

7SEAS ENTERTAINMENT LIMITED

(Formerly known as 7Seas Technologies Limited)



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

Date: 02.12.2020

Dear Sir/ Madam,

Sub: Submission of Annual report for the FY 2019-20

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)



29th
Annual Report
2019-2020



(Formerly known as 7Seas Technologies Ltd.)

INDIA'S FIRST ISO 9001:2008 Certified Independent Games Development Company.

7SEAS ENTERTAINMENT LTD.

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	-- Whole-Time Director	(DIN: 07233665)
Mrs.C. Sita Visalakshi	-- Independent Director	(DIN: 06380062)
Mr.Narra Venkateswarlu	-- Independent Director	(DIN: 06380062)
Mr. Piduru Raja Sekhar	-- Independent Director	(DIN: 01906209)

COMPANY SECRETARY

Mr. Remo John

REGISTERED OFFICE

Plot No. 60, Flat No. 301, 3rd floor,
"Abhi's Hiranya", Kavuri hills, Madhapur,
Hyderabad-500033, Telangana.

CORPORATE IDENTITY NUMBER :

L72900TG1991PLC013074

AUDITORS

M/s Kamlesh Kumar Bhargava
Chartered Accountants,
235, Adarsh nagar (old # 5-9-22/86)
Hill Fort Road, Hyderabad – 500 063

INTERNAL AUDITOR:

M/s. DVAK & Co., Hyderabad

BANKERS

Indian Overseas Bank
Rajbhavan Road, Hyderabad – 500082.

AUDIT COMMITTEE:

Mr. Piduru Raja Sekhar	- Chairman
Mrs. C. Sita Visalakshi	- Member
Mr. Venkateswarlu Narra	- Member
Mr. B. Mohan Rao	- Member

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NOMINATION & REMUNERATION COMMITTEE:

Mr. Piduru Raja Sekhar - Chairman
Mrs. C. Sita Visalakshi - Member
Mr. Venkateswarlu Narra - Member
Mr. B. Mohan Rao - Member

STAKEHOLDER RELATIONSHIP COMMITTEE:

Mr. Piduru Raja Sekhar - Chairman
Mrs. C. Sita Visalakshi - Member
Mr. Venkateswarlu Narra - Member
Mr. B. Mohan Rao - Member

INDEPENDENT DIRECTORS COMMITTEE:

Mr. Piduru Raja Sekhar - Chairman
Mrs. C. Sita Visalakshi - Member
Mr. Venkateswarlu Narra - 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 - 500 018
Ph.Nos.040-23818475/23818476/23868023
Fax: 040-23868024

LISTED : BSE Limited

ISIN : INE454F01010

WEBSITE : www.7seasent.com

INVESTOR E-MAIL ID : investors@7seasent.com

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NOTICE

Notice is hereby given that the 29th Annual General Meeting of the Shareholders of M/s. 7Seas Entertainment Limited will be held on Monday, the 28th day of December, 2020 at 09.00 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 Sheet as at March 31, 2020, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Reports 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. To appoint M/s. Sathuluri & Co., as Statutory Auditors and to fix their remuneration and for the purpose to consider and if, thought fit, to pass with or without modification(s), the following Ordinary Resolution thereof.

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and provisions of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and pursuant to recommendation of the Audit Committee, M/s. Sathuluri & Co., Chartered Accountants, Hyderabad (Firm Registration No. 006383S), be and is hereby appointed as Statutory Auditors of the Company in place of the resigned auditor M/s. Kamlesh Kumar Bhargava, Chartered Accountant, to hold office for a term of five years from the conclusion of this Annual General Meeting till the conclusion of the 34th Annual General Meeting of the Company to be held in the year 2025, at such remuneration and other terms as specified in the explanatory statement, approved by the Board of Directors of the Company on the recommendation of the Audit Committee.

“RESOLVED FURTHER THAT Mr. L. Maruti Sanker, Managing Director of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto”

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4. TO APPROVE THE RE-APPOINTMENT OF MR. L. MARUTI SANKER AS A MANAGING 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 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Sections 117, 196, 197 and 203 read with Schedule V and Article of Association of the Company as amended from time to time and all other applicable provisions of the Companies Act 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (Including any statutory modification or re-enactment(s) thereof for the time being in force), the approval of the members/shareholders of the Company be and are hereby accorded to approve the terms of re-appointment and remuneration of Mr. L. Maruti Sanker as a Managing Director (Key Managerial Personnel) of the Company, for a period of five years from April 1, 2020 to March 31, 2025 as recommend/ approved by the Nomination & Remuneration Committee, on the terms and conditions including remuneration as set out in explanatory statement annexed to the notice convening this meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be accepted to Mr. L. Maruti Sanker, subject to the same not exceeding the limit specified under Schedule V to the Companies Act, 2013 or any statutory modifications or re-enactment thereof.

“RESOLVED FURTHER THAT in the event of losses or inadequacy of profits during her tenure the Company shall pay to Mr. L. Maruti Sanker, remuneration by way of salaries and allowances as specified above as minimum remuneration and in accordance with the limits specified under the Companies Act, 2013 read with Schedule V to the Companies Act 2013, or such other limit as may be prescribed by the Government from time to time”.

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

5. TO APPROVE THE RE-APPOINTMENT OF MRS. L. HEMALATHA AS A WHOLE TIME DIRECTOR OF THE COMPANY.

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

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“RESOLVED THAT pursuant to the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Sections , 196, 197 and 203 read with Schedule V and Article of Association of the Company as amended from time to time and all other applicable provisions of the Companies Act 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (Including any statutory modification or re-enactment(s) thereof for the time being in force), the approval of the members/shareholders of the Company be and are hereby accorded to approve the terms of re-appointment and remuneration of Mrs. L. Hemalatha as a Whole Time Director of the Company, for a period of five years with retrospective effect from March 28, 2020 to March 27, 2025, as recommend / approved by the Nomination & Remuneration Committee, on the terms and conditions including remuneration as set out in explanatory statement annexed to the notice convening this meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be accepted to Mrs. L. Hemalatha, subject to the same not exceeding the limit specified under Schedule V to the Companies Act, 2013 or any statutory modifications or re-enactment thereof.

“RESOLVED FURTHER THAT in the event of losses or inadequacy of profits during her tenure the Company shall pay to Mrs. L. Hemalatha, remuneration by way of salaries and allowances as specified above as minimum remuneration and in accordance with the limits specified under the Companies Act, 2013 read with Schedule V to the Companies Act 2013, or such other limit as may be prescribed by the Government from time to time”.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all 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
7 Seas Entertainment Limited**

**Place: Hyderabad
Date: 31.08.2020**

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

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NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (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 provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting’s agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

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5. 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.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www. www.7seasent.com](http://www.7seasent.com). The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
7. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business in the Notice is annexed hereto and forms part of this Notice.
8. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
9. The Register of Members and Share Transfer Books of the Company will remain closed from 22.12.2020 to 28.12.2020 (both days inclusive) for the purpose of AGM.
10. Shareholders holding shares in physical form may write to the company/company's R&T agents for any change in their address and bank mandates; shareholders holding shares in electronic form may inform the same to their depository participants immediately, where applicable.
11. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agents (M/s. Venture Capital and Corporate Investments Private Limited)
12. In consonance with the company's sustainability initiatives and Regulation 36 of the SEBI (LODR) Regulations, 2015, the company is sharing all documents with shareholders in the electronic mode, wherever the same has been agreed to by the shareholders. Further The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share

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documents with its shareholders through an electronic mode. Shareholders are requested to support this green initiative by registering/ updating their e-mail addresses for receiving electronic communications. Members holding shares in the same name under different ledger folios are requested to apply for consolidation of such folios and send the relevant share certificates to M/s. Venture Capital and Corporate Investments Private Limited., Share Transfer Agents of the Company for their doing the needful.

13. As per SEBI Notification No. SEBI/LAD-NRO/ GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, w.e.f. April 1, 2019 the transfer of securities of listed companies shall not be processed unless the securities are held in the dematerialized form (Demat) with a depository. Hence, the members of the company are requested to dematerialize their shareholding to avail the benefits of dematerialization. Only the requests for transmission and transposition of securities in physical form, will be accepted by the RTA.
14. 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.
15. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transmission /transposition, Demat / Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.
16. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
17. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories.
18. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

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19. Instructions for e-voting and joining the AGM are as follows:

A. THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING AREAS UNDER:

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Central Depository Services (India) Limited (CDSL) on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.
- II. The remote e-voting period commences on Friday, December 25, 2020 (9:00 a.m. IST) and ends on Sunday, December 27, 2020 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Monday, December 21, 2020 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast 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 during the AGM.
- III. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- V. The details of the process and manner for remote e-voting are explained herein below:
 - (i) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (ii) Click on Shareholders tab
 - (iii) Now Enter your User ID

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- a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none">• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>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.</p> <ul style="list-style-type: none">• 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 (iv).

- (vii) details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form 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 holders for

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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.

- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xi) 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.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvi) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

B. INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER: -

- (i) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

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- (ii) Only those shareholders, who are present in the AGM through VC/OAVM 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.
- (iii) 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/OAVM 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 meeting.

C. NOTE FOR NON – INDIVIDUAL SHAREHOLDERS AND CUSTODIANS:

- (i) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- (ii) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- (iii) 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.
- (iv) The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- (v) 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.
- (vi) 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 Company at the email address viz; info@7seasent.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

D. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING:

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- (i) For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
- (ii) For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company/RTA email id.
- (iii) The company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

E. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- (i) Shareholder will be provided with a facility to attend the EGM/AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- (ii) Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
- (iii) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- (iv) 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.
- (v) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at company email id viz; info@7seasent.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.

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20. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.
21. 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 or call 1800225533.
22. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
23. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website 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.

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

**Place: Hyderabad
Date: 31.08.2020**

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

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EXPLANATORY STATEMENT

[Pursuant to Section 102 of the Companies Act, 2013]

Item No.3

M/s. Sathuluri & Co, is a Chartered Accountant Firm registered with Institute of Chartered Accountants of India with Firm Registration No. 006383S) and has established in the year of 1993. The Firm provides range of services which include Audit & Assurance, Taxation, Accounting and Risk Advisory

M/s. Sathuluri & Co, Chartered Accountants, have conveyed their consent to be appointed as the Statutory Auditors of the company along with the confirmation that, their appointment, if approved by the shareholders, would be within the limits prescribed under the Companies Act, 2013.

Considering the above and their eligibility to be appointed as the statutory auditor for term of five (5) years under the applicable provisions of Guidelines issued by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013, the Board of Directors, Pursuant to recommendation of the Board Audit Committee, had approved the appointment of M/s. Sathuluri & Co, as a statutory auditor for term of five (5) years.

In terms of requirements of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended effective April 1, 2019, details of proposed remuneration and credentials of the Statutory Auditors are provided below:

- a) It is proposed to pay remuneration of Rs.1,00,000/- towards statutory audit, quarterly standalone financial results and limited review reports along with the issuance of certificates in accordance with guidelines laid down by SEBI and Companies Act, 2013 for financial year 2020-21 aggregating to Rs.1,00,000/- plus applicable taxes along with out-of-pocket expenses and such remuneration and expenses thereafter as may be mutually agreed between the Company and the said Statutory Auditors.
- b) There is an increase in the fees payable to M/s. Sathuluri & Co, Chartered Accountants from the fees paid to outgoing Auditor M/s Kamlesh Kumar Bhargava, Chartered Accountants as because of scope of work. The Board, including relevant committee(s) thereof, shall be given the power to agree, alter and vary the terms and conditions of such appointment, remuneration etc. In addition to the above and in accordance with the provisions of the Act, the Board / committees thereof, may approve other services, as deemed appropriate, and

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remuneration for such services as required by law or otherwise, subject to the provisions of section 144 of the Act 2013.

