

To,  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai 400 001.

Date: 03.09.2024

Dear Sir/ Madam,

**Sub: Submission of Annual report for the FY 2023-24**

**Unit: 7Seas Entertainment Limited (Scrip Code:540874)**

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



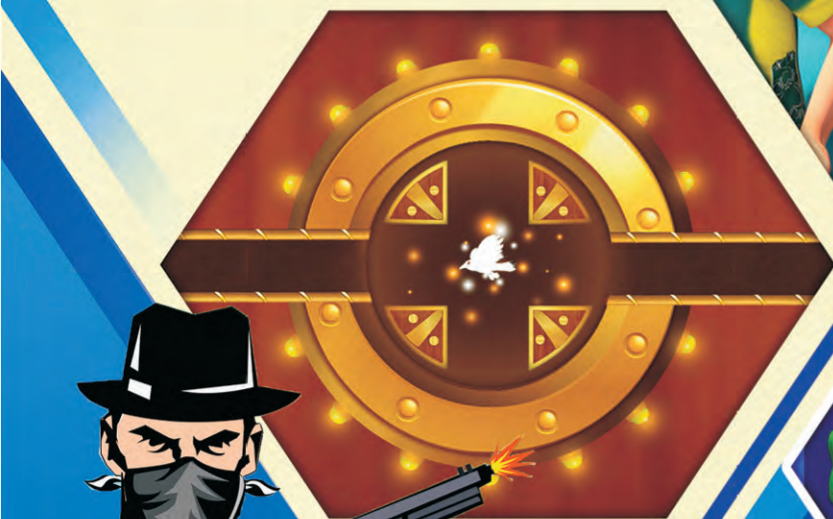
L. Maruti Sanker  
Managing Director  
(DIN: 01095047)



**7SEAS**  
ENTERTAINMENT LTD

# 33<sup>RD</sup> ANNUAL REPORT

## • 2023 - 2024 •





# FICCI BAF 2024 AWARDS



07-03-2024

### DAILY HUNT

**7SEAS** **Gamer Shorts**

**7Seas Entertainment won prestigious Best Animated Frames Award**

Hyderabad, March 7, 2024:

7 Seas Entertainment, a leading player in the gaming industry and listed on the BSE Under the symbol 7SEASL, announced its recent triumph at the Federation of Indian Chambers of Commerce and Industry (FICCI) Best Animated Frames (BAF) Awards.

08-03-2024

### The Hans India

**7SEAS** **Gamer Shorts**

#### 7Seas Entertainment receives Ficci award

HANS BUSINESS HYDERABAD

7SEAS Entertainment, IP-based game development company on Thursday announced that it received the Best Animated Frames (BAF) Award by the Federation of Indian Chambers of Commerce and Industry (FICCI) in the category of 'Best Indian Game'.

The game has won hearts of many and it has crossed over 20 lakh downloads so far. L. Maruti Sankar, Managing Director, 7Seas Entertainment Limited receiving the award in Mumbai recently.

L. Maruti Sankar (Centre), Managing Director, 7Seas Entertainment Limited receiving the award in Mumbai recently.

7Seas Entertainment Limited said, "The company informed that its other two games emerged in the finalist category in the Best Mobile and Tablet Game category."

08-03-2024

### Eenadu

**7SEAS** **Gamer Shorts**

#### 7 సీస్ ఎంటర్టైన్మెంట్ కు ఫిక్సీ అవార్డు

ఈనాడు, హైదరాబాద్: ప్రాచారాత్మక పరిమిత గేమ్స్ కంపెనీ 7 సీస్ ఎంటర్టైన్మెంట్ మొదటి విడుదలైన ఫిక్సీ, బెస్ట్ యానిమేటెడ్ ఫ్రేమ్స్ అవార్డు అందుకుంది. బెస్ట్ యానిమేట్డ్ గేమ్స్ విభాగంలో, ఈ సంస్థ అభివృద్ధిచేసిన 'ఫిక్సీ' అవార్డును గెలుపొందింది. ఈ గేమ్ ఇప్పటికే 20 లక్షల డౌన్లోడ్స్ సాధించి అత్యధికంగా అమ్మబడిన గేమ్స్ లలో ఒకటిగా నిలిచింది. ఈ సందర్భంగా, 7 సీస్ ఎంటర్టైన్మెంట్ లిమిటెడ్ ఛీఫ్ మేనేజర్, మార్టి సాంకర్ ఛీఫ్ ఆఫ్ సివిల్ ఇంజనీరింగ్ డివిజన్, మార్టి సాంకర్, మేనేజింగ్ డైరెక్టర్, తనస్కు దివిక నుం 7 సీస్ ఛైర్మన్, యానీ నరేష్ యానీ నరేష్ అలంకారాల అధికారిని స్వాగతించారు.

08-03-2024

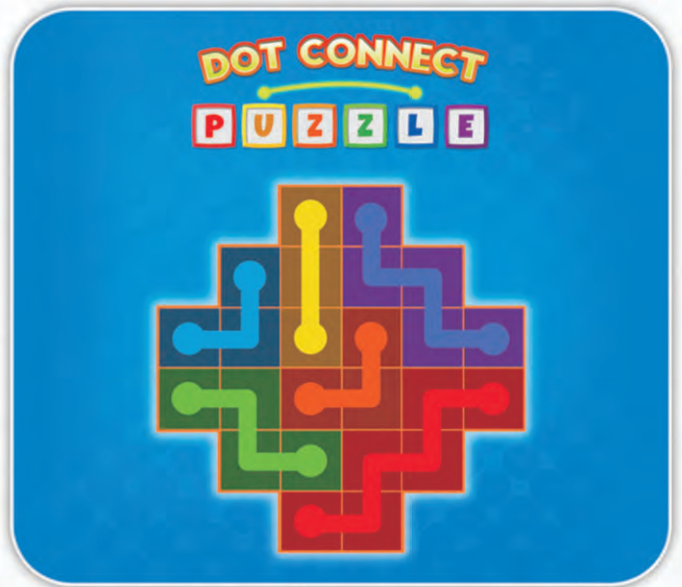
### SIASAT

**7SEAS** **Gamer Shorts**

**Roller Coaster Simulator HD**  
7Seas Entertainment Ltd

7 Seas Entertainment, a leading player in the gaming industry and listed on the BSE Under the symbol 7SEASL, announced its recent triumph at the Federation of Indian Chambers of Commerce and Industry (FICCI) Best Animated Frames (BAF) Awards.





