>• Based on our audit procedures we did not identify any evidence of material misstatement in the revenue recognized for the year ended 31st March 2022 in the standalone financial statements.</li> </ul>
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### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be

## 7SEAS ENTERTAINMENT LIMITED

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expected to influence the economic decisions of users taken based on these standalone financial statements.

**As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :**

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation. Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that :
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section

## 7SEAS ENTERTAINMENT LIMITED

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133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e. On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us :
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
- ii. The Company didnot have any long-term contracts including derivative contracts for which there arefor material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.
- 2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For SATHULURI & Co  
Chartered Accountants  
Firm Reg. No: 006383S**

**Sd/-  
(CA S S PRAKASH)  
PARTNER**

**M. No: 202710  
UDIN: 22202710AJHNIJ1057**

**Place : Hyderabad  
Date: 20.05.2022**

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## 7SEAS ENTERTAINMENT LIMITED

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### **Annexure “A” to the Independent Auditor’s Report**

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of 7SEAS ENTERTAINMENT LIMITED of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

#### **Opinion**

We have audited the internal financial controls over financial reporting of M/s. 7SEAS ENTERTAINMENT LIMITED (“the Company”) as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation

## 7SEAS ENTERTAINMENT LIMITED

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of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Limitations of Internal Financial Controls over Financial Reporting**

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

**For SATHULURI & Co  
Chartered Accountants  
Firm Reg. No: 006383S**

**Sd/-  
(CA S S PRAKASH)  
PARTNER  
M. No: 202710  
UDIN: 22202710AJHNIJ1057**

**Place : Hyderabad  
Date: 20.05.2022**

# 7SEAS ENTERTAINMENT LIMITED

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## ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of the company of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
    - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and Capital Work In Progress.  
  
(B) The Company has maintained proper records showing full particulars of intangible assets.
    - (b) The Company has a program of physical verification of Property, Plant and Equipment and Capital Work In Progress so as to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
    - (c) Based on our examination of the property tax receipts, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of all immovable properties disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
    - (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
    - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
  - ii.
    - (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.
    - (b) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the company with such banks are in agreement with the books of account of the Company.
  - iii. According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not made any investments, provided guarantees or security or granted any loans or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year:
  - iv. According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not given any loans or provided guarantees or security as specified under Section 185 and 186 of the Companies Act. Further the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013.
  - v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
  - vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
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## 7SEAS ENTERTAINMENT LIMITED

vii. In respect of statutory dues:

- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable except below.

Particulars	Demand U/s	Period to which the amount relates	Amount in Rs.
Income Tax Act, 1956	143(1)	A.Y. 2007-08	2,01,333
Income Tax Act, 1956	154	A.Y. 2012-13	53,670
Income Tax Act, 1956	154	A.Y. 2013-14	2,35,710

Particulars	Demand U/s	Period to which The amount relates	Forum where the dispute is pending	Amount in Rs.
Income Tax Act, 1956	201 (1) & 201(1A)	A.Y. 2009-10	The Commissioner of Income Tax (Appeals-II)	11,02,613

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

- ix. (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3 (ix) (a) of the Order is not applicable.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3 (ix) (c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised any loans during the year and hence reporting on clause 3 (ix) (f) of the Order is not applicable.

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3 (x) (a) of the Order is not applicable.

(b) During the year, the Company has made preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3 (x) (b) of the Order is applicable.

xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

## 7SEAS ENTERTAINMENT LIMITED

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- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year (and up to the date of this report), while determining the nature, timing and extent of our audit procedures.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. And hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3 (xvi) (a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3 (xvi) (d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during financial year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. There is not liability of the company under the provisions of section 135 of the Companies Act, relating to Corporate Social Responsibility. Therefore, the provisions of Clause (xx) of paragraph 3 of the order are not applicable to the Company.

**For SATHULURI & Co  
Chartered Accountants  
Firm Reg. No: 006383S**

**Sd/-  
(CA S S PRAKASH)  
PARTNER  
M. No: 202710  
UDIN: 22202710AJHNIJ1057**

**Place : Hyderabad  
Date: 20.05.2022**

# 7SEAS ENTERTAINMENT LIMITED

BALANCE SHEET AS AT 31st MARCH 2022

( Amount in Rs.)