- c) M/s. Sathuluri & Co, is a Chartered Accountancy Firm registered with Institute of Chartered Accountants of India with Firm registration Number 006383S. The Firm provides range of services which include Audit & Assurance, Taxation, Accounting Risk Advisory, Income Tax, Commercial Tax, Service Tax and other Tax matters of Sole Proprietors, Partnership Firms, Corporates and other business and non-business entities (Societies, Trusts etc.) and Liaison with banks for approval of Working capital limits, Term Loans for SME & Mid Corporate clients.

Your Board of Directors recommend to pass the resolution for appointment of Statutory Auditors, as an Ordinary Resolution as set out at item no. 3 of the Notice.

None of the Directors, Key Managerial Personnel and their relatives are in any way, interested or concerned in this resolution.

Item No.4

Mr. L. Maruti Sanker was Re-appointed as a Managing Director in 24th Annual General Meeting of the Company w.e.f. 01.04.2015 for a period of 5 year. In his able leadership the performance of the Company has been satisfactory. The present terms of appointment of Mr. L. Maruti Sanker is expiring on 31.03.2020 and it would be appropriate to re-appoint him from April 1, 2020 for a period of 5 years. The Board of Director of the Company at its meeting held on 22.06.2020 and on the recommendation of the Nomination and Remuneration Committee in its meeting held on 22.06.2020, re-appointment of Mr. L. Maruti Sanker as a Managing Director (KMP) of the Company subject to the approval of members/shareholders of the Company in Annual General Meeting to be held on Thursday, 24th day of September, 2020 as a Special Resolution for a period of three years from April 1, 2020 to March 31, 2025 at the remuneration, in accordance with norms laid down in Schedule V and other applicable provisions of Companies act, 2013 and rules made thereunder. The information in respect of terms of remuneration & perquisites is given below:

Save and except Mr. L. Maruti Sanker Managing Director and Mrs. L. Hemalatha Whole-Time Director being her relative, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

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Information in accordance with Schedule V of Companies Act, 2013

I. General Information

1	Nature of Industry: Gaming			
2	Date or expected date of commencement of commercial: The Company started its commercial operations in the year 1991.			
3	In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects: Not Applicable			
4	Financial performance based on given indications			
	Particulars	2019-20 (Rs. in lakhs)	2018-19 (Rs. in lakhs)	2017-18 (Rs. in lakhs)
	Turnover	5.16	19.98	134.33
	Net profit/loss after Tax	-154.64	-1133.46	-61.21
5	Foreign investments or collaborations, if any: Not Applicable			

II. INFORMATION ABOUT THE APPOINTEE:

1.	Background Details: Mr. L. Maruti Sanker is a B. Tech and MBA. He is the Managing Director of the Company and is actively involved in the areas of operations & Information Technology.
2.	Past Remuneration: The remuneration drawn by Mr. L. Maruti Sanker, Managing Director is Rs. 2,50,000 /- per month.
4.	Job Profile and his suitability: Keeping in mind the background details, past record and proficiency of Mr. L. Maruti Sanker, the Board is of the view that she is the most suitable person for the job.
5.	Remuneration proposed: There is no proposal for immediate increase of remuneration in the ensuing AGM. However, the Board is empowered to deal with the remunerations within the limits as prescribed in the Schedule V of the Companies Act, 2013.
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position: Taking into consideration of the size of the Company, the profile of Mr. L. Maruti Sanker and the responsibilities shouldered on her, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial positions in other companies.

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7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any: he is holding 44,59,764 Equity Shares of the Company.
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Item No.5

Pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, Mrs. L. Hemalatha was appointed earlier as a Whole time Director of the Company at the 24th Annual General Meeting held on 30th September, 2015 for a period of 5 (five) consecutive years which ends on 27th March, 2020.

As per the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their respective meetings and pursuant to the provisions of Sections 196, 197 read with Schedule V and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the LODR Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Members of the Company be and is hereby sought for re-appointment of Mrs. L. Hemalatha as a Whole time Director of the Company for a further term of 5 (five) years w.e.f. 28th March, 2020 to 27th March, 2025 and shall be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013 at the present remuneration of Rs. 1,50,000/- per month.

Save and except Mr. L. Maruti Sanker Managing Director and Mrs. L. Hemalatha Whole-Time Director being her relative, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

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Information in accordance with Schedule V of Companies Act, 2013

I. General Information

1	Nature of Industry: Gaming			
2	Date or expected date of commencement of commercial: The Company started its commercial operations in the year 1991.			
3	In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects: Not Applicable			
4	Financial performance based on given indications			
	Particulars	2019-20 (Rs. in lakhs)	2018-19 (Rs. in lakhs)	2017-18 (Rs. in lakhs)
	Turnover	5.16	19.98	134.33
	Net profit/loss after Tax	-154.64	-1133.46	-61.21
5	Foreign investments or collaborations, if any: Not Applicable			

II. INFORMATION ABOUT THE APPOINTEE:

1.	Background Details: Mrs. L. Hemalatha is a B.Sc Graduate, with an experience of around 8 years in game testing field.
2.	Past Remuneration: The remuneration drawn by Mrs. L. Hemalatha, Whole-Time Director and CFO is Rs. 1,50,000 /- per month.
3.	Recognition or awards: Not Applicable
4.	Job Profile and his suitability: Keeping in mind the background details, past record and proficiency of Mrs. L. Hemalatha, the Board is of the view that she is the most suitable person for the job.
5.	Remuneration proposed: There is no proposal for immediate increase of remuneration in the ensuing AGM. However, the Board is empowered to deal with the remunerations within the limits as prescribed in the Schedule V of the Companies Act, 2013.
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position: Taking into consideration of the size of the Company, the profile of Mrs. L. Hemalatha and the responsibilities shouldered on her, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial positions in other companies.

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7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any: She is holding 4,00,000 Equity Shares of the Company.
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**For and on behalf of the Board
7 Seas Entertainment Limited**

**Place: Hyderabad
Date: 31.08.2020**

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

7SEAS ENTERTAINMENT LTD.

DIRECTORS' REPORT

To the Members,

M/s.7seas Entertainment Limited

Hyderabad, Telangana, India

The Directors have pleasure in presenting before you the Directors Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2020.

1. Financial summary/highlights:

The performance during the period ended 31st March, 2020 has been as under:

(Amount In Rs.)

Particulars	2019-20	2018-19
Turnover/Income (Gross)	5.16	19.98
Other Income	-	-
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	(25.52)	(1002.17)
Less: Depreciation/ Amortization/ Impairment	72.88	62.41
Profit /loss before Finance Costs, Exceptional items and Tax Expense	(81.76)	(1071.05)
Less: Finance Costs	56.24	68.88
Profit /loss before Exceptional items and Tax Expense	(154.64)	(1133.45)
Add/(less): Exceptional items	-	-
Profit /loss before Tax Expense	(154.64)	(1133.45)
Less: Tax Expense (Current & Deferred)	-	-
Profit /loss for the year (1)	(154.64)	(1133.45)
Total Comprehensive Income/loss (2)	-	-
Total (1+2)	(154.64)	(1133.45)
Balance of profit /loss for earlier years	(2855.19)	(1721.74)
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	(3009.84)	(2855.19)

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

During the year under review, the Company has recorded an income of Rs. 5.16 Lakhs and profit / Loss of Rs. (154.64) Lakhs as against the income of Rs. 19.98 Lakhs and loss of Rs. 1133.45 Lakhs in the previous financial year ending 31.03.2019.

3. Impact of covid-19 on the performance:

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues and investment in subsidiaries. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

4. Dividend:

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

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. 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.

7. 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

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going concern status and company's operations in future.

8. 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 2020.

9. Details of utilization of funds:

During the year under review, the Bank has not raised any funds through Preferential Allotment or Qualified Institutions Placement as specified under Regulation 32(7A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

10. Details of Nodal Officer:

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

11. Revision of financial statements:

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

12. Change in the nature of business, if any:

During the period under review and the date of Board's Report there was no change in the nature of Business.

13. Deposits from public:

The Company has not accepted any public deposits during the Financial Year ended March 31, 2020 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, 2020, there has been no non-compliance with the requirements of the Act.

14. Depository System:

SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 mandate that the transfer, except transmission and transposition, of securities shall be carried out in dematerialized form only with effect from 1st April 2019. In view of the numerous advantages offered by the

Depository system as well as to avoid frauds, members holding shares in physical mode are advised to avail of the facility of dematerialization from either of the depositories. The Company has, directly as well as through its RTA, sent intimation to shareholders who are holding shares in physical form, advising them to get the shares dematerialized.

15. Independent director's familiarization programmes:

Independent Directors are familiarized about the Company's operations and businesses and financial performance of the Company, 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 Chairman is further facilitated to familiarize the incumbent Director about the Company/its businesses and the group practices.

The details of familiarisation programme held in FY 2019-20 are also disclosed on the Company's website and its web link is <http://www.7seasent.com>

16. Board Evaluation

The Board of Directors of the Company carried out annual evaluation of its own performance, Committees of the Board and individual Directors pursuant to various provisions under the Act, Regulation 17, 19 and Schedule II of the Listing Regulations, , the SEBI circular dated January 5, 2017, circular dated January 10, 2019, which provides further clarity on the process of Board Evaluation ("SEBI Guidance Note") and SEBI circular dated February 5, 2019.

The Company has implemented a system of evaluating performance of the Board of Directors and of its Committees and individual Directors on the basis of a structured questionnaire which comprises evaluation criteria taking into consideration various performance related aspects.

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

17. Number of Board the Meetings:

During the year, Five (5) meetings of the Board of Directors of the Company were convened and held in accordance with the provisions of the Act. date(s) of the Board Meeting, attendance by the directors are given in the Corporate Governance Report forming an integral part of this report.

18. 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 has been enumerated in Corporate Governance report.

19. Audit Committee Recommendations:

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

20. Directors and key managerial personnel:

As on date of this report, the Company has Six Directors, out of those three are Independent Directors and one non-executive Director and two executive Directors including one Woman Independent Director.

- a) Appointment of Directors of the Company:
- (i) Re-appointment of Mr. Maruti Sanker as managing director of the company with effect from April 1, 2020 to March 31, 2025;
 - (ii) Re- appointment of Mrs. L. Hemalatha as Whole Time director of the company with effect from March 28, 2020 to March 27, 2025;
 - (iii) Mr. B. Mohan Rao as non-independent and non-executive Director, retires by rotation and being eligible, offers himself for re-appointment.
 - (iv) 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 appointment at the Meeting is given below:

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Name of the Director	Mr. L. Maruti Sanker	Mrs. L. Hemalatha	Mr. B. Mohan Rao
Date of Birth	30-12-1973	30-10-1980	11-06-1972
Qualification	B. Tech and MBA	B.Sc Graduate,	B. Tech graduate
Brief Resume	He is the Managing Director of the Company and is actively involved in the areas of operations & Information Technology	She is a B.Sc Graduate, with an experience of around 8 years in game testing field.	He is a B. Tech graduate with experience in related field.
Expertise in specific functional areas	Games, Information Technology, Operations, marketing, Human Resources	game testing field and administration	Administration and Marketing
Names of Listed entities in which the person also holds the directorship and the membership of Committees of the board	Member of Risk Management Committee, of the Company	Member of Risk Management Committee, of the Company	Member of Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee of the Company
No. of Shares held in the Company	44,59,764	4,00,000	5,00,000
Inter se relationship with any Director	Spouse of Mrs. L. Hemalatha, Whole Time Director	Spouse of Mr. Maruti Sanker, Managing Director	--

b) Key Managerial Personnel:

Key Managerial Personnel for the financial year 2019-20

- Mr. L. Maruti Sanker, Managing Director of the company.
- Mrs. L. Hemalatha, Whole Time Director cum Chief financial officer of the company.