**CORPORATE INFORMATION****BOARD OF DIRECTORS:**

Mr. L. Maruti Sanker	-	Managing Director (DIN: 01095047)
Mrs.L. Hemalatha	-	Whole-Time Director cum CFO (DIN: 02226943)
Mr.B. Mohan Rao	-	Non-Executive Director (DIN: 07233665)
Mr. K.Pradeep Kumar	-	Non-Executive Director (DIN: 07062498)
Mr.G.Srinivas Rao	-	Non-Executive Director (DIN: 03502650)
Mrs. Sita Visalakshi	-	Independent Director (DIN: 06380062)
Mr. Mahender Reddy	-	Independent Director (DIN: 09389493)
Mr.B. Kiran Kumar	-	Independent Director (DIN: 07499895)
Mrs. Anupama	-	Independent Director (DIN:02328744)
Mrs. Surabhi Verma	-	Independent Director (DIN:0000000)

**COMPANY SECRETARY :**

Mr. Remo John

**REGISTERED OFFICE :**

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

**CORPORATE IDENTITY NUMBER:** L72900TG1991PLC013074

**STATUTORY AUDITORS:**

M/s Sathuluri & Co.,  
Chartered Accountants,  
off : 11-13-1377/2, Flat No. 401,  
City Centre Complex,  
Beside South India Shopping Mall,  
Margadarsi Colony, Kothapet, Hyderabad-500035

**INTERNAL AUDITOR:**

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

**BANKERS:**

Indian Overseas Bank  
Rajbhavan Road,  
Hyderabad – 500082.

HDFC Bank  
Somajiguda Branch  
Hyderabad-500082.

**AUDIT COMMITTEE:**

Mrs. C. Sita Visalakshi	-	Chairman
Mrs. G. Anupama	-	Member
Mrs. Surabhi Verma	-	Member

**NOMINATION & REMUNERATION COMMITTEE:**

Mrs. C. Sita Visalakshi	-	Chairman
Mr. N. Mahender Reddy	-	Member
Mrs. Surabhi Verma	-	Member

**STAKEHOLDER RELATIONSHIP COMMITTEE:**

Mrs. C. Sita Visalakshi	-	Chairman
Mr. N. Mahender Reddy	-	Member
Mr. K. Pradeep Kumar	-	Member

**RISK MANAGEMENT COMMITTEE:**

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

**REGISTRAR & SHARE TRANSFER AGENTS:**

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

**LISTED:**

BSE Limited

**ISIN:**

INE454F01010

**Investor E-Mail Id:**

investors@7seasent.com



**NOTICE**

Notice is hereby given that the 33rd Annual General Meeting of the members of M/s. 7Seas Entertainment Limited will be held on Saturday, the 28th Day of September, 2024, 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 Sheets as at March 31, 2024, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Report of Auditors and Directors thereon.
2. To appoint a director in place of Mrs. L. Hemalatha (DIN: 02226943) who retires by rotation and being eligible, offers herself for re-appointment.
3. 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.

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

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

**Date: 12.08.2024  
Place: Hyderabad**

**NOTES:**

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid -19", General Circular no. 20/2020 dated May 5, 2020, General Circular nos. 02/2021 and 21/2021 dated January 13, 2021 and December 14, 2021 Circular No. 03/2022 dated 05.05.2022, Circular SEBI/HO/CFD/CMD2/ CIR/P/2022/ 62 dated May 13, 2022 issued by SEBI (hereinafter collectively referred to as "the Circulars"), in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)", (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the AGM of the Company is being held through VC/OAVM.
2. The Deemed Venue of the 33rd AGM of the Company shall be its Registered Office.
3. The Company has engaged the services of Central Depository Services (India) Limited ("CDSL"), as the authorized agency for conducting the AGM and providing remote e-Voting and e-Voting facility for/during the AGM of the Company. The instructions for participation by Members are given in the subsequent notes.
4. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum of the AGM under Section 103 of the Act.
5. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
7. Compliance with the MCA Circulars and SEBI Circular dated January 15, 2021 as aforesaid, Notice of the AGM along with the Annual Report (viz. Financial Statement) for Financial Year 2023-2024 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories/R&T Agent. Members may note that the Notice and Annual Report for Financial Year 2023-2024 will also be available on the Company's website [www.7seasent.com](http://www.7seasent.com), BSE Limited website i.e. [www.bseindia.com](http://www.bseindia.com).  
  