	PARTICULARS	Note No.	As at March 31, 2022	As at March 31, 2021
<b>I</b>	<b><u>ASSETS:</u></b>			
(1)	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment		-	-
	(b) Capital work-in-progress	2	12,82,100	-
	(c) Goodwill			-
	(d) Other Intangible Assets	2	53,399	53,399
	(e) Intangible Assets under development			
	(f) Financial assets			
	(i) Investments			
	(ii) Other Financial Assets			-
	(g) Deferred tax assets (net)			-
	(h) Other non-current assets			-
(2)	<b>Current assets</b>			
	(a) Inventories			-
	(b) Financial assets			
	(i) Investments			-
	(ii) Trade receivables	3	17,87,484	1,15,243
	(iii) Cash and cash equivalents	4	1,73,01,523	16,000
	(iv) Bank Balances other than (iii) above		-	-
	(v) Loans and advances	5	1,13,26,108	1,50,000
	(vi) Investments held for Sale			-
	(c) Other current assets	6	14,36,149	10,96,823
	<b>TOTAL ASSETS</b>		<b>3,31,86,764</b>	<b>14,31,465</b>
<b>II</b>	<b><u>EQUITY AND LIABILITIES:</u></b>			
	<b>Equity</b>			
	(a) Equity Share Capital	7	15,13,59,000	11,11,09,000
	(b) Other Equity			
	(i) Reserves and Surplus	8	(16,45,70,716)	(16,88,42,899)
	<b>Liabilities</b>			
(1)	<b>Non Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings			-
	(b) Provisions			-
(2)	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	9	4,41,10,103	5,30,53,125
	(ii) Trade Payables	10	2,56,836	12,51,754
	(iii) Other financial liabilities			-
	(b) Other current liabilities	11	20,31,541	-
	(c) Provisions	12	-	15,26,214
	(d) Deferred tax liabilities(Net)	13	-	33,34,271
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,31,86,764</b>	<b>14,31,465</b>
	<b>Significant accounting policies and notes to accounts</b>	1 to 17		

The Notes referred to above and the notes to accounts form an integral part of the Balance Sheet

For Sathuluri & Co  
Chartered Accountants  
FRN: 006383S

For and on behalf of the Board of Directors of  
7SEAS ENTERTAINMENT LIMITED

S S Prakash  
Partner  
Membership No. 202710

Sd/-  
L MARUTI SANKER  
Managing Director  
DIN: 01095047

Sd/-  
L HEMALATHA  
Director  
DIN: 02226943

Place : Hyderabad  
Date : 20.05.2022

## 7SEAS ENTERTAINMENT LIMITED

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2022

	PARTICULARS	Note No.	Year Ended March 31, 2022	Year Ended March 31, 2021
I	Revenue from operations	14	51,64,535	1,55,147
II	Other Income	15	37,18,129	2,82,63,296
III	<b>Total Income (I+II)</b>		<b>88,82,664</b>	<b>2,84,18,443</b>
IV	<b>Expenses:</b>			
	Cost of materials consumed	17	10,09,750	-
	Operating Expenses			-
	Employee Benefits Expense	16	23,57,726	9,59,000
	Depreciation and amortization expense	2		51,40,000
	Other expenses	18	52,68,006	45,35,628
	<b>Total Expenses</b>		<b>86,35,482</b>	<b>1,06,34,628</b>
V	Profit before tax (III-IV)		2,47,182	1,77,83,815
VI	Tax Expense			
	- Current tax		-	-
	- Deferred tax		-	-
VII	Profit for the period (V-VI)		<b>2,47,182</b>	<b>1,77,83,815</b>
VIII	Other Comprehensive Income (OCI)			
	i) Items that will not be reclassified to profit & loss		-	-
	ii) Income tax relating to items that will not be reclassified to profit & loss		-	-
	Other comprehensive income for the year (net of tax)			-
IX	Total Comprehensive Income (VII+VIII)		<b>2,47,182</b>	<b>1,77,83,815</b>
X	Earnings per equity share: (Equity shares of par value of Rs.10/- each)			
	- Basic			1.60
	- Diluted			1.60
	<b>Significant accounting policies and notes to accounts</b>	1 to 17		