- Mr. Remo John, Company Secretary of the Company.

21. Indian Accounting Standards:

The Ministry of Corporate Affairs vide its notification dated 16th February, 2015 has notified the Companies (Indian Accounting Standards) Rules, 2015. In pursuance of the said notification, the Company adopts Indian Accounting Standards with effect from 01st April, 2017. The implementation of Indian Accounting Standards (IAS) is a major change process for which the Company has set up a dedicated team and is providing desired resources for its completion within the time frame. The impact of the change on adoption of said IAS is being assessed.

22. Statutory audit and auditors report:

The existing auditors Mr. Kamlesh Kumar Bhargava resigned at the ensuing Annual General Meeting. Accordingly, the appointment of M/s. SATHULURI & CO., as statutory auditors of the Company, in place of resigning auditors is placed for approval by the shareholders. The Auditors' Report for fiscal 2020 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 Standalone audited financial results of the Company for the Financial Year ended March 31, 2020 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 the Internal Auditor of the Company on quarterly basis by M/s. DVAK & Co., the Internal Auditor of the Company.

Deviations are reviewed periodically and due compliance 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 Board. There were no adverse remarks or qualification on accounts of the Company from the Internal Auditor.

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The Board has re-appointed M/s. DVAK & Co., Chartered Accountants, Hyderabad as Internal Auditors for the Financial Year 2020-21.

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. Sathwik & Associates, Practicing Company Secretaries (CP No. 16937) as the Secretarial Auditor of the Company, for conducting the Secretarial Audit for financial year ended March 31, 2020

The Secretarial Audit was carried out by M/s. Sathwik & Associates, Practicing Company Secretaries (CP No. 16937) for the financial year ended March 31, 2020. The Report given by the Secretarial Auditor is annexed herewith as Annexure-1 and forms integral part of this Report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark except under suspension on BSE due to penal reasons.

The Company is under suspension on BSE due to penal reasons. However, the Company has been working aggressively towards revoking the company from suspension. The Board assures that all due efforts are being made to revoke the company from suspension and so shall be done soon.

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 May 14, 2019, was given by M/s. Sathwik & Associates, Practicing Company Secretary which was submitted to Stock Exchanges with In stipulated Time end of the financial year.

The Secretarial Compliance Report does not contain any qualification, reservation or adverse remark except the company got suspended from trading by BSE Limited due to certain compliances delay in submissions of the previous financial year.

The Company is under suspension on BSE due to penal reasons. However, the Company has been working aggressively towards revoking the company from suspension. The Board assures that all due

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efforts are being made to revoke the company from suspension and so shall be done soon.

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. Compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

In compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has signed uniform listing agreement with ASE Limited and framed the following policies which are available on Company's website i.e. www.7seasent.com

- Board Diversity Policy
- Policy on preservation of Documents
- Risk Management Policy
- Whistle Blower Policy
- Familiarisation programme for Independent Directors
- Anti Sexual Harrassment Policy
- Related Party Policy
- Code of Conduct

28. 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.

29. No Frauds reported by statutory auditors:

During the Financial Year 2019-20, 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.

30. 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 Act, as on March 31, 2020.

31. 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

32. Management discussion and analysis report:

Management discussion and analysis report for the year under review as stipulated under Regulation 34 (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- 2 to this report.

33. 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.

34. 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-3.

35. Extract of Annual Return:

Pursuant to Sections 92 & 134(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return in Form MGT-9 is provided in Annexure -E to this Report and is also available on the Company's website URL: <https://www.7seasent.com>

36. Authorised and paid up capital of the company:

The authorized capital of the company stands at Rs. 11,25,00,000/- divided into 1,12,50,000 equity shares of Rs.10/- each. The company's paid up capital is Rs. 11,11,09,000/- divided into 1,11,10,900 equity shares of Rs. 10/- each.

37. Declaration of independence:

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with criteria of independence as prescribed both 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 attached as Annexure-4.

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. They have also confirmed that they will appear for the online proficiency test within a period of one year, wherever applicable.

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

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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).

38. Director's Responsibility Statement:

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external agencies including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by the management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and operating effectively during the financial year 2019-20.

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, 2020:

- a) in the preparation of the annual accounts for the financial year ended 31 March 2020, 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 2020 and of the profit and loss of the Company for the financial year ended 31 March 2020 ;
- 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.

39. Vigil Mechanism/Whistle Blower Policy:

The Board of Directors have formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177(10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations. The Company promotes ethical behaviour and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil Mechanism and Whistle-blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. Employees may report their genuine concerns to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

The policy provides for adequate safeguards against the victimisation of the employees who use the vigil mechanism. The details of establishment of such mechanism has been disclosed on the website www.7seasent.com

40. 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.

41. 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.

42. Insurance:

The properties and assets of your Company are adequately insured.

43. 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.

44. 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.

45. 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 2019-20, 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.

In line with the provisions of Section 177 of the Act read with the Companies (Meetings of the Board and its Powers) Rules, 2014, omnibus approval for the estimated value of transactions with the related parties for the financial year is obtained from the Audit Committee. The transactions with the related parties are routine and repetitive in nature.

The summary statement of transactions entered into with the related parties pursuant to the omnibus approval so granted are reviewed and 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

7SEAS ENTERTAINMENT LTD.

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- 5 to this report.

46. 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

47. 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.

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.

48. 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.

49. Employee Relations and Remuneration:

Your Directors are pleased to record their sincere appreciation of the contribution by the staff at all levels in the improved performance of the Company.

None of the employees is drawing Rs. 8,50,000/- and above per month or Rs.1,02,00,000/- and above in aggregate per annum, the limits prescribed under Section 197(12) of Companies Act 2013 read with Rule 5 of Companies(Appointment & Remuneration Of Managerial Personnel) Rules, 2014.

50. Failure to implement corporate actions:

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

51. 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.

52. 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.

53. 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 and Amended Regulations 2018. 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, as well as the consequences of violation. 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.

54. 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.

55. 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-6.

56. Prevention of sexual harassment at workplace:

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition, and Redressal of Sexual Harassment at workplace.

This is in line with provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('POSH Act') and the Rules made thereunder. With the objective of providing a safe working environment, all employees (permanent, contractual, temporary, trainees) are covered under this Policy. The policy is available on the website at www.7seasent.com.

As per the requirement of the POSH Act and Rules made thereunder, the Company has constituted an Internal Committee at all its locations known as the Prevention of Sexual Harassment (POSH) Committees, to inquire and redress complaints received regarding sexual harassment. During the year under review, there were no Complaints pertaining to sexual harassment.

57. 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 29th 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.

58. Event Based Disclosures

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

- a. Issue of sweat equity share: NA
- b. Issue of shares with differential rights: NA
- c. Issue of shares under employee's stock option scheme: NA
- d. Disclosure on purchase by Company or giving of loans by it for purchase of its shares: NA
- e. Buy back shares: NA
- f. Disclosure about revision: NA
- g. Preferential Allotment of Shares: NA

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59. 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.

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.

Name of the policy	Brief Description	Website link
Board Diversity Policy	7Seas Technologies Limited, 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.	https://www.7seasent.com .

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Nomination and Remuneration Policy	This policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director (executive / non-executive) and also the criteria for determining the remuneration of the Directors, key managerial personnel and other employees.	https:// www.7seasent.com .
Related Party Transaction Policy	The policy regulates all transactions between the Company and its related parties	https:// www.7seasent.com .

61. 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.

62. Appreciation & acknowledgement:

Your Directors wish to place on record their appreciation of the contribution made by the employees at all levels, for the continued growth and prosperity of your Company.

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

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

Sd/-

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

Sd/-

**L. Hemalatha
Whole-Time Director
(DIN: 02226943)**

**Place: Hyderabad
Date: 31.08.2020**

7SEAS ENTERTAINMENT LTD.

CODE OF CONDUCT

The Company has formulated and implemented a Code of Conduct for Board Members and Senior Management of the Company. Requisite annual affirmations of compliance with the respective Codes have been made by the Directors and Senior Management of the Company.

Certificate of Code of Conduct for the year 2019-20 as per Regulation 17(5) read with Regulation 34(3) Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

7Seas Entertainment Limited is committed for conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. The Company has adopted a “Code of Ethics and Business Conduct” which is applicable to all director, officers and employees.

I hereby certify that all the Board Members and Senior Management have affirmed the compliance with the Code of Ethics and Business Conduct, under a certificate of Code of Conduct for the year 2019-20.

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

**Place: Hyderabad
Date: 31.08.2020**

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

7SEAS ENTERTAINMENT LTD.

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
7Seas Entertainment Limited

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance of conditions of corporate governance by 7Seas Entertainment Limited ("the company") for the year ended 31st March, 2020 as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) with BSE Limited.

The compliance of the conditions of the corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the company for ensuring compliance with the conditions of Corporate Governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statements of the company.

In my opinion and to the best of my information and according to our examination of the relevant records and the explanations given to me and the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of the Schedule V of the Listing Regulations during the period ended March 31, 2020.

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

For Kamlesh Kumar Bhargav

Sd/-

**Kamlesh Kumar Bhargav
Partner
Membership No. 016307**

**Place: Hyderabad
Date: 31.08.2020**

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DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

As per Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company hereby discloses the details of unpaid/unclaimed dividend and the respective share thereof as follows:

Aggregate No. of Shareholders and the outstanding shares in the suspense account at the beginning of the year.	No. of shareholders who approached the company for transfer of shares from suspense account during the year.	No. of shareholders to whom shares were transferred from suspense account during the year.	Aggregate No. of Shareholders and the outstanding shares in the suspense account at the end of the year.
NIL	NIL	NIL	NIL

*** Voting Right on these shares shall remain frozen till the rightful owner of such shares claims the shares.*

Note: The Company has never declared dividends since its inception and therefore there is no amount lying in unpaid/unclaimed dividend account.

7SEAS ENTERTAINMENT LTD.

CERTIFICATE BY THE WHOLE-TIME DIRECTOR/CFO OF THE COMPANY

To
The Board of Directors
7Seas Entertainment Limited

Dear Sirs,

As required under Regulation 17(8) read with Part B, Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we state that:

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March 2020 and to the best of our knowledge and belief;
 - a. These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
 - b. These statements present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of my knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls, I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the audit committee, deficiencies in the design or the operation of internal controls, if any, of which I was aware and the steps that I have taken or propose to take and rectify the identified deficiencies and,
4. That we have informed the auditors and the audit committee of:
 - a) Significant changes in the internal control during the year;
 - b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c) Instances of significant fraud of which we have become aware and the involvement of any employee having a significant role in the company's internal control system.

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

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

**Place: Hyderabad
Date: 31.08.2020**

7SEAS ENTERTAINMENT LTD.