Alternatively, Member may send signed copy of the request letter providing the e-mail address, mobile number, self-attested PAN copy, DP ID (in case of electronic mode shares), folio No (in case of physical mode shares) via e-mail at the Email Id – Email: [info@vccilindia.com](mailto:info@vccilindia.com) for obtaining the Annual Report and Notice of e-AGM of the Company electronically.
8. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
9. The facility of joining the e-AGM through VC / OAVM will be opened 15 minutes before and will remain open upto 15 minutes after the scheduled start time of the e-AGM, and will be available for 1000 members on a first-come first-served basis. This rule would however not apply to participation in respect of large Shareholders (Shareholders holding 2% or more shares of the Company), Promoters, Institutional Investors, Auditors, Key Managerial Personnel and the Directors of the Company including Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee.
10. The Register of Members and Share Transfer Books of the Company will remain closed from Sunday, 22.09.2024 to Saturday, 28.09.2024 (both days inclusive) for the purpose of AGM.
11. Mr. Basi Reddy Vinay Kumar Reddy, Practising Chartered Accountant, has been appointed as the Scrutinizer to scrutinize the remote e-Voting/e-Voting process in a fair and transparent manner. The Scrutinizer will submit the report to the Chairman, or any person authorised by him after completion of the scrutiny and the results of voting will be announced after the AGM of the Company. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM. The result will also be displayed on the website of the Company at [www.bseindia.com](http://www.bseindia.com), and [www.evotingindia.com](http://www.evotingindia.com) (agency providing e-Voting facility).



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

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

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

- i. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of Listing Regulations and applicable circulars, the Members are provided with the facility to cast their vote electronically (through remote e-Voting as well as the e-Voting system on the date of the AGM), through the e-Voting services provided by CDSL, on all the resolutions set forth in this Notice.
- ii. The remote e-Voting period commences on Wednesday, September 25, 2024 (9.00 A.M. IST) and ends on Friday, September 27, 2024 (5.00 P.M. IST). During this period, Members holding shares either in physical mode or in demat mode, as on Saturday, September 21, 2024 i.e. cut-off date, may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting thereafter. A person who is not a member as on the Cut-off date should treat Notice of this Meeting for information purposes only.
- iii. The Members who have cast their vote by remote e-Voting prior to the AGM may attend/ participate in the AGM through VC but shall not be entitled to cast their vote again.
- iv. The voting rights of the Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date i.e., Saturday, September 21, 2024.
- v. Any person or non-individual Shareholders (in physical mode/ demat mode) who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow the steps mentioned below.

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

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

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



	<ol style="list-style-type: none"> <li>If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>.</li> <li>Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services.</li> <li>Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider- CDSL and you will be re-directed to the CDSL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS “Portal or click at</li> </ol>
Individual Shareholders (holding securities in Demat mode) login through their Depository Participants	<ol style="list-style-type: none"> <li>You can also login using the login credentials of your Demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</li> <li>After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</li> <li>Click on Company name or e-Voting service provider name - CDSL and you will be redirected to e-Voting website of CDSL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

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

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

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

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

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

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



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

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

- i. The procedure for attending AGM and e-Voting on the day of AGM is same as the instructions mentioned above for e-Voting.
- ii. Members attending the AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- iii. The facility for joining the AGM shall open 15 minutes before the scheduled time for commencement of the AGM.
- iv. The link for VC to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-Voting.
- v. Shareholders who have voted through remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- vi. Shareholders are encouraged to join the Meeting through Laptops / iPad for better experience.
- vii. Further Shareholders will be required to allow Camera (in case of speakers) and use Internet with a good speed to avoid any disturbance during the AGM.
- viii. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- ix. Members (holding shares as on Cut-off date) who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request, on or before Saturday, September 21, 2024, from their registered e-mail address mentioning their name, DP ID and Client ID / folio number, PAN, mobile number at [corp7seasent@gmail.com](mailto:corp7seasent@gmail.com). Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

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

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

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

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

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

**Sd/-**

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

**Date: 12.08.2024  
Place: Hyderabad**



## DIRECTORS' REPORT

To the Members,  
7Seas Entertainment Limited,  
Hyderabad, Telangana, India

The Board of Directors hereby submits the report of the business and operations of your Company ('the Company' or '7Seas') along with the audited "Financial statement for the "Fiscal Year ended March 31, 2024.

### 1. Financial summary/highlights:

The performance during the period ended 31st March, 2024 has been as under:

(Amounts in Lakhs)

Particulars	Standalone	
	2023-24	2022-23
Turnover/Income (Gross)	1,179.12	552.21
Other Income	--	3.70
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	164.15	61.39
Less: Depreciation/ Amortisation/ Impairment	39.05	8.16
Profit /loss before Finance Costs, Exceptional items and Tax Expense	142.24	53.23
Less: Finance Costs	21.91	--
Profit /loss before Exceptional items and Tax Expense	103.19	53.23
Add/(less): Exceptional items	--	--
Profit /loss before Tax Expense	--	--
Less: Tax Expense (Current & Deferred)	7.06	10.18
Profit /loss for the year (1)	96.13	43.06
Total Comprehensive Income/loss (2)	--	--
Total (1+2)	--	--
Balance of profit /loss for earlier years	--	--
Less: Transfer to Debenture Redemption Reserve	--	--
Less: Transfer to Reserves	--	--
Less: Dividend paid on Equity Shares	--	--
Less: Dividend paid on Preference Shares	--	--
Less: Dividend Distribution Tax	--	--
<b>Balance carried forward</b>	<b>96.13</b>	<b>43.06</b>

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

During the year under review, the Company has recorded total income including other income of Rs. 1,179.12 Lakhs and profit of Rs. 96.13 Lakhs as against the income of Rs. 555.91 Lakhs and Profit of Rs. 43.06 Lakhs in the previous financial year ending 31.03.2023.

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

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

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

The Company has not undergone any change in the nature of business during the FY 2023-24.

**5. Transfer to reserves:**

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

**6. Revision of financial statements:**

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

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

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

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

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

**9. Dividend:**

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

**10. Investor Relations:**

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

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

There is no such amount of Un-paid or Unclaimed Dividend be transferred to Investor and Education and Protection Fund for the financial year ended 31st March 2024.