For Sathuluri & Co  
Chartered Accountants  
FRN: 006383S

For and on behalf of the Board of Directors of  
7SEAS ENTERTAINMENT LIMITED

S S Prakash  
Partner  
Membership No. 202710

Sd/-  
L MARUTI SANKER  
Managing Director  
DIN: 01095047

Sd/-  
L HEMALATHA  
Director  
DIN: 02226943

Place : Hyderabad  
Date : 20.05.2022

# 7SEAS ENTERTAINMENT LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

Particulars	Notes	Figures as at	Figures as at
		31st March, 2022	31st March, 2021
<b><u>I. Cash Flow from operating activities</u></b>			
Net profit before tax		2,47,182	1,77,83,815
Interest expenses		-	-
Forex Exchange Loss		-	-
Provision for Gratuity		-	-
Depreciation & Amortization Expenses		-	51,40,000
Interest income		-	-
<b>Operating profit before working capital/other changes</b>		<b>2,47,182</b>	<b>2,29,23,815</b>
Increase/(decrease) in trade and other payables		(9,94,918)	(20,21,501)
Increase/(decrease) in Short term loan and advances		(1,11,76,108)	-
Decrease/(Increase) in Borrowings		(89,43,022)	(2,12,30,398)
Increase/(Decrease) in Other current liability		(28,28,944)	-
Decrease/(Increase) in Other Non Current assets		(3,39,326)	(4,77,814)
Decrease/(Increase) in trade and other receivables		(16,72,241)	-
Decrease/(Increase) in Long Term Provisions		-	7,97,179
<b>Cash generated / (used in) operations</b>		<b>(2,57,07,377)</b>	<b>(8,719)</b>
Gratuity Paid		-	-
Direct taxes paid		-	-
<b>Cash flow from operating activities</b>	<b>I</b>	<b>(2,57,07,377)</b>	<b>(8,719)</b>
<b><u>II. Cash Flow from Investing activities</u></b>			
Purchase of fixed assets including capital work in-progress		(12,82,100)	-
Proceeds from sale of fixed assets		-	-
Decrease/(Increase) in Investments		-	-
Investment in deposits		-	-
Interest Income Received		-	-
Short Term Loans and Advances		-	-
<b>Cash Flow from Investing activities</b>	<b>II</b>	<b>(12,82,100)</b>	<b>-</b>
<b><u>III. Cash Flow from Financing activities</u></b>			
Proceeds from issue of share capital including security premium		4,42,75,000	-
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Interest paid		-	-
Forex Exchange Loss		-	-
Dividend Paid		-	-
<b>Cash flow from Financing activities</b>	<b>III</b>	<b>4,42,75,000</b>	<b>-</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>		<b>1,72,85,523</b>	<b>(8,719)</b>
Cash and Cash Equivalents at beginning of the year		16,000	24,719
<b>Cash and Cash Equivalents - Closing Balance</b>		<b>1,73,01,523</b>	<b>16,000</b>

For Sathuluri & Co  
Chartered Accountants  
FRN: 006383S

For and on behalf of the Board of Directors of  
7SEAS ENTERTAINMENT LIMITED

S S Prakash  
Partner  
Membership No. 202710

Sd/-  
L MARUTI SANKER  
Managing Director  
DIN: 01095047

Sd/-  
L HEMALATHA  
Director  
DIN: 02226943

Place : Hyderabad  
Date : 20.05.2022

# 7SEAS ENTERTAINMENT LIMITED

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## Notes to accounts

### 1. Significant Accounting Policies & Notes annexed to and forming part of the financial Statements

#### 1.1. Basis of preparation of financial statements

##### a) Compliance with Indian Accounting Standards (Ind AS)-

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act, 2013.

##### b) Use of estimates and judgment-

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

#### 1.2. Property, Plant and Equipment & Depreciation

Items of Property, Plant and Equipment are stated at cost less accumulated depreciation.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Depreciation on the fixed assets has been provided based on useful lives as prescribed under part C of the schedule II of the companies act, 2013.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

#### 1.3. Impairment of non-financial assets

The Company's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

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## 7SEAS ENTERTAINMENT LIMITED

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The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

### 1.4. Intangible assets

Intangible assets are amortized over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as change in accounting estimates. The amortization expense on intangible assets with finite useful lives is recognized in profit or loss.

### 1.5. Inventory

Cost of inventories have been computed to include all costs of purchases (including materials), cost of conversion and other costs incurred, as the case may be, in bringing the inventories to their present location and condition.

Stores and consumables are valued at cost arrived at on FIFO basis or net realisable value, whichever is lower.

### 1.6. Foreign currencies transactions and translations

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

The gain or loss on decrease/increase in reporting currency due to fluctuations in foreign exchange rates, in case of monetary current assets and liabilities in foreign currency, 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 recorded using the exchange rates at the date of the transaction.