DECLARATION FROM INDEPENDENT DIRECTORS

To

The Board of Directors

M/s. 7Seas Entertainment Limited

Sub: Declaration of Independence under Sub-Section (7) of Section 149 of the Companies Act, 2013 and in accordance with the Provisions of Sub-Regulation (8) of Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I, C. Sita Visalakshi, hereby declare that I am an Independent Director of 7Seas Entertainment Limited and comply with all the criteria of Independent Director envisaged under Sub-section (6) of Section 149 read with IV of the Companies Act, 2013 and Sub-Regulation (b) of Regulation 16 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. I further certify that:

1. I am/was not a promoter of the company or its holding, subsidiary or associate company;
2. I am/was not related to promoters or directors in the company, its holding, subsidiary or associate company;
3. Apart from receiving director sitting fees/remuneration, I have/had no material pecuniary relationship / transactions, with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year.
4. None of my relatives
 - a. is holding any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year:
 - b. is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such amount as may be prescribed during the two 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 company, its holding, subsidiary or associate company or their promoters, or directors of such holding

7SEAS ENTERTAINMENT LTD.

company, for such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;

- d. has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (a), (b) or (c);
- e. has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year;

5. Neither me nor my relatives

- a. holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - b. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of
 - i. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - ii. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
 - iii. holds together with my relatives 2% or more of the total voting power of the company; or.
 - iv. is a Chief Executive or director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
6. I am not below the age of 21 Years.
7. I am not material supplier, service provider or customer or a lessor or lessee of the Listed Entity.

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8. I am 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.

Further I declare that pursuant to Provisions of Section 150 of the Companies Act, 2013 read with Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014 I have applied online with the Institute for inclusion of my name in the data bank.

Thanking you.
Yours Faithfully,

Sd/-
C.Sita Visalakshi
(Independent director)

Date: 31.08.2020
Place: Hyderabad

7SEAS ENTERTAINMENT LTD.

DECLARATION FROM INDEPENDENT DIRECTORS

To

The Board of Directors

M/s. 7Seas Entertainment Limited

Sub: Declaration of Independence under Sub-Section (7) of Section 149 of the Companies Act, 2013 and in accordance with the Provisions of Sub-Regulation (8) of Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I, N. Venkateswarlu, hereby declare that I am an Independent Director of 7Seas Entertainment Limited and comply with all the criteria of Independent Director envisaged under Sub-section (6) of Section 149 read with IV of the Companies Act, 2013 and Sub-Regulation (b) of Regulation 16 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. I further certify that:

1. I am/was not a promoter of the company or its holding, subsidiary or associate company;
2. I am/was not related to promoters or directors in the company, its holding, subsidiary or associate company;
3. Apart from receiving director sitting fees/remuneration, I have/had no material pecuniary relationship / transactions, with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year.
4. None of my relatives
 - a. is holding any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year:
 - b. is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such amount as may be prescribed during the two 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 company, its holding, subsidiary or associate company or their promoters, or directors of such holding

7SEAS ENTERTAINMENT LTD.

company, for such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;

- d. has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (a), (b) or (c);
- e. has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year;

5. Neither me nor my relatives

- a. holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - b. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of
 - i. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - ii. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
 - iii. holds together with my relatives 2% or more of the total voting power of the company; or.
 - iv. is a Chief Executive or director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
6. I am not below the age of 21 Years.
7. I am not material supplier, service provider or customer or a lessor or lessee of the Listed Entity.

7SEAS ENTERTAINMENT LTD.

8. I am 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.

Further I declare that pursuant to Provisions of Section 150 of the Companies Act, 2013 read with Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014 I have applied online with the Institute for inclusion of my name in the data bank.

Thanking you.
Yours Faithfully,

Sd/-
N. Venkateswarlu
(Independent director)

Date: 22.06.2020
Place: Hyderabad

7SEAS ENTERTAINMENT LTD.

DECLARATION FROM INDEPENDENT DIRECTORS

To

The Board of Directors

M/s. 7Seas Entertainment Limited

Sub: Declaration of Independence under Sub-Section (7) of Section 149 of the Companies Act, 2013 and in accordance with the Provisions of Sub-Regulation (8) of Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I, P. Raja Sekhar, hereby declare that I am an Independent Director of 7Seas Entertainment Limited and comply with all the criteria of Independent Director envisaged under Sub-section (6) of Section 149 read with IV of the Companies Act, 2013 and Sub-Regulation (b) of Regulation 16 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. I further certify that:

1. I am/was not a promoter of the company or its holding, subsidiary or associate company;
2. I am/was not related to promoters or directors in the company, its holding, subsidiary or associate company;
3. Apart from receiving director sitting fees/remuneration, I have/had no material pecuniary relationship / transactions, with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year.
4. None of my relatives
 - a. is holding any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year:
 - b. is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such amount as may be prescribed during the two 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 company, its holding, subsidiary or associate company or their promoters, or directors of such holding

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company, for such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;

- d. has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (a), (b) or (c);
- e. has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year;

5. Neither me nor my relatives

- a. holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - b. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of
 - i. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - ii. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
 - iii. holds together with my relatives 2% or more of the total voting power of the company; or.
 - iv. is a Chief Executive or director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
6. I am not below the age of 21 Years.
7. I am not material supplier, service provider or customer or a lessor or lessee of the Listed Entity.

7SEAS ENTERTAINMENT LTD.

8. I am 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.

Further I declare that pursuant to Provisions of Section 150 of the Companies Act, 2013 read with Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014 I have applied online with the Institute for inclusion of my name in the data bank.

Thanking you.
Yours Faithfully,

Sd-
P. Raja Sekhar
(Independent director)

Date: 22.06.2020
Place: Hyderabad

7SEAS ENTERTAINMENT LTD.

ANNEXURE-IV

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 31ST MARCH, 2020

To

The Members of

M/s. 7Seas Entertainment Limited

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

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of audit, we hereby report that in our opinion, the company has, during the financial year commencing from 1st April, 2019 and ended 31st March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st of March, 2020 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under for specified sections notified and came into effect on various dates;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;

7SEAS ENTERTAINMENT LTD.

3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. 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;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 **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.7seasent.com.**
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, **2018. Not Applicable as there was no reportable event during the financial year under review;**
 - d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. **Not Applicable as the Company has not issued any debt securities during the year under review.**
 - e. 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.**
 - f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable as the company has not delisted/ proposed to delist its equity shares during the year under review.**
 - g. 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.**

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- h. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable as the Company has not issued any ESOPS during the year under review.**
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
6. We 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. Listing Agreements entered into by the Company with BSE Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - c. The company has framed various policies and displayed the same on the company's website i.e., www.7seasent.com
 - Board Diversity Policy
 - Policy on Preservation of Documents
 - Risk Management Policy
 - Whistle Blower Policy
 - Related Party Transaction Policy
 - Familiarization programme for Independent Directors.
 - Nomination and Remuneration Policy
7. The Management has identified and confirmed the following laws as being specifically applicable to the Company:
 - a. Information Technology Act, 2000 and the rules made thereunder.
 - b. Software Technology Parks of India rules and regulations.
 - c. Labour laws and Incidental laws related to Labour and Employees appointed by the Company either on its payroll or on contractual basis as related to Wages, Gratuity, Provident Fund , ESIC , Compensation etc.,
 - d. Clearance from Various Local Authorities.

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8. 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.
9. 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 complied by 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.
10. 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.
- 11. We further report that:-**
 - i. The company has a Company Secretary namely Mr. Remo John.
 - ii. The Company has a Chief Financial Officer Namely Mrs. L. Hemalatha.
 - iii. The Company has a appointed M/s. DVAK & Co., internal auditors during the financial year 2019-20.
12. During the year the Company has conducted 5 Board Meetings, 4 Audit Committee Meetings, 4 Stakeholder Committee Meetings, 2 Nomination Remuneration Committee Meetings and 1 Independent Director's Meeting, and We have also examined compliance with the applicable clauses of the following:
13. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors; Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out

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in compliance with the provisions of the Act.

14. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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 for meaningful participation at the meeting.
15. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.
16. We further report that based on the review of the compliance/ certificates of the Company Secretary which were taken on record by the Board of Directors, 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.
17. We further report that during the audit period there was no event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.
18. The Company is under suspension on BSE due to penal reasons. However, the Company has been working aggressively towards revoking the company from suspension. The Board assures that all due efforts are being made to revoke the company from suspension and so shall be done soon.

For Sathwik & Associates

Sd/-

Doddapaneni Sathwik

Proprietor

C.P.No: 16937

Place: Hyderabad

Date: 31.08.2020

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Annexure

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 records 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 Sathwik & Associates

Sd/-

Doddapaneni Sathwik

Proprietor

C.P.No: 16937

Place: Hyderabad

Date: 31.08.2020

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 as follows:

1. Company's Philosophy on Corporate Governance:

Company's endeavour 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.

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. 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

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, 2020, the Company's Board comprised of six Directors, three promoter Directors including one woman Director. In addition, there are three independent Directors 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:

- a) 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.
- b) Behavioural skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.
- c) Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making.
- d) Financial and Management skills.
- e) Technical / Professional skills and specialized knowledge in relation to Company's business.

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 Five (5) times during the financial year, on May 28, June 08, August 12, November 14, in 2019 and February 14 in 2020. The maximum time gap between any two meetings was less than four months. 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

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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**.

Name of Director	Category of Directorship	Number of Directorships In other Companies (excluding private companies)	Number of Board Committee memberships held in other Companies		Attendance Particulars		
			Member	Chair man	Last AGM 30.09.2019	Board meetings '19-20'	
						held	Attend ed
Mr. L. Maruti Sanker	Managing Director	--	1	1	Yes	5	5
Mrs. L. Hemalatha	Whole-Time Director	--	1	--	Yes	5	5
Mr. B. Mohan Rao	Non Executive & Non independent Director	--	3	--	Yes	5	5
Mr.N.Venkateswarlu	Non Executive & independent Director	--	3	--	Yes	5	5
Mr.P. Raja Sekhar	Non Executive & independent Director	--	3	3	Yes	5	5
Mrs. Sita Visalakshi Chimakurthy	Non Executive & independent Director	--	3	3	Yes	5	5

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.

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- Annual business plan
 - 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
 - Expansion projects and its status monitoring.
 - 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 2019-20, 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 familiarisation program during the year, is placed on its website viz., 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:

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 2019-20 on February 14, 2020, 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 14, 2020, mainly to review the performance of Independent Directors and the Chairman & Managing Director 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.

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- (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, brining 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	4.60
Individual Directors	
Mr. L. Maruti Sanker	4.95
Mrs. L. Hemalatha	4.94
Mr. B. Mohan Rao	4.90
Mrs.C. Sita Visalakshi	4.98
Mr.Narra Venkateswarlu	4.56
Mr. Piduru Raja Sekhar	4.50
Audit Committee	5.00
Stakeholder Relationship Committee	4.93
Nomination & Remuneration Committee	4.92
Risk Management Committee	4.26

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

Observations of Board evaluation carried out for the year	No observations.
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.

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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: - Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
- 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. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- iv. Approval of payment to statutory auditors for any other services rendered by them.
- v. 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 Companies Act, 2013;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) Significant adjustments made in the financial statements arising out of audit findings;
 - (e) Compliance with listing and other legal requirements relating to financial statements
 - (f) Disclosure of any related party transactions;
 - (g) Modified opinion(s) in the draft audit report;

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- vi. Review of the quarterly and half yearly financial results with the management and the statutory auditors;
- vii. Examination of the financial statement and the auditors' report thereon;
- viii. Review and monitor statutory auditor's independence and performance and effectiveness of audit process;
- ix. Approval or any subsequent modification of transactions with related parties;
- x. Scrutiny of inter-corporate loans and investments;
- xi. Review of valuation of undertakings or assets of the company wherever it is necessary;
- xii. Evaluation of internal financial controls and risk management systems;
- xiii. 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;
- xiv. 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;
- 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. Consideration of the reports of the internal auditors and discussion about their findings with the management and suggesting corrective actions wherever necessary;
- 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. Review and monitor the end use of funds raised through public offers and related matters;
- xx. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;

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- xxi. Frame and review policies in relation to implementation of the Code of Conduct for Prevention of Insider Trading and supervise its implementation under the overall supervision of the Board;
- xxii. Discharge such duties and functions as indicated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 and the rules made thereunder from time to time.
- i. Review of the following information:
- management discussion and analysis of financial condition and results of operations;
 - statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - management letters / letters of internal control weaknesses issued by the statutory auditors;
 - internal audit reports relating to internal control weaknesses;
 - The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
 - Statement of deviations as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to Stock Exchange(s) in terms of Regulation 32(1).
 - Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus / notice in terms of Regulation 32(7).
 - The Audit Committee of the listed holding company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary company.
 - Carrying out any other function as may be referred to the Committee by the Board.
 - 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.