**12. Details of utilization of funds:**

The Company raised capital through Preferential issue during FY 2023-24 aggregating to Rs. 14,31,30,038. The funds raised through the Preferential issue have been utilized for the general business purpose and there is no deviation in the utilization of proceeds.

**13. Details of Nodal Officer:**

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

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

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

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

**15. Deposits from public:**

The Company has not accepted any public deposits during the Financial Year ended March 31, 2024 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, 2024, there has been no non-compliance with the requirements of the Act.

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

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

The details of familiarisation programme held in FY 2023-24 are also disclosed on the Company's website and its web link is <http://www.7seasent.com>.

**17. Board Evaluation**

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

All the Directors participated in the evaluation process. The results of evaluation were discussed in the Board meeting held in February 2024. The Board discussed the performance evaluation reports of the Board, Board Committees, Individual Directors, and Independent External Persons. The Board upon discussion noted the suggestions / inputs of the Directors. Recommendations arising from this entire process were deliberated upon by the Board to augment its effectiveness and optimize individual strengths of the Directors.

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

**18. Meetings of the Board**

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

**19. Committees of the Board**

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



**20. Audit Committee Recommendations:**

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

**21. Directors and key managerial personnel:**

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

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

- i. In accordance with the provisions of the companies Act, 2013 and Articles of Association of the company Mrs. Hemalatha Lingamaneni, executive director, retire by rotation and being eligible, offers herself for re-appointment.
- ii. In accordance with the provisions of the companies Act, 2013 and Articles of Association of the company Mr. Bommineni Mohan Rao, non-independent -non executive director, retire by rotation and being eligible, offers himself for re-appointment.

**b) Key Managerial Personnel:****Key Managerial Personnel for the financial year 2023-24**

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

**22. Statutory audit and auditors report:**

The members of the Company at their Annual General Meeting held on 28th December, 2020 have appointed M/s. Sathuluri & Co., as statutory auditors of the Company to hold office until the conclusion of 34th Annual General meeting of the Company. The Auditors' Report for fiscal year 2023-24 does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report. The Company has received audit report with unmodified opinion for Audited Financial Results of the Company for the Financial Year ended March 31, 2024 from the statutory auditors of the Company.

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

**23. Internal auditors:**

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

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

The Board has re-appointed M/s. DVAK & Co., Chartered Accountants, Hyderabad, as Internal Auditors for the Financial Year 2024-25.

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

In terms of section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, based upon the recommendations of the Audit Committee, the Board of Directors had appointed M/s. Chakravarthy & Associates, Practicing Company Secretaries (CP No. 22563) as the Secretarial Auditor of the Company, for conducting the Secretarial Audit for financial year ended March 31, 2024.

The Secretarial Audit was carried out by M/s. Chakravarthy & Associates, Practicing Company Secretaries (CP No. 22563) for the financial year ended March 31, 2024. The Report given by the Secretarial Auditor is annexed herewith as Annexure-I and forms integral part of this Report.

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

**25. Annual Secretarial Compliance Report:**

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019 read with Regulation 24(A) of the Listing Regulations, directed listed entities to conduct Annual Secretarial compliance audit from a Practicing Company Secretary of all applicable SEBI Regulations and circulars/guidelines issued thereunder. Further, Secretarial Compliance Report dated May 30, 2024, was given by Mrs. P.Sarada, Practicing Company Secretary which was submitted to Stock Exchanges within 60 days of the end of the financial year.

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

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

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

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

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

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

During the Financial Year 2023-24, the Auditors have not reported any matter under section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under section 134(3) (ca) of the Companies Act, 2013.

**29. Declaration by the Company**

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

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

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

**A. Conservation of Energy:**

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

**B. Technology Absorption:**

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

**C. Foreign Exchange Earnings and Out Go:**

1. Foreign Exchange Earnings: 965219 USD
2. Foreign Exchange Outgo: Nil

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

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

**32. Risk management policy:**

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

**33. Corporate governance:**

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

**34. Annual Return:**

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

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

The authorized capital of the company stands at Rs. 23,00,00,000/- divided into 2,30,00,000 equity shares of Rs.10/- each. The company's paid-up capital is Rs. 18,66,01,290/- divided into 1,86,60,129 equity shares of Rs. 10/- each.

**36. Declaration of independence:**

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

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

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

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

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

**37. Director's Responsibility Statement:**

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that for the financial year ended March 31, 2024:

- a) in the preparation of the annual accounts for the financial year ended 31 March 2024, 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 2024 and of the profit and loss of the Company for the financial year ended 31 March 2024 ;



- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The annual accounts have been prepared on a going concern basis;
- e) Proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) Proper systems to ensure compliance with the provisions of all applicable laws were followed and that such systems were adequate and operating effectively.

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

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

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

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

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

**39. Corporate social responsibility policy:**

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

**40. Board Evaluation:**

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

All the Directors participated in the evaluation process. The results of evaluation were discussed in the Board meeting held in Feb 2024. The Board discussed the performance evaluation reports of the Board, Board Committees, Individual Directors, Independent External Persons and noted the suggestions / inputs of the Directors. Recommendations arising from this entire process were deliberated upon by the Board to augment its effectiveness and optimize individual strengths of the Directors.

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

**41. Audit Committee Recommendations:**

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

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

None of the companies have become or ceased to become the subsidiaries, joint ventures or associates' company to M/s. 7Seas Entertainment Limited during the year 2023-24.

**43. Policies:**

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

**44. Secretarial Standards:**

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

**45. Insurance:**

The properties and assets of your Company are adequately insured.

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

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

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

**47. Internal Financial Control Systems:**

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

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

**48. Related Party Transactions:**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. During the financial year 2023-24, there were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. The transactions with the related parties are routine and repetitive in nature.