### 1.7. Provisions

A provision is recognised when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (other than employee benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

### 1.8. Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable.

#### Interest Income

Interest income from a financial asset is recognised using effective interest rate method. However, in respect of certain financial assets where it is not probable that the economic benefits associated with the transaction will flow to the entity and amount of revenue cannot be measured reliably, in such cases interest income is not recognised.

### 1.9. Dividend Income

Dividends will be recognised when the company's right to receive has been established.

### 1.10. Employee benefits

#### 1.10.1. Short term employee benefits

The undiscounted amount of short-term employee benefits are expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

#### 1.10.2. Defined benefit plans

##### a) Provident fund

Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Aggregate contributions along with interest thereon is paid at retirement, death, incapacitation or termination of employment. Both the employee and the Company make monthly contributions to the Regional Provident Fund Commissioner equal to a specified percentage of the covered employee's salary.

##### b) Employee State Insurance Fund

Eligible employees (whose gross salary is less than Rs.15,000 per month) are entitled to receive benefit under employee state insurance fund scheme. The employer makes contribution to the scheme at a predetermined rate (presently 4.75%) of employee's gross salary. The Company has no further obligations under the plan beyond its monthly contributions. These contributions are made to the fund administered and managed by the Government of India. Monthly contributions are charges to income in the year it is incurred.

### 1.11. Tax Expenses

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

#### Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are off set only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

#### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

### 1.12. Leases

Leases are classified as finance lease whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight line basis over the period of the lease.



## 1.13. Borrowing costs

Borrowing costs incurred for obtaining assets which takes substantial period to get ready for their intended use are capitalized to the respective assets wherever the costs are directly attributable to such assets and in other cases by applying weighted average cost of borrowings to the expenditure on such assets. Other borrowing costs are treated as expense for the year.

Transaction costs in respect of long-term borrowings are amortized over the tenor of respective loans using effective interest method.

## 1.14. Earnings per equity share

### (i) Basic earnings per share

Basic earnings per share are calculated by dividing:

- The profit attributable to owner of the company.
- By the weighted number of equity shares outstanding during the financial year

### (ii) Diluted earnings per share

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

## 1.15. Financial Instruments

### I. Financial assets

#### A. Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

#### a) Financial assets carried at amortized cost (AC)

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### b) Financial assets at fair value through profit or loss (FVTPL)

A Financial asset which is not classified as AC or FVOCI are measured at FVTPL e.g. investments in mutual funds. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises.

#### c) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### B. Investments in subsidiaries:

The Company has accounted for its investments in subsidiaries at cost and not adjusted to fair value at the end of each reporting period. Cost represents amount paid for acquisition of the said investments.

## 7SEAS ENTERTAINMENT LIMITED

### II. Financial Liabilities:

#### A. Initial recognition-

All financial liabilities are recognized at fair value.

#### B. Subsequent measurement-

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### 1.16. First time adoption of Ind As:

Transition to Ind As-

The Company has adopted Ind As with effect from 1st April 2017 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening reserves as at 1st April, 2016. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind As and Schedule III.

NOTE NO: 2 Property, Plant and Equipment

Particulars	AS AT 31.03.2022			Ammortisation			Net value		
	AS AT 01.04.2021	Adjustments Additions/(Deletions)	AS AT 31.03.2022	AS AT 01.04.2021	Adjustments Additions/(Deletions)	For the year	AS AT 31.03.2022	AS AT 31.03.2022	AS AT 31.03.2021
<b>TANGIBLE ASSETS</b>									
1. Computers	1,39,300	-	1,39,300	1,39,300	-	-	1,39,300	-	-
2. Furniture and Fixtures	33,90,821	-	33,90,821	33,90,821	-	-	33,90,821	-	-
3. Electrical Fittings	4,01,985	-	4,01,985	4,01,985	-	-	4,01,985	-	-
4. Interiors	7,50,489	-	7,50,489	7,50,489	-	-	7,50,489	-	-
5. Office Equipments	15,19,663	-	15,19,663	15,19,663	-	-	15,19,663	-	-
6. Vehicles	12,64,306	-	12,64,306	12,64,306	-	-	12,64,306	-	-
<b>Total</b>	<b>74,66,564</b>	<b>-</b>	<b>74,66,564</b>	<b>74,66,564</b>	<b>-</b>	<b>-</b>	<b>74,66,564</b>	<b>-</b>	<b>-</b>
7. Software	34,29,270	-	34,29,270	34,29,270	-	-	34,29,270	-	-
8. Games & IP's	13,55,80,152	-	13,55,80,152	13,55,26,754	-	-	13,55,26,754	53,398	53,398
9. Web Portals	5,46,95,330	-	5,46,95,330	5,46,95,330	-	-	5,46,95,330	0	0
<b>Total</b>	<b>19,37,04,752</b>	<b>-</b>	<b>19,37,04,752</b>	<b>19,36,51,353</b>	<b>-</b>	<b>-</b>	<b>19,36,51,353</b>	<b>53,399</b>	<b>53,399</b>
Capital Work-in Progress		1282100	12,82,100.00					12,82,100.00	0
<b>Grand Total</b>	<b>20,11,71,316</b>	<b>-</b>	<b>20,11,71,316</b>	<b>20,11,17,917</b>	<b>-</b>	<b>-</b>	<b>20,11,17,917</b>	<b>13,35,499</b>	<b>53,399</b>