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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

B. COMPOSITION, MEETINGS & ATTENDANCE:

There were four (4) Audit Committee Meetings held during the year on 28.05.2019, 12.08.2019, 14.11.2019 and 14.02.2020.

Name	Designation	Category	No of Meetings held during the tenure of the director	No. of meeting attended
Mr. Piduru Raja Sekhar	Chairman	NED(I)	4	4
Mrs. C.Sita Visalakshi	Member	NED(I)	4	4
Mr. B. Mohan Rao	Member	NED(P)	4	4
Mr. Venkateswarlu Narra	Member	NED(I)	4	4

C. INDEPENDENT DIRECTORS' MEETING:

As per clause 7 of the schedule IV of the Companies Act (Code for Independent Directors) read with Regulation 25(3) of SEBI LODR Regulations, 2015, a separate meeting of the Independent Directors of the Company (without the attendance of Non-Independent directors) was held on 14.02.2020, 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.

a. Familiarization Program for Independent Directors

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 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 2019-20, there has been no change in the independent directors of the Company.

The Company's Policy of conducting the Familiarization Program and details of such familiarisation program during the year, is placed on its website viz., www.7seasent.com

b. Declaration by Independent Directors

All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements), 2015 read with Section 149(6) of the Act.

c. Declaration by Board

The Board has confirmed that in its opinion, the independent directors fulfil the conditions specified in these regulations and are independent of the management.

During the year under review, no Independent Director has resigned before expiry of his tenure.

15. Nomination and Remuneration Committee: Terms of reference of Nomination and Remuneration Committee covers all the matters prescribed under Regulation 19 of the Listing Regulations and Section 178 of the Act, 2013. The terms of reference of the NRC includes
- i. Recommend to the Board the setup and composition of the Board, including formulation of the criteria for determining qualifications, positive attributes and independence of a Director.
 - ii. Periodical review of composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.

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- iii. Support the Board in matters related to the setup, review and refresh of the Committees.
- i. Devise a policy on Board diversity.
- ii. Recommend to the Board the appointment or reappointment of Directors.
- iii. Recommend to the Board how the Company will vote on resolutions for appointment of Directors on the Boards of its material subsidiaries.
- iv. Recommend to the Board, the appointment of Key Managerial Personnel (KMP) and executive team members.
- v. Carry out the evaluation of every Director's performance and support the Board and Independent Directors in the evaluation of the performance of the Board, its Committees and individual Directors, including formulation of criteria for evaluation of Independent Directors and the Board.
- vi. Oversee the performance review process for the KMP and executive team with the view that there is an appropriate cascading of goals and targets across the Company.
- vii. Recommend the Remuneration Policy for the Directors, KMP, executive team and other employees.
- viii. On an annual basis, recommend to the Board the remuneration payable to Directors, KMP and executive team of the Company.
- ix. Review matters related to remuneration and benefits payable upon retirement and severance to MD/EDs, KMP and executive team.
- x. Review matters related to voluntary retirement and early separation schemes for the Company.
- xi. Provide guidelines for remuneration of Directors on material subsidiaries.
- xii. Recommend to the Board how the Company will vote on resolutions for remuneration of Directors on the Boards of its material subsidiaries.
- xiii. Assist the Board in fulfilling its corporate governance responsibilities relating to remuneration of the Board, KMP and executive team members.
- xiv. Oversee familiarisation programmes for Directors.

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- xv. Review HR and People strategy and its alignment with the business strategy periodically, or when a change is made to either.
- xvi. Review the efficacy of HR practices, including those for leadership development, rewards and recognition, talent management and succession planning.
- xvii. Perform other activities related to the charter as requested by the Board from time to time

B. COMPOSITION OF THE COMMITTEE:

Name	Designation	Category	No of Meetings held during the tenure of the director	No. of meeting attended
Mr. Piduru Raja Sekhar	Chairman	NED(I)	2	2
Mrs. C.Sita Visalakshi	Member	NED(I)	2	2
Mr. B. Mohan Rao	Member	NED(P)	2	2
Mr. Venkateswarlu Narra	Member	NED(I)	2	2

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.

C. 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.

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- 2.2 “Nomination and Remuneration Committee means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013
- 2.3 “Independent Director” means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 read with Regulation 16 (1) (b) of SEBI LODR 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 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.
- 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;
 - shall abide by the code of Conduct established by the company for Directors and senior Management personnel;

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- 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, Equity listing Agreements 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 guidelines as laid down in companies Act, 2013.

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 NR Committee shall take into account the nature of and the time involved in the 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 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.

Remuneration policy for Directors, key managerial personnel and other employees:

1. Scope:

- 1.1 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 Office or the managing director or the manager;
 - (ii) The company secretary;
 - (iii) The whole-time director;
 - (iv) The chief finance 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 Regulation 19 of SEBI LODR 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) committee shall review and approve the remuneration payable to the Executive Director of the company within the overall limit approved by the shareholders.

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) Retirement benefits

(vi) Annual performance Bonus

3.1.4 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.

3.2 Remuneration to Non – Executive Directors

3.2.1 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.

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

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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.

D. REMUNERATION TO DIRECTORS PAID DURING THE FINANCIAL YEAR 2019-20 AND OTHER DISCLOSURES

Name of the Director	Salary (In lakhs)	Sitting fees(Rs)	Number of shares held	Service Contracts	Stock Option Details	Fixed Component	Performance Based Incentive
Mr. L. Maruti Sanker	2.62	-	4459764	-	-	-	-
Mrs. L. Hemalatha	1.86	-	400000	-	-	-	-
Mr. B. Mohan Rao	-	-	500000	-	-	-	-
Mr. P. Raja Sekhar	-	-	-	-	-	-	-
Mrs. Sita Visalakshi Chimakurthy	-	-	-	-	-	-	-
Mr. N. Venkateswarlu	-	-	-	-	-	-	-

4. STAKEHOLDER'S RELATIONSHIP COMMITTEE (Constituted in terms of Sec 178 of the Companies Act, 2013 read with Regulation 20 of SEBI LODR Regulations, 2015) 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.

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- 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.

A. Composition and Attendance for Meetings

Name	Designation	Category	No of Meetings held during the tenure of the director	No. of meeting attended
Mr. Piduru Raja Sekhar	Chairman	NED(I)	4	4
Mrs. C.Sita Visalakshi	Member	NED(I)	4	4
Mr. B. Mohan Rao	Member	NED(P)	4	4
Mr. Venkateswarlu Narra	Member	NED(I)	4	4

B. Status of Investor Complaints as on 31 March, 2020 and reported under Regulation 13(3) of the Listing Regulations is as under:

Particulars	Number of Complaints
Complaints as on 1 April, 2019	Nil
Received during the year	Nil
Resolved during the year	Nil
Number of pending complaints as on 31 March 2020	Nil

C. SCORES

The Securities Exchange Board of India has initiated a platform for redressing the investor grievances through SCORES, a web-based complaints redressal system. The system processes complaints in a centralized web-based mechanism. The company is in compliance with this system.

D. NAME AND DESIGNATION OF COMPLIANCE OFFICER

Mr. Remo John
Company Secretary & Compliance officer
Telephone No: 040- 9369703226,
E-mail: info@7seasent.com

5. 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:

Name	Designation	Category
Mr. L. Maruti Sanker	Chairperson	Executive Director
Mr. B. Mohan Rao	Member	Non Executive & Non Independent Director
Mrs. L. Hemalatha	Member	Executive Director

B) 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.

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6. General Body Meetings

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

Financial Year	Date	Time	Location	Special / Ordinary Resolution
2018-19	30.09.2019	9.30 a.m.	Plot no. 60, Flat no. 301, 3rd floor, "Abhi's Hiranya", Kavuri hills, Madhapur,	-
2017-2018 (AGM)	29.11.2018	9.30 a.m.	Plot no. 60, Flat no. 301, 3rd floor, "Abhi's Hiranya", Kavuri hills, Madhapur,	-
2016-2017 (AGM)	29.09.2017	9.30 a.m.	Plot no. 60, Flat no. 301, 3rd floor, "Abhi's Hiranya", Kavuri hills, Madhapur,	-

(B) Extraordinary General Meeting

No Extra-ordinary General Meetings were held during the year 2019-20.

(C) Postal Ballot

During the year, the shareholders of the company passed no resolutions through postal ballot.

(D) Procedure for postal ballot

Company conducts a postal ballot, where required, in accordance with the provisions of the Companies Act, 2013 and the Rules made thereunder and applicable regulations. At present, there are no postal ballots proposed to be held.

8. MEANS OF COMMUNICATION

A. Publication of results in newspapers

The quarterly, half-yearly & nine months un-audited financial results and annual audited financial results of the company are generally published in Business Standard or Financial Express, at national level in English

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language as well as Andhra Prabha at regional level in Telugu language circulating in the state of Telangana.

A. Website and News Release

The financial results of the company are available on the website of the company i.e. www.7seasent.com. Official news releases, detailed presentations made to media, analysts, institutional investors, etc., are sent to BSE Limited and also made available on the website of the company i.e. www.7seasent.com. Your company also makes timely disclosure of necessary information to BSE Limited and National Stock Exchange of India Limited in terms of the SEBI (LODR) Regulations, 2015 and other rules and regulations issued by the Securities and Exchange Board of India.

B. Channels of Communication with the investors

All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on BSE Corporate Compliance & Listing Centre.

Further the management of the Company conducts investor call after approving Quarterly financial results in the Board meeting.

9. General Shareholder Information

The following information would be useful to the shareholders:

A) Annual General Meeting:

Date and Time : Monday, 28th December 2020, at 09.00 A.M

Venue :The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.

B) Financial Year and Financial Year Calendar (Tentative Schedule)

Financial year to which the Annual General Meeting relates: 2020-21

Financial calendar: 2020-21

Adoption of Quarterly results for the Quarter ending

30th June, 2020 : 1st/2nd Week of September 2020

30th September, 2020 : 1st/2nd Week of December, 2020

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31st December, 2020 : 1st/2nd Week of February, 2021

31st March, 2020 : on or before 30th May 2021

Annual General Meeting (Next year) : August / September, 2021

C) Book Closure Date

22nd December, 2020 to 28th December, 2020 (both days inclusive)

D) Electronic Connectivity

ISIN: INE454F01010

NATIONAL SECURITIES DEPOSITORY LIMITED

Trade World, Kamala Mills Compound

Senapati Bapat Marg, Lower Parel

Mumbai – 400 013

CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED

25th Floor, A Wing, Marathon Futurex,

Mafatlal Mills Compound, NM Joshi Marg,

E) REGISTRARS AND TRANSFER AGENTS

M/s. Venture Capital and Corporate Investments Private Limited

12-10-167, Bharat Nagar, Hyderabad - 500 018

Ph.Nos.040-23818475/23818476/23868023

Fax: 040-23868024.