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

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

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

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

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

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

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

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

**51. Declaration by the company:**

The Company has issued a certificate to its Directors, confirming that it has not made any default under Section 164(2) of the Companies Act, 2013, as on March 31, 2024.

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

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

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

**53. Implementation of Corporate Action**

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

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

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

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

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

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

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

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

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

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

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

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

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

**60. Policies:**

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



**61. Statutory compliance:**

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

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

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

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

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

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

**64. CEO/CFO Certification:**

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

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

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

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

During the financial year ended March 31, 2024, no complaints pertaining to sexual harassment have been received.

**66. Green Initiatives:**

In commitment to keep in line with the Green Initiative and going beyond it to create new green initiatives, electronic copy of the Notice of 33rd Annual General Meeting of the Company are sent to all Members whose email addresses are registered with the Company/Depository Participant(s). For members who have not registered their e-mail addresses, physical copies are sent through the permitted mode.

**67. Event Based Disclosures**

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

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

**68. Other Disclosures:**

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

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

**69. Appreciation & acknowledgement:**

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

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

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

**Date: 12.08.2024  
Place: Hyderabad**

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

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

## CORPORATE GOVERNANCE

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

### 1. Company's Philosophy on Code of Governance:

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

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

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

### 2. Board diversity:

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

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

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

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

### 4. 7Seas' code of conduct for the prevention of insider trading:

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

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

### 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, 2024, the Company's Board comprised of Ten Directors, three promoter Directors including one woman Director. Further, there are five independent Directors and two non-executive 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:

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



**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 10th May, 2023, 11th August, 2023, 6th September, 2023, 10th November, 2023, and 10th February, 2024. The agenda for each meeting is prepared well in advance, along with explanatory notes wherever required and distributed to all Directors.

**9. Attendance and directorships held:**

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

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

Table-1									
Name of Director	Relationship with other Directors	Category	No. of Meetings Held	No. of Meetings Attended	Whether Attended Last AGM held on 28.09.2023	No. of Directorships in other companies (name of the listed company to be mentioned)		No. of committee positions held in other public companies	
						Chairman	Director	Chairman	Director
Mr. L. Maruti Sanker	None	Executive Director	5	5	Yes	--	--	--	--
Mrs. L. Hemalatha	None	Executive Director	5	5	Yes	--	--	--	--
Mr. B. Mohan Rao	None	Non-Executive Director	5	5	Yes	--	--	--	--
Mr. K. Pradeep Kumar	None	Non-Executive Director	5	5	Yes	--	--	--	--
Mrs. C. Sita Visalakshi	None	Independent Director	5	5	Yes	--	--	--	--
Mr. B. Kiran Kumar	None	Independent Director	5	5	Yes				
Mr. N. Mahender Reddy	None	Independent Director	5	5	Yes				
Mrs. G. Anupama	None	Independent Director	5	5	Yes				
Mrs. Surabhi Verma	None	Independent Director	5	5	Yes				
Mr. G. Srinivas Rao	None	Non-Executive Director	5	5	Yes				

**10. Information supplied to the Board:**

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

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

**11. Familiarization program for independent directors:**

The Board members are provided with necessary documents, reports, internal policies and site visits to enable them to familiarize with the Company's operations, its procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company business, strategy and risks involved. Detailed presentations on the Company's business segments were made at the meetings of the Directors held during the year. During the financial year 2023-24, there has been no change in the independent director of the Company.

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

**12. Committees of the board:**

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

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

**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 2023-24 on February 10, 2024, 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 10, 2024, mainly to review the performance of Independent Directors and the Whole-time Directors as also the Board as a whole. All IDs were present at the said meeting.

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

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

<b>Categories</b>	<b>Rating (out of 5)</b>
Board as a whole	4.36
<b>Individual Directors</b>	
Mr. Maruti Sanker Lingamaneni	4.42
Mrs. Lingamaneni Hemalatha	4.28
Mrs. Sita Visalakshi Chimakurthy	4.69
Mr. Bommineni Mohan Rao	4.52
Mr. Pradeep Kamiseti Kumar	4.12
Mr. Kiran Kumar Bodla	4.15
Mr. N Mahender Reddy	4.25
Mr.G.Srinivas Rao	4.7
Mrs. G. Anupama	4.32
Mrs. Anupama	4.52
Audit Committee	4.49
Stakeholder Relationship Committee	4.37
Nomination & Remuneration Committee	4.46

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

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

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

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

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

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



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

## **B. Internal Audit**

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

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

The Audit Committee of the Company is constituted in accordance with the provisions of Regulation 18 of the Listing Regulations and the provisions of Section 177 of the Act. All members of the Committee are financially literate, with Mrs. C. Sita Visalakshi, as Chairperson of the Committee, having the relevant accounting and financial management expertise.

The composition of the Audit Committee and the details of the meetings attended by its members during the financial year ended 31st March 2024 are as under:

Name	Designation	Category	No of Meetings held	No of Meetings attended
Mrs. C. Sita Visalakshi	Chairperson	NED(I)	4	4
Mrs. Anupama Govardhanagiri	Member	NED(I)	4	4
Mrs. Surabhi Verma	Member	NED(I)	4	4

The Audit Committee met 4 times during the financial year 2023-24 and the gap between any two meetings did not exceed 120 days. The dates on which the Audit Committee Meetings held were: 10.05.2023, 11.07.2023, 10.11.2023 and 10.02.2024. Requisite quorum was present at the above Meetings.

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

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

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on 28 September, 2023.

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

**Brief Description of Terms of Reference**

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

- a. To take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
- b. To bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.
- c. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and /or removal.
- d. To carry out evaluation of every Director's performance.
- e. To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- f. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.