## 7SEAS ENTERTAINMENT LIMITED

### NOTE NO: 3 Trade Receivables

PARTICULARS	As at March 31, 2022	As at March 31, 2021
	Amount in Rs.	Amount in Rs.
(a) Outstanding for a period exceeding six months from the date they are due for payment Unsecured, considered good	42,159	1,15,243
(b) Outstanding for a period not exceeding six months Unsecured, considered good	17,45,325	-
	<b>17,87,484</b>	<b>1,15,243</b>

#### Trade Receivables Aging Schedule

Particulars	Outstanding for following periods from due date of payment as at 31 March 2022					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade Receivables						
- Considered Good	17,45,325	42,159	-	-	-	17,87,484
- Considered Doubtful	-	-	-	-	-	-
(i) Disputed Trade Receivables						
- Considered Good	-	-	-	-	-	-
- Considered Doubtful	-	-	-	-	-	-
<b>Total</b>	<b>17,45,325.00</b>	<b>42,159.00</b>	-	-	-	<b>17,87,484.00</b>

#### Trade Receivables Aging Schedule

Particulars	Outstanding for following periods from due date of payment as at 31 March 2021					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade Receivables						
- Considered Good	-	1,15,243	-	-	-	1,15,243
- Considered Doubtful	-	-	-	-	-	-
(i) Disputed Trade Receivables						
- Considered Good	-	-	-	-	-	-
- Considered Doubtful	-	-	-	-	-	-
<b>Total</b>	-	<b>1,15,243.00</b>	-	-	-	<b>1,15,243.00</b>

### NOTE NO: 4 Cash & Cash Equivalents

PARTICULARS	As at March 31, 2022	As at March 31, 2021
	Amount in Rs.	Amount in Rs.
(a) Balance with banks	1,72,84,921	6,065
(b) Cheques in Hand		-
(c) Cash on Hand	16,603	9,935
	<b>1,73,01,523</b>	<b>16,000</b>

## 7SEAS ENTERTAINMENT LIMITED

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### NOTE NO: 5 Short Term Loans & Advances

PARTICULARS	As at March 31, 2022	As at March 31, 2021
	Amount in Rs.	Amount in Rs.
Advances	25,000	
Advances to Customers	-	-
Other Deposits	1,13,01,108	1,50,000
	<b>1,13,26,108</b>	<b>1,50,000</b>

### NOTE NO: 6 Other Current Assets

PARTICULARS	As at March 31, 2022	As at March 31, 2021
	Amount in Rs.	Amount in Rs.
(a) Other Current Assets	14,36,149	10,96,823
(b) Advance Tax & TDS		-
	<b>14,36,149</b>	<b>10,96,823</b>

## 7SEAS ENTERTAINMENT LIMITED

**NOTE NO: 7: EQUITY SHARE CAPITAL:**

PARTICULARS	As At March 31,2022		As At March 31,2021	
	Number	Amount in Rs.	Number	Amount in Rs.
<b>Authorised</b> Equity Shares of Rs. 10/- each	1,52,00,000	15,20,00,000	1,12,50,000	11,25,00,000
<b>Issued, Subscribed and Paid up</b> Equity Shares of Rs. 10/- each fully paid up (Refer foot note (a) to ( d ) below)	1,51,35,900	15,13,59,000	1,11,10,900	11,11,09,000
<b>Total</b>	<b>1,51,35,900</b>	<b>15,13,59,000</b>	<b>1,11,10,900</b>	<b>11,11,09,000</b>