F) SHARE TRANSFER SYSTEM

The Transfer of Shares is affected by the Registrars after necessary approval of the Board/Share Transfer Committee. Transfer generally takes 1-2 weeks.

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G) Shareholding pattern as on 31.03.2020

S. No	Category	No. of shares held	Percentage of shareholding
A	Shareholding of Promoter and Promoter group	--	--
1.	Indian	5559764	50.04
	Individual	--	--
2.	Foreign	--	--
	Individual	--	--
	Sub-Total A	5559764	50.04
B	Public Shareholding	--	--
1.	Institutions	--	--
2.	Non Institutions	5551136	49.96
	Sub Total B	5551136	49.96
	Grand Total (A+B)	11110900	100

H) Distribution of Shareholding as on 31.03.2020

SL. NO.	Shares	HOLDERS		Shares	
		Number	% To Total	No of Shares	% To Total
1	1 - 5000	1127	69.4	1630860	1.47
2	5001 - 10000	175	10.78	1533610	1.38
3	10001 - 20000	90	5.54	1474420	1.33
4	20001 - 30000	44	2.71	1141940	1.03
5	30001 - 40000	19	1.17	696810	0.63
6	40001 - 50000	30	1.85	1421780	1.28
7	50001 - 100000	44	2.71	3304090	2.97
8	100001 & Above	95	5.85	99905490	89.92
	Total:	1624	100	111109000	100

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I) Dematerialisation & Liquidity of Shares

Trading in Company's shares is permitted only in dematerialised form for all investors. The ISIN Company is INE454F01010. Investors are therefore advised to open a demat account with a Depository participant of their choice to trade in dematerialized form.

Particulars	No. of Shares	% Share Capital
NSDL	3097297	27.88
CDSL	7717201	69.46
PHYSICAL	296402	2.67
Total	11110900	100

The Company has paid annual listing fees for the financial year 2019-20 to the BSE and NSE within stipulated time.

E. Dividend Payment Date: No Dividend was declared during the Financial Year 2019-20

H. Market Price Data

The monthly high / low prices of shares of the Company from April, 2019 to March, 2020 at BSE: Not applicable as the company is under suspension on BSE due to penal reasons. However, the company is taking necessary steps to revoke the suspension at the earliest.

O. Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs / ADRs / Warrants / any convertible instruments.

P. Commodity price risk or foreign exchange risk and hedging activities:

The Company has not undertaken any hedging activities for commodity price risk and foreign exchange risk.

10. DISCLOSURES

A. Materially Significant Related Party Transactions

During the year under review, the Company had not entered in to any materially significant transaction with any related party that may have potential conflict with the interests of the Company at large. The Audit Committee has issued omnibus approval for the Related party transactions with in the limits. Transactions with the Related Parties as required under Ind AS are disclosed in the standalone financial statements forming part of this Annual Report.

B. Compliances

There are no penalties imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to capital markets, during the last three years. The Board reviews the compliance of all the applicable laws and gives appropriate directions wherever necessary.

C. 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.

D. 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.

A. Policy on Related Party Transactions

The Policy on dealing with Related Party Transactions is available on the Company's website: www.7seasent.com

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

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During the year ended 31st March 2020, there were no proceeds from public issues, rights issues, preferential issues etc.

C. 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.

D. Recommendations of Committees of the Board

There were no instances during the financial year 2019-20 wherein the Board had not accepted the recommendations made by any Committee of the Board.

E. Total fee for all services paid by the listed entity and its subsidiaries on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part;

Particulars	Amount in Rs.
Statutory Audit Fee	Rs.100000

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

- a. Number of complaints filed during the financial year : 0
- b. Number of complaints disposed of during the financial year: 0
- c. Number of complaints pending as on end of the financial year: 0

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

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

H. 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

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With regard to discretionary requirements, the Company has adopted clauses relating to the following: Reporting of Internal Auditor: Internal auditor reports directly to the Audit Committee.

- I. 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	Yes
22	Vigil mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirement with respect to subsidiary of listed entity	Not Applicable
25	Obligations with respect to Independent Directors	Yes
26	Obligation with respect to Directors and senior management	Yes
27	Other Corporate Governance requirements	Yes
46(2)(b) to (i)	Functional Website	Yes

J. Disclosure with respect to Demat suspense account/unclaimed suspense account

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

K. 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.

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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.

L. 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.

M. 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.

N. CEO/ CFO Certification

In terms of regulation 17(8) of the Listing Regulations, the CEO / 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 as annexure to this Annual Report.

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

Sd/-

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

Sd/-

**L. Hemalatha
Whole-Time Director
(DIN: 02226943)**

**Place: Hyderabad
Date: 31.08.2020**

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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 IP's in all genres for different age groups. 7Seas developed & released games 600+ IP based online games, 23+ 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

a.) Industry Structure, Development and Outlook

Gaming Industry through its long history is one of the most promising entertainment segment on digital devices. Gaming industry has always been a unique source of entertainment for its customers. As a highly discretionary element of consumer spending, it is also exposed to changes in new Technologies, economic confidence and conditions. Demand has increased in gaming segment in 2020, people in India are spending a majority of their time playing mobile games during the lockdown.

According to a report by Google-KPMG, the online gaming segment is pegged at \$1.1 billion by 2021. India comes among the top five mobile gaming markets in the world and is said to 300 million gamers in FY 19. And with the Covid-19 lockdown, the online gaming market in India is witnessing a skyrocketing increase in user engagement.

As per the latest report from Newzoo, the Global games market is expected to hit \$180.1 billion in revenues in 2021. In 2019, the mobile games market is expected to reach \$70.3 billion which is approximately 50.1% of the total market. It is expected to grow to \$106 billion by 2021. Newzoo estimates there are about 2.3 billion gamers across the globe.

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 newspecific 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 revenue of Rs. 5.16 lakhs and made a net loss of Rs.-154.64 lakhs against revenue of Rs. 19.97 lakhs and net loss of Rs.-1133.45 lakhs in the previous financial year 2018-19.

The company is engaged in the business of Software Games Development, which as per Accounting Standard 17 is considered the only reportable business.

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.

h) Human resources and Industrial relations

Your company continues to have cordial relations with its employees. During the year under review the company 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.

(i) Disclosure of Accounting Treatment:

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

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MGT 9
Extract of Annual Return
As on the Financial Year 31.03.2020
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS					
i.	CIN	L72900TG1991PLC013074			
ii.	Registration Date	14.08.1991			
iii.	Name of the Company	7Seas Entertainment Limited			
iv.	Category / Sub-Category of the Company	Company limited by shares/Non government company			
v.	Address of the Registered office and contact details	Plot No. 60, Flat No. 301, 3rd floor, "Abhi's Hiranya", Kavuri Hills, Madhapur, Hyderabad – 500033.			
vi.	Whether listed company Yes / No	Yes			
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Venture Capital and Corporate Investments Private Limited 12-10-167, Bharat Nagar, Hyderabad - 500 018 Ph.Nos.040-23818475/23818476/23868023 Fax: 040-23868024			
II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:					
All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-					
Sl. No.	Name and Description of main products /services	NIC Code of the Product / service	% to total turnover of the company		
1	Computer games software	72214	98.02		
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATED COMPANIES:-					
S.No.	Name and Address of the Company	CIN/GLN	Subsidiary Company	% of shares held	Applicable Section
1.	The Company do not have any Subsidiary.				

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IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)									
i) <i>Category-wise Share Holding:-</i>									
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
Individual/ HUF	5559764	--	5559764	50.04	5559764	--	5559764	50.04	--
Central Govt.	--	--	--	--	--	--	--	--	--
State Govt .(s)	--	--	--	--	--	--	--	--	--
Bodies Corp.	--	--	--	--	--	--	--	--	--
Banks / FI	--	--	--	--	--	--	--	--	--
Any Other....	--	--	--	--	--	--	--	--	--
Sub-total (A) (1) :-	5559764	--	5559764	50.04	5559764	--	5559764	50.04	--
(2) Foreign									
a) NRIs - Individuals	--	--	--	--	--	--	--	--	--
b) Other – Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any Other....	--	--	--	--	--	--	--	--	--
Sub-total (A) (2):-	--	--	--	--	--	--	--	--	--
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	5559764	--	5559764	50.04	5559764	--	5559764	50.04	--
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks / FI	--	--	--	--	--	--	--	--	--

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c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Fund	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
2. Non Institutions									
a) Bodies Corp.	53648	0	53648	0.48	18015	0	18015		0.02
i) Indian	--	--	--	--	--	--	--	--	--
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals	--	--	--	--	--	--	--	--	--
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	925234	116102	1041336	9.37	1095532	0	1095532	9.85	0.48
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	4260747	132100	4392847	39.54	4368736	0	4368736	39.31	(0.23)
c) Others (specify)									
1. NRI	1575	48200	49775	0.45	3585	48200	51785		(0.27)
2. Clearing Members	13530	--	13530	0.12	17068	--	17068		(0.08)
Sub-total (B)(2):- Total Public Shareholding (B)=(1)+(B)(2)	5254734	296402	5551136	49.96					(1.1)

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C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	10814498	296402	11110900	100.00					--

(ii) Shareholding of Promoters

Sl. No	Shareholder's Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			%Change during the year
		No. of shares	% of Total Shares of the Company	% of shares pledged/encumbered to total shares	No. of shares	% of Total Shares of the Company	% of shares pledged/encumbered to total shares	
1	Maruti Sanker Lingamaneni	1515500	21.31	--	4459764	40.14	--	--
2	Hemalatha Lingamaneni	400000	3.60	--	400000	3.60	--	--
3	Kolla Narasimharao	200000	1.80	--	200000	1.80	--	--
4	B. Mohan Rao	500000	4.50	--	500000	4.50	--	--

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Share holding at the end of the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company

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

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Sl. No.	Shareholder Name	Shareholding at the beginning of the year		Share holding at the end of the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Meenu Bhanshali	286833	2.58	256833	2.31
2	Venu Madhav Edupuganti	250000	2.25	250000	2.25
3	Vallabh Roopchand Bhanshali	237500	2.14	230053	2.07
4	Jignesh Madhukant Mehta Tanvi Jignesh Mehta	51915	0.47	173729	1.56
5	Valina Surya Rama Rani	170000	1.53	170000	1.53
6	Ch. Sita Ramu	149500	1.35	149500	1.35
7	Palacharla Srinivasu	164307	1.48	110608	1.00
8	P. Murali Krishnam Raju	109300	0.98	109300	0.98
9	K .Leela Rani	101297	0.91	101297	0.91
10	Satyanarayana Burugapalli	100350	0.9	100350	0.9

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	L. Maruti Sanker				
	At the beginning of the year	4459764	40.14	4459764	40.14
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc); Nil				
	At the End of the year	4459764	40.14	4459764	40.14
2.	Mrs. L. Hemalatha				

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2.	Mrs. L. Hemalatha				
	At the beginning of the year	370000	5.20	370000	5.20
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):NIL				
	At the End of the year	370000	5.20	370000	5.20
3.	Mr. B. Mohan Rao				
	At the beginning of the year	500000	4.50	500000	4.50
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):NIL				
	At the End of the year	500000	4.50	500000	4.50
4.	Mr. M Rama Mohan Rao				
	At the beginning of the year	--	--	--	--
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):				
	At the End of the year	--	--	--	--
5.	Mr. Kolli Reddy				
	At the beginning of the year	--	--	--	--
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):				
	At the End of the year	--	--	--	--
6.	Mrs. Sita Visalakshi Chimakurthy				
	At the beginning of the year	--	--	--	--
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):				
	At the End of the year	--	--	--	--
V. INDEBTEDNESS					
Indebtedness of the Company including interest outstanding/acrued but not due for payment					
Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness	
i)Principal Amount	3,50,00,000	--	--	3,50,00,000	
ii) Interest due but not paid	6707363			6707363	
iii) Interest accrued but not due					
Total (i+ii+iii)	41707363	--	--	41707363	
Change in Indebtedness during the financial year Addition	6293454	12,45,723	--	75,39,177	
Reduction					