- g. To formulate the criteria for evaluation of Independent Directors and the Board.
- h. To recommend/review remuneration of the Managing Director and Whole-time Director(s) based on their performance and defined assessment criteria.
- i. devising a policy on diversity of board of directors;
- j. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- k. Recommend to the board, all remuneration, in whatever form, payable to senior management.

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

There were One (1) Nomination and Remuneration Committee Meetings held during the financial year 2023-24 on 10.02.2024.

Name	Designation	Category	No of Meetings held	No of Meetings attended
Mrs. C. Sita Visalakshi	Chairperson	NED(I)	1	1
N. Mahender Reddy	Member	NED(N)	1	1
Mrs. Surabhi Verma	Member	NED(I)	1	1

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

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

The Committee In the financial year 2022-23, 4 meetings of the Committee were held on 10.05.2023, 11.07.2023, 10.11.2023 and 10.02.2024. Composition of committees and member's attendance at the meetings during the year are as under:

Name	Designation	Category	No of Meetings held	No of Meetings attended
Mrs. C. Sita Visalakshi	Chairperson	NED(I)	4	4
N. Mahender Reddy	Member	NED(I)	4	4
Mr. K. Pradeep Kumar	Member	NED(N)	4	4

No Complaints were received during the financial year 2023-24

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

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

**Policy:**

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



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

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

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

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

**19. Details of complaints/requests received, resolved and pending during the year 2023-24:**

Number of complaints	Number
Number of complaints received from the investors comprising non-receipt of securities sent for transfer and transmission, complaints received from SEBI / Registrar of Companies / Bombay Stock Exchange / National Stock Exchange / SCORE and so on March 31,2024	--
Number of complaints resolved	--
Number of complaints not resolved to the satisfaction of the investors as on March 31, 2024	--
Complaints pending as on March 31, 2024	--
Number of Share transfers pending for approval, as on March 31, 2024	--

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

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

**Policy:**

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

- 1.4 The Annual plan and Objectives for Executive committee shall be reviewed by the NR committee and Annual performance Bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.
2. Remuneration to Non – Executive Directors
- 2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders.
- 2.2 Non – Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.
3. Remuneration to other employees
- 3.1. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs

**B. Remuneration to directors paid during the financial year 2023-24 and other disclosures:**

Name of the Director	Salary(Rs)	Sitting fees(Rs)	Number of shares held	Service Contracts	Stock Option Details	Fixed Component	Performance Based Incentive
Mr. Maruti Sanker Lingamaneni	3000000	--	--	--	--	--	--
Mrs. Lingamaneni Hemalatha	1800000	--	--	--	--	--	--
Mrs. Sita Visalakshi Chimakurthy	--	40000	--	--	--	--	--
Mr. Bommineni Mohan Rao	--	--	--	--	--	--	--
Mr. Pradeep Kamiseti Kumar	--	--	--	--	--	--	--
Mr. Kiran Kumar Bodla	--	40000	--	--	--	--	--
Mrs. Surabhi Verma	--	40000	--	--	--	--	--
Mr. Mahender Reddy	--	40000	--	--	--	--	--
Mr. G.Srinivas Rao	--	40000	--	--	--	--	--
Mrs. G. Anupama	--	40000	--	--	--	--	--

**21. Independent directors' meeting:**

As per clause 7 of the schedule IV of the Companies Act (Code for Independent Directors), a separate meeting of the Independent Directors of the Company (without the attendance of Non-Independent directors) was held on 10.02.2024, to discuss:

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

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

As required under Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the company regularly familiarizes Independent Directors with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company etc. The details of the familiarization program is given at company's website ([www.7sesent.com/Investor Relations](http://www.7sesent.com/Investor%20Relations)).

## 22. Remuneration policy:

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

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

#### 1. Scope:

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

#### 2. Terms and References:

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

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

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

#### 3. Policy:

##### Qualifications and criteria

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

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

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

3.1.3 The proposed appointee shall also fulfil the following requirements:

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

- shall abide by the code of conduct established by the company for Directors and senior management personnel;
- shall disclose his concern or interest in any Company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as any prescribed, from time to time, under the Companies Act, 2013, Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant laws.

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

### 3.2 Criteria of Independence

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

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

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

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

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



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

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

### 3.3 Other Directorships/ Committee Memberships

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

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

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

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

Remuneration policy for Directors, key managerial personnel and other employees

**1. Scope:**

1 This policy sets out the guiding principles for the Nomination and Remuneration committee for recommending to the Board the remuneration of the Directors, key managerial personnel and other employees of the Company.

2. Terms and Reference: In this policy the following terms shall have the following meanings:

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

2.2 "key managerial personnel" means

(i) The Chief Executive Officer or the managing Director or the manager;

(ii) The Company Secretary;

(iii) The Whole-time Director;

(iv) The Chief Financial Officer; and

(v) Such other office as may be prescribed under the companies Act, 2013

2.3 "Nomination and Remuneration committee" means the committee constituted by Board in accordance with the provisions of Section 178 of the companies Act, 2013, clause 49 of the Equity Listing Agreement and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**3. Policy:**

3.1 Remuneration to Executive Director and key managerial personnel

3.1.1 The Board on the recommendation of the Nomination and Remuneration (NR)

3.1.2 The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the Company.

3.1.3 The remuneration structure to the Executive Director and key managerial personnel shall include the following components:

(i) Basic pay

(ii) Perquisites and Allowances

(iii) Stock Options

(iv) Commission (Applicable in case of Executive Directors)

(v) Retrial benefits

(vi) Annual performance Bonus

- 3.1.4 The Annual plan and Objectives for Executive committee shall be reviewed by the Nomination and Remuneration committee and Annual performance bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.
- 3.2 Remuneration to Non – Executive Directors
- 3.2.1 The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders as per the provisions of the Companies Act.
- 3.2.2 Non – Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.
- 3.3. Remuneration to other employees
- 3.3.1. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

### 23. Risk Management Committee: -

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

#### A.) Composition:

The Details of composition of the Committee are given below:

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

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

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

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

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

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

During the year under review, the Company has allotted 36,62,116 (Thirty Six Lakhs Sixty Two Thousand One Hundred Sixteen) Fully Convertible Warrants of face value ₹10/- (Rupees Ten) each for cash at a price of ₹22.70/- (Rupees Twenty Two and Seventy paise) per warrant including a premium of ₹12.70/- (Rupees Twelve and Seventy Paise) each on a preferential basis to the persons other than promoters.