**Foot note:**

**(a) Reconciliation of the number of shares outstanding as at March 31, 2022:**

PARTICULARS	As At March 31,2022		As At March 31,2021	
	Number	Amount in Rs.	Number	Rs. In lakhs
Equity Shares outstanding at the beginning of the year	1,11,10,900	11,11,09,000	1,11,10,900	11,11,09,000
Equity Shares Issued during the year for Cash	40,25,000	4,02,50,000	-	-
Equity Shares Issued during the year for other than cash*	-	-	-	-
Equity Shares bought back during year	-	-	-	-
Equity Shares outstanding at the end of the year	1,51,35,900	15,13,59,000	1,11,10,900	11,11,09,000

**Details of Shareholders holding more than 5 % shares:**

PARTICULARS	As At March 31,2022		As At March 31,2021	
	No. of Shares	% of Holding	No. of Shares	% of Holding
a.L Maruti Sanker	52,09,764	34.41%	44,59,764	40.14%
b.Prasanth Gangavarapu	10,00,000	6.61	--	--
c. Uday Srinivas Tangella	10,00,000	6.61	--	--

**(c) Terms and rights attached to the equity shares:**

The Company has only one class of equity shares having par value of Rs.10/- each. Each holder of equity shares is entitled for one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held

## 7SEAS ENTERTAINMENT LIMITED

### NOTE NO: 8 Reserves and Surplus

PARTICULARS	As at March 31, 2022	As at March 31, 2021
	Amount in Rs.	Amount in Rs.
<b>(a) General Reserves:</b>	-	-
<b>(b) Capital Reserves</b>		
Share Premium	11,43,57,175	11,23,85,515
Add: Addition during the year	40,25,000	-
Forfeited Shares Reserve		19,71,660
	<b>11,83,82,175</b>	<b>11,43,57,175</b>
<b>(b) Retained earnings:</b>		
Opening balance	(28,32,00,073)	(30,09,83,888)
(+) Net profit during the year	2,47,182	1,77,83,815
Closing balance	<b>(28,29,52,891)</b>	<b>(28,32,00,073)</b>
<b>(c) Other Comprehensive income:</b>	-	-
<b>Total (a+b+c)</b>	<b>(16,45,70,716)</b>	<b>(16,88,42,899)</b>

### NOTE NO: 9 Short term Borrowings

PARTICULARS	As at March 31, 2022	As at March 31, 2021
	Amount in Rs.	-
<b>Secured Loan</b>		
Working Capital Loan-IOB	2,28,52,125	2,28,52,125
<b>Unsecured Loan</b>		
Borrowings from Directors & Related Parties	2,12,57,978	3,02,01,000
	<b>4,41,10,103</b>	<b>5,30,53,125</b>

### NOTE NO: 10 Trade Payables

PARTICULARS	As at March 31, 2022	As at March 31, 2021
	Amount in Rs.	Amount in Rs.
<b>Dues to Micro, Small and Medium Enterprises</b>		
Sundry creditors	39,754	9,12,528
Expenses Payable	2,17,082	3,39,226
	<b>2,56,836</b>	<b>12,51,754</b>

Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2022

Particulars	As at 31 March, 2022					Total
	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed dues - MSME	-	2,17,082	-	-	-	2,17,082.00
(ii) Undisputed dues - Others	-	39,754	-	-	-	39,754.00
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	-	<b>2,56,836.00</b>	-	-	-	<b>2,56,836.00</b>

## 7SEAS ENTERTAINMENT LIMITED

Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2021

Particulars	As at 31 March, 2021					Total
	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed dues - MSME	-	3,39,226	-	-	-	3,39,226.00
(ii) Undisputed dues - Others	-	9,12,528	-	-	-	9,12,528.00
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>		<b>12,51,754.00</b>				<b>12,51,754.00</b>

### NOTE NO: 11 OTHER CURRENT LIABILITIES:

PARTICULARS	As at March 31, 2022	As at March 31, 2021
	Amount in Rs.	Amount in Rs.
(a) Statutory Liabilities	3,48,111	-
(b) Payable to DVAK & Co	7,67,000	-
(c) Employee Benefits Payable	9,16,430	-
	<b>20,31,541</b>	<b>-</b>

### NOTE NO: 12 Short Term Provisions

PARTICULARS	As at March 31, 2022	As at March 31, 2021
	Amount in Rs.	Amount in Rs.
Other provisions	-	15,26,214
	<b>-</b>	<b>15,26,214</b>