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Net Change	6293454	12,45,723	--
Indebtedness at the end of the financial year			--
i) Principal Amount	3,50,00,000	12,45,723	3,62,45,723
ii) Interest due but not paid	13000817		1,30,00,817
iii) Interest accrued but not due			
Total (i+ii+iii)	4,80,00,817	12,45,723	--

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. no.	Particulars of Remuneration	Name of MD (L. Maruti Sanker)	Name of WTD (L. Hemalatha)	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Remuneration to managing Director Rs. 247500/- per annum	Remuneration to Whole-Time Director Rs. 200000/- Per Month	Rs 447500/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	Nil	NIL	
2.	Stock Option	--	--	--
3.	Sweat Equity	--	--	--
4.	Commission - as % of profit - Others, specify...	--	--	--
5.	Others, please specify	--	--	--
	Total (A)	247500	200000	447500/-
	Ceiling as per the Act	--	--	--

B. Remuneration to other directors:

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Sl. no.	Particulars of Remuneration	Name of Director		Total Amount
1.	Independent Directors Fee for attending board / committee meetings · Commission · Others, please specify	--	--	--
	Total (1)	--	--	--
2.	Other Non-Executive Directors · Fee for attending board / committee meetings · commission · Others, please specify	--	--	--
	Total (2)	--	--	--
	Total (B)=(1+2)	--	--	--
	Total Managerial Remuneration	--	--	--
	Overall Ceiling as per the Act	--	--	--

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	0000	--	--
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission - as % of profit - others, specify...	NIL	NIL	NIL	NIL
5.	Others, please Specify	NIL	NIL	NIL	NIL
	Total	NIL	NIL	NIL	NIL

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

7SEAS ENTERTAINMENT LTD.

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
B. DIRECTORS					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
C. OTHER OFFICERS IN DEFAULT					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

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Independent Auditors' Report

To

The Members,

7SEAS ENTERTAINMENT LIMITED

Report on the Ind AS financial statements

We have audited the accompanying Ind AS financial statements of M/S. 7SEAS ENTERTAINMENT LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss (Including other comprehensive income), the Statement of cash flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein referred to as 'Ind AS financial statements').

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are Free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected

depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

Impact of COVID-19 :

The onset and rapid propagation of COVID-19 has caused disruptions in the operations of business units, severe restrictions on travel, meetings and access to client locations and other practical difficulties resulting in Distance Audit / Remote Audit / Online Audit. Further, certain relief measures were announced by Regulatory Authorities to mitigate the burden of meeting Timelines and Compliance requirements brought about by disruptions and to ensure the continuity of viable businesses.

Considering the nature of the restrictions, limitations, regulatory requirements, existing business environment, materiality and their possible impact on the operative effectiveness on the critical control systems and risk of material misstatement the audit requires significant efforts in verification, planning and performing alternative procedures and exercise of more professional skepticism to mitigate identified risks / weakness and ensure compliance with Standards on Auditing. Further, this is a matter of high importance for the intended users of the financial statement. Considering these aspects, we have considered this as a Key Audit Matter. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March, 2020, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:

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- 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 and the cash flow statement dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015;
- e) on the basis of the written representations received from the directors as on 31st March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2020 from being appointed as a director in terms of Section 164 (2) of the Act; and
- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and operating effectiveness of such controls, refer to our separate report in Annexure B.
- g) 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, 2015, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Kamlesh Kumar Bhargava,
Chartered Accountants

Kamlesh Kumar Bhargava
Proprietor
M.NO:16307.

Place: Hyderabad
Date : 22.06.2020

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Annexure-A to the Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the Year ended 31st March 2020, we report that:

- 1.
- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- c. There is no immovable property in the name of the company hence paragraph 3 (i)(c) of the Companies (Auditor's Report) Order, 2016 is not applicable.
2. The physical verification of the inventory excluding stocks with third parties has been conducted at reasonable intervals by the management during the year. In our opinion the frequency of the verification is reasonable.
3. The Company has not granted any loans to bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
5. The Company has not accepted any deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any tribunal.
6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
7. a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including, duty of excise income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory except provident fund, employees' state insurance, tax deducted at source dues have been regularly deposited during the year by the Company with the appropriate authorities.
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory

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dues were in arrears as at 31st March 2020 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, 1961	143(1)	A.Y.2007-08	2,44,013
Income Tax Act, 1961	154	A.Y. 2012-13	85,300
Income Tax Act, 1961	154	A.Y. 2013-14	2,35,710

- c. According to the information and explanations given to us, there are no material dues of wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, have not been deposited by the Company on account of disputes:

Particulars	Demand U/s	Period to which the amount relates	Forum where the dispute is pending	Amount in Rs.
Income Tax Act, 1961	201 (1) & 201(1A)	A.Y.2009-10	The Commissioner of Income Tax (Appeals-II)	11,02,613

8. The Company has not paid outstanding dues and interest thereon to banks at year ended.
9. The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and terms loans during the year.
10. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.
11. The company has paid/ provided managerial remuneration in accordance with requisite approvals mandated by the provisions of section 197 read with schedule V to the act.
12. The company is not Nidhi Company and the Nidhi Rules, 2014 not applicable to it. Accordingly the provisions of Clause 3(Xii) of order not applicable to the company.
13. The company has entered transactions with the related parties and complied with Section 188 and 177 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc as required by the accounting standards.
14. The Company has not issued shares or debentures on preferential basis.
15. The company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly the provisions of Clause 3(xv) of order not applicable to the company.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

ANNEXURE B TO THE INDEPENDENT AUDITOR'S:

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

We have audited the internal financial controls over financial reporting of 7SEAS ENTERTAINMENT LIMITED ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my / our audit. We conducted my our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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.

Though the methodology of conducting audit is likely to undergo a change, the objective of the audit does not change, which requires the auditor to ensure that sufficient and appropriate audit evidence is available with the auditor based on which he is able to express his opinion.

In Identifying and Assessing the Risks of Material Misstatement and operating effectiveness of critical controls through Understanding the unit and its Environment the following issues had been considered:

- Operational disruption resulting in any changes to the business model.
- Employees' absence or work from home.

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- Restrictions on travel.
- Physical Access to Systems, Data, Documents, Officials.
- Inability to physically verify relevant information, items and records.

Specific Considerations adopted while conducting Distance Audit / Remote Audit / Online Audit of the unit under current Covid-19 situation:

- Obtaining the data / documents required for the purpose of conducting the audit in soft copy / scanned format.
- Seeking information and representations from the management about the current and possible future impact of disruptions to business operations.
- Requesting for online presence of requisite unit officials.
- Communications by email and audio conference instead of physical mode wherever necessary.

Adopting the SOPs under Covid-19 situation and strictly complying with the government regulatory guidelines issued.

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 I/we have obtained is sufficient and appropriate to provide a basis for my /our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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”.

For Kamlesh Kumar Bhargava,
Chartered Accountants

Kamlesh Kumar Bhargava
Proprietor
M.NO:16307.

Place: Hyderabad
Date : 22.06.2020

7SEAS ENTERTAINMENT LTD.

BALANCE SHEET AS AT 31st MARCH 2020

(Amount in Rs.)

	PARTICULARS	Note No.	As at March 31, 2020	As at March 31, 2019
I	ASSETS:			
(1)	Non-current assets			
	(a) Property, Plant and Equipment	2	-	-
	(b) Capital work-in-progress		-	-
	(c) Goodwill		-	-
	(d) Other Intangible Assets	2	51,93,399	1,24,81,700
	(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)	Current assets			
	(a) Inventories		-	-
	(b) Financial assets			
	(i) Investments		-	-
	(ii) Trade receivables	3	1,15,243	3,79,530
	(iii) Cash and cash equivalents	4	24,719	2,10,361
	(iv) Bank Balances other than (iii) above		-	-
	(v) Loans and advances	5	1,50,000	1,50,000
	(vi) Investments held for Sale		-	-
	(c) Other current assets	6	6,19,009	4,83,040
	TOTAL ASSETS		61,02,370	1,37,04,631
II	EQUITY AND LIABILITIES:			
	Equity			
	(a) Equity Share Capital	7	11,11,09,000	11,11,09,000
	(b) Other Equity			
	(i) Reserves and Surplus	8	(18,66,26,714)	(17,11,62,306)
	Liabilities			
(1)	Non Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings		-	-
	(b) Provisions		-	-
(2)	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	9	7,42,83,523	6,58,27,856
	(ii) Trade Payables	10	32,73,255	39,04,578
	(iii) Other financial liabilities		-	-
	(b) Other current liabilities	11	-	-
	(c) Provisions	12	7,29,035	6,91,232
	(d) Deferred tax liabilities(Net)	13	33,34,271	33,34,271
	TOTAL EQUITY AND LIABILITIES		61,02,370	1,37,04,632
	Significant accounting policies and notes to accounts	1 to 16		

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

For Kamlesh Kumar Bhargava
Chartered Accountants

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

Kamlesh Kumar Bhargava
Proprietor
Membership No. 016307

Sd/-
L MARUTI SANKER
Managing Director
DIN: 01095047

Sd/-
L HEMALATHA
Director
DIN: 02226943

Place : Hyderabad
Date : 22.06.2020

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STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2020

(Amount in Rs.)

	PARTICULARS	Note No.	Year Ended March 31, 2020	Year Ended March 31, 2019
I	Revenue from operations	14	5,16,053	19,97,544
II	Other Income		-	-
III	Total Income (I+II)		5,16,053	19,97,544.00
IV	Expenses:			
	Operating Expenses		-	-
	Employee Benefits Expense	15	9,06,144	12,61,600
	Depreciation and amortization expense	2	72,88,301	62,40,850
	Other expenses	16	77,86,016	10,78,40,767
	Total Expenses		1,59,80,461	11,53,43,217
V	Profit before tax (III-IV)		(1,54,64,408)	(11,33,45,673)
VI	Tax Expense			
	- Current tax		-	-
	- Deferred tax		-	-
VII	Profit for the period (V-VI)		(1,54,64,408)	(11,33,45,673)
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)		(1,54,64,408)	(11,33,45,673)
X	Earnings per equity share: (Equity shares of par value of Rs.10/- each)			
	- Basic		(1.39)	(10.20)
	- Diluted		(1.39)	(10.20)
	Significant accounting policies and notes to accounts	1 to 16		

For Kamlesh Kumar Bhargava
Chartered Accountants

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

Kamlesh Kumar Bhargava
Proprietor
Membership No. 016307

Sd/-
L MARUTI SANKER
Managing Director
DIN: 01095047

Sd/-
L HEMALATHA
Director
DIN: 02226943

Place : Hyderabad
Date : 22.06.2020

7SEAS ENTERTAINMENT LTD.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH, 2020