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

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

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

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

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

**28. Details on general body meetings:****A. Location, date and time of last three AGMs and special resolutions there at as under:**

Year	Date	Time	Venue	Special / Ordinary Resolution
2022-23	28-09-2023	9.00 A.M	Through VC / OAVM	Yes
2021-22	30.09.2022	9.00 A.M	Through VC / OAVM	Yes
2020-21	30-09-2021	1.00 P.M	Through VC / OAVM	Yes

**29. Passing of Resolutions by Postal Ballot**

There were no resolutions passed by the Company through Postal Ballot during the financial year 2023-24.

**30. Means of Communication:**

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

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

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



**31. General shareholder information:****A. Annual general meeting:**

The 33rd Annual General Meeting of the Company will be held as per the following schedule:

Day	Saturday
Date	28.09.2024
Time	09.00 a.m.
Venue	at through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM")
Date of Book Closure	22.09.2024 to 28.09.2024 (both days inclusive)

**B. Financial Year Calendar 2024-25 (Tentative Schedule)**

The financial calendar (tentative) shall be as under:

Financial Year	2024-25
First Quarterly Results	11.08.2024
Second Quarterly Results	14.11.2024
Third Quarterly Results	14.02.2024
Fourth Quarterly Results	30.05.2025
Annual General Meeting for year ending 31st March, 2024	30.09.2025

**C. Dividend Payment Date:** No Dividend was declared during the Financial Year 2023-24.

**D. Payment of Listing Fees:** The Company has paid annual listing fees for the financial year 2024-25 to the BSE within stipulated time.

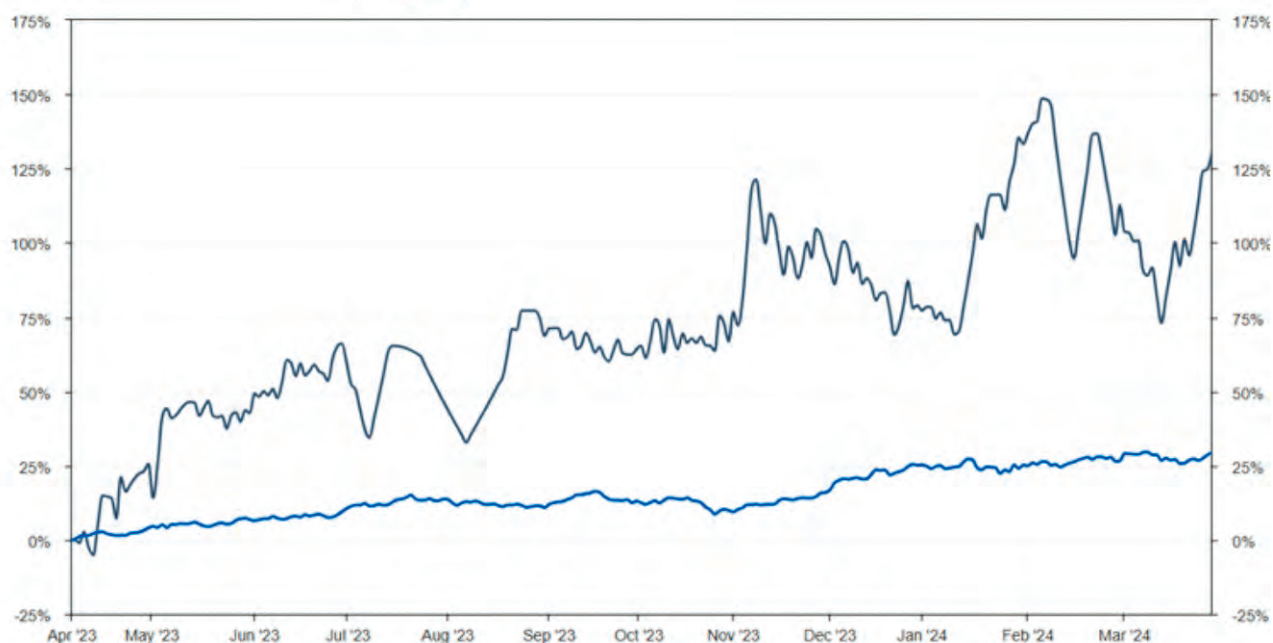
**E. Listing on stock exchange & address:**

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

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

**F. Stock Market Price Data: BSE Limited****Bombay Stock Exchange(BSE)**

S.No	Month	Open Price	High Price	Low Price	Close Price
1	Apr 23	17.49	23.00	15.75	21.25
2	May 23	21.00	26.00	18.63	24.15
3	Jun 23	24.00	28.64	24.00	27.06
4	Jul 23	27.00	28.77	22.70	24.84
5	Aug 23	24.35	31.45	22.05	28.56
6	Sep 23	28.50	29.98	26.01	27.80
7	Oct 23	29.00	32.20	26.42	28.24
8	Nov 23	30.00	39.34	28.00	33.25
9	Dec 23	32.16	34.68	27.70	30.30
10	Jan 24	31.79	41.85	28.10	39.49
11	Feb 24	41.40	43.92	32.41	36.01
12	Mar 24	35.00	39.80	28.00	38.07