### NOTE NO: 13 Deferred Tax liabilities

PARTICULARS	As at March 31, 2022	As at March 31, 2021
	Amount in Rs.	Amount in Rs.
Opening Balance	33,34,271	33,34,271
Add/less changes during Period	(33,34,271)	
	<b>-</b>	<b>33,34,271</b>

### NOTE NO: 14 Revenue from operations

PARTICULARS	Year ended March 31, 2022	Year ended March 31, 2021
	Amount in Rs.	Amount in Rs.
Revenue from operations		1,55,147
Export Sales	38,00,797	
Domestic Sales	13,63,738	
	<b>51,64,535</b>	<b>1,55,147</b>

### NOTE NO: 15 Other Income

PARTICULARS	Year ended March 31, 2022	Year ended March 31, 2021
	Amount in Rs.	Amount in Rs.
<b>Non Operating Income</b>		
Deferred Tax	33,34,271	
Interest on FD	2,21,108	-
Rental Subsidy from State Govt	1,62,750	2,82,63,296
	<b>37,18,129</b>	<b>2,82,63,296</b>

## 7SEAS ENTERTAINMENT LIMITED

### NOTE NO: 16 EMPLOYEE BENEFITS EXPENSE:

PARTICULARS	Year ended March 31, 2022	Year ended March 31, 2021
	Amount in Rs.	Amount in Rs.
(a) Salaries & Wages	23,56,940	4,71,100
(b) Contribution to provident and other funds		-
(c) Directors Remuneration		4,72,500
(d) Staff welfare expenses	786	15,400
	<b>23,57,726</b>	<b>9,59,000</b>

### NOTE NO:17 COST OF MATERIALS CONSUMED

PARTICULARS	Year ended March 31, 2022	Year ended March 31, 2021
	Amount in Rs.	Amount in Rs.
Materials Purchased	10,09,750	-
	10,09,750	

### NOTE NO: 18 OTHER EXPENSES:

PARTICULARS	Year ended March 31, 2022	Year ended March 31, 2021
	Amount in Rs.	Amount in Rs.
Auditors remuneration	1,00,000	1,00,000
BSE Listing & Other Charges	-	28,01,110
Communication Expenses (Internet & Telephone)	82,732	17,598
Consultancy /Secretarial Charges	12,99,974	1,80,000
Conference & Promotional Expenses	-	13,795
Electricity Charges	71,069	16,857
Accounting & Internal Audit Fee	-	1,20,000
Interest & Bank Charges	6193	-
Insurance	-	15,241
Legal Consultation Services	-	-
Office maintenance	3,01,125	82,584
Printing & Stationery	-	24,512
Rates & Taxes	-	10,524
Rent	3,50,000	8,40,000
ROC & Other Statutory Compliances Expenses	11,24,532	2,10,546
Repairs & Maintenance	-	60,000
Provision for Bad Debts	-	-
Travelling & conveyance	-	42,861
Commission	11,10,526	-
NSDL Exps	2,45,444	-
Website Renewal Exps	21,059	-
Advertisement Expenses	1,60,360	-
Venture Capital Expenses	3,12,113	-
CSDL Expenses	82,876	-
	<b>52,68,006</b>	<b>45,35,628</b>



## 7SEAS ENTERTAINMENT LIMITED

### 16. Contingent Liabilities: Nil

### 17. Secured Loans:

Working Capital Loan from Indian Overseas Bank: First charge on all current assets by way of hypothecation of all book debts and other current assets of the Company and Collateral Security on open Plot No.38 of 313.33 Sy of Smt. L. UshaKumari in S.No.416/4 at Prabhu Nagar, Poranki, KrishnaDist, and open plot No.8 of 485 Sy of Smt. L. Hemalatha in s.No.404/1 at Poranki, KrishnaDist, AP and personal guarantee given by Directors. Due to non-payment interest on cash credit accounts, the bank has classified cash credit as NPA account.

### 18. Quantitative details:

The Company is engaged in the business of development & maintenance of Computer Software, offshore development and other related services. The production and sale of such software services cannot be expressed in any generic unit and hence it is not possible to give such quantitative details of sales and certain information as required under paragraph 3,4C and 4D of Part II of Schedule VI to the Companies Act, 1956. The details of Conversation of Energy, Technology absorption are given in Directors Report. R&D expenditure is not separately accounted for.

### 19. Related Party Transactions:

List of related parties on which the company is able to exercise control.

#### A. Subsidiaries:

Name of the Subsidiary company-

The Company do not have any Subsidiary.