PARTICULARS	Year ended 31-03-2020 Amount in Rs.	Year ended 31-03-2019 Amount in Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit before tax	(1,54,64,408)	(11,33,45,673)
Adjustment for:		
Depreciation and Amortisation	72,88,301	62,40,850
Interest Expenses	-	-
Interest Earned	-	-
Cash Flows from Operations before changes in assets and liabilities	(81,76,107)	(10,71,04,823)
Movements in Working Capital::		
(Increase)/ Decrease in trade receivables	2,64,287	10,35,03,307
(Increase)/Decrease in Short Term Loans Advances	-	-
(Increase) / Decrease in Inventories	-	-
(Increase) / Decrease in Trade Payables	(6,31,323)	(20,59,545)
(Increase)/Decrease in Other current Assets	(1,27,427)	(3,23,696)
Change in Working Capital	(4,94,463)	10,11,20,066
Changes in non current assets and liabilities		
Decrease/(Increase) in loans & advances		-
Decrease/(Increase) in Borrowings	84,55,667	82,28,830
Decrease/(Increase) in other current liabilities	-	-
Decrease/(Increase) in Long Term Provisions	37,803	(22,12,340)
Changes in non current assets and liabilities	84,93,470	60,16,490
Cash Generated From Operations	(1,77,100)	31,733
Less: Taxes paid	8,542	428
Net Cash from operating activities(A)	(1,85,642)	31,305
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Increase) / Decrease in Fixed assets and Capital Work In progress		
Bank Balances not considered as Cash and Cash equivalents	-	-
Interest and other Income received	-	-
Net cash used in Investing activities (B)	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Share Capital		
Increase / (Decrease) in Borrowings	-	-
Increase / (Decrease) in Other Short term Borrowings(Net)	-	-
Net cash Flow from Financing Activities (C)	-	-
Net Increase/(Decrease) in cash & cash equivalents [A+B+C]	(1,85,642)	31,305
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,10,361	1,79,056
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	24,719	2,10,361

For Kamlesh Kumar Bhargava
Chartered Accountants

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

Kamlesh Kumar Bhargava
Proprietor
Membership No. 016307

Sd/-
L MARUTI SANKER
Managing Director
DIN: 01095047

Sd/-
L HEMALATHA
Director
DIN: 02226943

Place : Hyderabad
Date : 22.06.2020

a. Equity share capital

	(Amount in Rs.)
	Amount
Balance as at the 31 March 2019	1,11,10,900
Changes in equity share capital during 2019-20	-
Balance as at the 31 March 2020	1,11,10,900

b. Other equity

	Share Warrants	Reserves and surplus		Items of Other comprehensive income (OCI)		Total
		General Reserves	Retained earnings	Others	Others	
Balance at 31 March 2019	-	-	(28,55,19,480)	-	-	(28,55,19,480)
Total comprehensive income for the year ended 31 March 2020						
Profit or loss		-	(1,54,64,408)	-	-	(1,54,64,408)
Other comprehensive income (net of tax)		-	-	-	-	-
Total comprehensive income		-	(1,54,64,408)	-	-	(1,54,64,408)
Transactions with owners in their capacity as owners			-	-	-	-
Balance at 31 March 2020	-	-	(30,09,83,888)	-	-	(30,09,83,888)

Notes to accounts

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

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

7SEAS ENTERTAINMENT LTD.

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.

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

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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

- Financial assets
 - 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.

7SEAS ENTERTAINMENT LTD.

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.

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.

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NOTE NO. 2 Property, Plant and Equipment

Particulars	Amortisation					Net value		
	AS AT 01.04.2019	Adjustments Additions/(Deletions)	AS AT 31.03.2020	AS AT 01.04.2019	Adjustments Additions/(Deletions)	For the year	AS AT 31.03.2020	AS AT 31.03.2019
TANGIBLE ASSETS								
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	-
Total	74,66,564	-	74,66,564	74,66,564	-	-	74,66,564	-
7. Software	34,29,270	-	34,29,270	34,29,270	-	-	34,29,270	-
8. Games & IPs	13,55,801,152	-	13,55,801,152	12,75,51,403	46,16,531	46,16,531	13,21,67,934	80,28,749
9. Web Portals	5,46,95,330	-	5,46,95,330	5,02,42,379	26,71,771	26,71,771	5,29,14,150	17,81,180
Total	19,37,04,752	-	19,37,04,752	18,12,23,682	72,86,301	72,86,301	18,85,11,353	51,93,399
Grand Total	20,11,71,316	-	20,11,71,316	18,86,80,316	72,86,301	72,86,301	19,59,77,917	124,81,700
Previous Year	20,11,71,316	-	20,11,71,316	15,06,34,097	2,54,65,441	2,54,65,441	17,60,99,537	50,63,719

7SEAS ENTERTAINMENT LTD.

Notes to Accounts

NOTE NO: 3 Trade Receivables

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	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	1,15,243	3,79,530
(b) Outstanding for a period not exceeding six months Unsecured, considered good	-	-
	1,15,243	3,79,530

NOTE NO: 4 Cash & Cash Equivalents

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
(a) Balance with banks	12,234	1,67,673
(b) Cheques in Hand	-	-
(c) Cash on Hand	12,485	42,688
	24,719	2,10,361

NOTE NO: 5 Short Term Loans & Advances

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
Advances to Customers	-	-
Other Deposits	1,50,000	1,50,000
	1,50,000	1,50,000

NOTE NO: 6 Other Current Assets

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
(a) Other Current Assets	6,10,467	4,82,613
(b) Advance Tax & TDS	8,542	427
	6,19,009	4,83,040

7SEAS ENTERTAINMENT LTD.

Notes to Accounts

NOTE NO: 7: EQUITY SHARE CAPITAL:

PARTICULARS	As At March 31,2020		As At March 31,2019	
	Number	Amount in Rs.	Number	Amount in Rs.
Authorised				
Equity Shares of Rs. 10/- each	1,12,50,000	11,25,00,000	1,12,50,000	11,25,00,000
Issued, Subscribed and Paid up				
Equity Shares of Rs. 10/- each fully paid up (Refer foot note (a) to (d) below)	1,11,10,900	11,11,09,000	1,11,10,900	11,11,09,000
Total	1,11,10,900	11,11,09,000	1,11,10,900	11,11,09,000

Foot note:

(a) Reconciliation of the number of shares outstanding as at March 31, 2020, March 31, 2019:

PARTICULARS	As At March 31,2020		As At March 31,2019	
	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	-	-	-	-
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	1,11,10,900	11,11,09,000	1,11,10,900	11,11,09,000

(b) Details of Shareholders holding more than 5 % shares:

PARTICULARS	As At March 31,2020		As At March 31,2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding
I) L Maruti Sanker	44,59,764	40.14%	44,59,764	40.14%
II) Meenu Bhanshali	2,86,833	2.58%	2,86,833	2.58%
III) L Hemalatha	4,00,000	3.60%	4,00,000	3.60%

(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 LTD.

NOTE NO: 8 Reserves and Surplus

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
(a) General Reserves:	-	-
(b) Capital Reserves		
Share Premium	11,23,85,515	11,23,85,515
Add: Addition during the year	-	-
Forfeited Shares Reserve	19,71,660	19,71,660
	11,43,57,175	11,43,57,175
(b) Retained earnings:		
Opening balance	(28,55,19,480)	(17,21,73,807)
(+) Net profit during the year	(1,54,64,408)	(11,33,45,673)
Closing balance	(30,09,83,888)	(28,55,19,480)
(c) Other Comprehensive income:	-	-
Total (a+b+c)	(18,66,26,714)	(17,11,62,306)

NOTE NO: 9 Short term Borrowings

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	-	Amount in Rs.
Secured Loan		
Working Capital Loan-IOB	6,88,65,421	6,32,41,233
Unsecured Loan		
Borrowings from Directors & Related Parties	54,18,102	25,86,623
	7,42,83,523	6,58,27,856

NOTE NO: 10 Trade Payables

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
Dues to Micro, Small and Medium Enterprises		
Sundry creditors	27,11,750	31,93,032
Expenses Payable	5,61,505	7,11,546
	32,73,255	39,04,578

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NOTE NO: 11 OTHER CURRENT LIABILITIES:

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
(a) Statutory Liabilities	-	-
(b) Security deposits from customers	-	-
(c) Employee Benefits Payable	-	-
	-	-

NOTE NO: 12 Short Term Provisions

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
Other provisions	7,29,035	6,91,232
	7,29,035	6,91,232

NOTE NO: 13 Deferred Tax liabilities

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
Opening Balance	33,34,271	15,33,152
Add/less changes during Period		18,01,119
	33,34,271	33,34,271

NOTE NO: 14 Revenue from operations

PARTICULARS	Year ended March 31, 2020	Year ended March 31, 2019
	Amount in Rs.	Amount in Rs.
Revenue from operations	5,16,053	19,97,544
	5,16,053	19,97,544

NOTE NO: 15 EMPLOYEE BENEFITS EXPENSE:

PARTICULARS	Year ended March 31, 2020	Year ended March 31, 2019
	Amount in Rs.	Amount in Rs.
(a) Salaries & Wages	4,46,100	7,80,000
(b) Contribution to provident and other funds	-	-
(c) Directors Remuneration	4,47,500	3,88,000
(d) Staff welfare expenses	12,544	93,600
	9,06,144	12,61,600

7SEAS ENTERTAINMENT LTD.

NOTE NO: 16 OTHER EXPENSES:

PARTICULARS	Year ended March 31, 2020	Year ended March 31, 2019
	Amount in Rs.	Amount in Rs.
Auditors remuneration	1,00,000	1,00,000
BSE Listing & Other Charges	7,03,000	2,50,000
Communication Expenses (Internet & Telephone)	38,759	1,41,984
Consultancy /Secretarial Charges	1,20,000	1,20,000
Conference & Promotional Expenses	13,795	4,210
Electricity Charges	16,857	97,999
Accounting & Internal Audit Fee	1,20,000	1,20,000
Interest & Bank Charges	56,24,188	68,87,930
Insurance	10,872	10,155
Legal Consultation Services	-	-
Office maintenance	1,27,548	1,63,455
Printing & Stationery	18,247	4,211
Rates & Taxes	8,193	6,221
Rent	8,40,000	8,40,000
Repairs & Maintenance	8,429	71,524
Provision for Bad Debts	-	9,90,00,000
Travelling & conveyance	36,128	23,078
	77,86,016	10,78,40,767

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.

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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, 2020:

(In Rs. Lakhs)

Details	For the Year 2019-20	For the Year 2018-19
Remuneration to Mr. L. MarutiSanker	2.62	2.84
Remuneration to Mrs. L. Hemalatha	1.86	1.04

20. Dues to micro & small-scale industrial undertakings

As at March 31, 2020 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.

24. Auditors Remuneration

7SEAS ENTERTAINMENT LTD.

24. Auditors Remuneration

(In Rs. Rupees)

Particulars	For the Year 2019-2020	For the Year 2018-2019
Statutory Audit	1,00,000	1,00,000
Tax Audit	-	-
Total	1,00,000	1,00,000

25. Earnings per share

(In Rs. Rupees)

Particulars	For the Year 2019-2020	For the Year 2018-2019
Net profit after tax	(1,54,64,408)	(11,33,45,673)
Weighted average number of equity shares	111,10,900	111,10,900
Nominal value of shares	10	10
Earnings per share (basic/diluted)	(1.39)	(10.20)

For Kamlesh Kumar Bhargava
Chartered Accountants

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

Kamlesh Kumar Bhargava
Proprietor
Membership No. 016307

Place : Hyderabad
Date : 22.06.2020

Sd/-
L MARUTI SANKER
Managing Director
DIN: 01095047

Sd/-
L HEMALATHA
Director
DIN: 02226943



If Undelivered please return to :

7SEAS ENTERTAINMENT LTD.

Plot no. 60, Flat no. 301, 3rd floor,
"Abhi's Hiranya", Kavuri hills, Madhapur,
Hyderabad-500033, Telangana.