#### B. Transactions with key management personnel:

Particulars of remuneration and other benefits paid to key management personnel during the year ended March 31, 2022:

(in lakhs)

Details	For the Year 2021-22	For the Year 2020-21
Remuneration to Mr. L. MarutiSanker	6.50	2.83
Remuneration to Mrs. L. Hemalatha	5.00	1.90

### 20. Dues to micro & small-scale industrial undertakings:

As at March 31, 2022 as per available information with the company, there are no dues to small scale Industrial Undertakings.

21. Balances under trade receivable, Loans & Advances and trade payables are subjected to confirmation and reconciliation from respective parties and the classification / grouping of the parties under sundry debtors and creditors are as per the management representation.

### 22. Income taxes:

The provision for taxation includes tax liabilities in India on the company's global income as reduced by exempt incomes and any tax liabilities arising overseas on income sourced from those countries. Due to continuous losses from the past few years the company has not made provision for income tax.

### 23. Segment reporting:

As required by the Accounting Standard (AS 17) "Segment Reporting", the Company is mainly engaged in the area of Gaming Software Development and related services. Hence segment reporting is not applicable to the Company and to the nature of its business.

## 7SEAS ENTERTAINMENT LIMITED

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### 24. Auditors Remuneration:

(In Rupees)

Particulars	For the Year 2021-2022	For the Year 2020-2021
Statutory Audit	1,00,000	1,00,000
Tax Audit	-	-
<b>Total</b>	<b>1,00,000</b>	<b>1,00,000</b>

### 25. Earnings per share:

(In Rupees)

Particulars	For the Year 2021-2022	For the Year 2020-2021
Net profit after tax	2,47,182	<b>1,77,83,815</b>
Weighted average number of equity shares	1,51,35,900	<b>111,10,900</b>
Nominal value of shares	10	<b>10</b>
Earnings per share (basic/diluted)	0.016/0.013	<b>1.60</b>

## 7SEAS ENTERTAINMENT LIMITED

### Note 26 Financial Ratios

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
	Rs.	Rs.
<b>Key ratios</b>		
(a) Current Ratio	<b>0.69</b>	<b>0.02</b>
- Current Assets	3,18,51,264	13,78,066
- Current Liabilities	4,63,98,480	5,91,65,364
(b) Debt-Equity Ratio	<b>NA</b>	-
- Total Debt		-
- Shareholders Equity	15,13,59,000	11,11,09,000
(c) Debt Service Coverage Ratio	<b>NA</b>	<b>NA</b>
-Earnings available for debt service	(34,64,753)	(53,39,481)
-Debt Service		-
(d) Return on Equity Ratio	<b>0.02</b>	<b>1.60</b>
- Net Profits after taxes – Preference Dividend (if any)	2,47,181	1,77,83,815
- Average Shareholder's Equity	1,51,35,900	1,11,10,900
(e) Inventory turnover ratio	<b>NA</b>	<b>NA</b>
- Cost of Goods Sold or Sales		
- Average Inventory		
(f) Trade Receivables turnover ratio	<b>2.89</b>	<b>1.35</b>
- Net Credit sales	51,64,535	1,55,147
- Average Trade Debtors / Accounts receivable	17,87,484	1,15,243
(g) Trade payables turnover ratio,	-	-
- Net Credit Purchases	-	-
- Average Trade Payables	2,56,836	12,51,754
(h) Net capital turnover ratio,	<b>(0.36)</b>	<b>(0.003)</b>
- Net Sales	51,64,535	1,55,147
- Average Working Capital	(1,45,47,215)	(5,77,87,298)
(i) Net profit ratio,	<b>0.05</b>	<b>114.63</b>
- Net profit	2,47,181	1,77,83,815
- Net Sales	51,64,535	1,55,147

For Sathuluri & Co  
Chartered Accountants  
FRN: 006383S

For and on behalf of the Board of Directors of  
7SEAS ENTERTAINMENT LIMITED

S S Prakash  
Partner  
Membership No. 202710

Sd/-  
L MARUTI SANKER  
Managing Director  
DIN: 01095047

Sd/-  
L HEMALATHA  
Director  
DIN: 02226943

Place : Hyderabad  
Date : 20.05.2022



If undelivered please return to:

**7SEAS ENTERTAINMENT LTD.**

5<sup>TH</sup> FLOOR, PLOT NO. 92, 93, 94,  
KAVURI HILLS, MADHAPUR,  
HYDERABAD, TELANGANA, INDIA - 500081.

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