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

## H. Registrar and share transfer agents:

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

## I. Share transfer system:

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

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

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

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

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

## J. Distribution Of Shareholding As on 31st March , 2024:

Shares	No. of Share holders	% of Total Share holders	No. of Shares	% of Total Share holding
Upto - 500	1940	66.83	225536	1.21
501 - 1000	305	10.51	269818	1.45
1001 - 2000	186	6.41	303596	1.63
2001 - 3000	88	3.03	228255	1.22
3001 - 4000	53	1.83	189333	1.01
4001 - 5000	80	2.76	386074	2.07
5001 - 10000	95	3.27	722163	3.87
10001 and above	156	5.37	16335354	87.54
<b>Total</b>	<b>2903</b>	<b>100</b>	<b>18660129</b>	<b>100</b>

**K. Dematerialisation & liquidity of shares:**

7seas Entertainment Limited Shares are tradable in Electronic Form. The Company has established electronic connectivity through Venture Capital And Corporate Investments Private Limited Private Limited with both the depositories, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) The International Securities Identification Number (ISIN) allotted to our shares under the Depository System is INE454F01010. As on March 31, 2023 98.26% of the shares were held in Dematerialised form and the rest in physical form.

Particulars	No. of Shares	% Share Capital
NSDL	38,40,403	20.58
CDSL	1,46,08,323	78.29
Physical	2,11,903	1.13
<b>TOTAL</b>	<b>1,86,60,129</b>	<b>100.00</b>

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

**L. Book closure date:**

The date of Book Closure for the purpose of Annual General Meeting and determining the shareholders' entitlement for dividend shall be from 22.09.2023 to 28.09.2023 (both days inclusive).

**M. Electronic connectivity:**

Demat ISIN Number: INE454F01010

**N. National Securities Depository Limited**

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

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

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

**P. ADDRESS FOR CORRESPONDANCE:**

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



**Q. Shareholding Pattern as on 31st March, 2024:**

SI. No	Name of the Shareholders	No. of Equity shares held	% Of holding
A	Promoter and Promoter Group	69,90,821	37.46
	<b>Sub - Total A</b>	69,90,821	37.46
B	Public shareholdings		
1.	Institutions	--	--
2.	Non - Institutions		
a	Bodies Corporate	78,527	0.42
b	Indian public and others	1,15,32,379	61.80
c	Any others		
	i. NRI,s	58,402	0.31
	ii. Clearing Members	--	--
	iii. Employee	--	--
	iv. Foreign Portfolio Investors	--	--
	<b>Sub - Total B</b>	1,16,69,308	62.54
	<b>Grand Total (A+B)</b>	1,86,60,129	100

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

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

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

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

Particulars	Amount in Rs.
Audit fees	2,00,000
Fees for other services – Certification	--
Reimbursement of out of pocket expenses	--
<b>Total</b>	<b>2,00,000</b>

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

The Company has established an appropriate mechanism for dealing with complaints in relation to Sexual Harassment of Women at Workplace, in accordance with its Policy on Prevention of Sexual Harassment at Workplace ('POSH') which is available on the website of the Company. There was no Complaints received during the financial year.

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

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

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

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

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

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

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

During the financial year 2023-24, the company were raised fund of Rs. 14,31,30,038 through preferential allotment to the promoter and non-promoters as per the Regulation 32(7A) of the Listing Regulations

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

There were no instances during the financial year 2023-24 wherein the Board had not accepted the recommendations made by any Committee of the Board.

**viii. Commodity price risk, Foreign Exchange Risks and commodity hedging activities: Not Applicable****ix. Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount: Nil****x. Non-compliance of any requirement of Corporate Governance Report of sub-paras (2) to (10) of Schedule-V:**

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

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

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

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

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

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

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

**xiv. Code of Conduct:**

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

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

**xv. Disclosure of Accounting Treatment:**

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

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

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

**xvii. CEO/ CFO Certification:**

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

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

**Date: 12.08.2024  
Place: Hyderabad**

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

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

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

To

The Board of Directors

7Seas Entertainment Limited

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

1. We have reviewed standalone as well as consolidated financial statements and the cash flow statement of the Company for the quarter/year ended 31st March, 2024 and to the best of their knowledge and belief:
  - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit committee
  - a. There have not been any significant changes in internal control over financial reporting during the year;
  - b. There have not been any significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - c. There have not been any instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

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

**Date: 12.08.2024  
Place: Hyderabad**

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

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

**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members of  
7Seas Entertainment Limited  
Hyderabad

I have examined the compliance of conditions of Corporate Governance by 7Seas Entertainment Limited ('the Company'), for the Financial Year ended 31st March 2024, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

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

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

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

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

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

**Sd/-  
S S Prakash  
Partner  
Membership No. 202710**

**Place: Hyderabad  
Date: 12.08.2024**



**Certificate of Non-Disqualification of Directors**

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

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

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S.No.	DIN No	Name of the Director	Designation
1.	01095047	Mrs. Maruti Sanker Lingamaneni	Managing Director
2.	02226943	Mrs. Hemalatha Lingamaneni	Whole Time Director
3.	07233665	Mr. Bommineni Mohan Rao	Non-Executive Director
4.	03502650	Mr. Gandra Srinivas Rao	Non-Executive Director
5.	07062498	Mr. Pradeep Kamiseti Kumar	Non-Executive Director
6.	06380062	Mrs. Chimakurthy Sita Visalakshi	Independent Director
7.	07499895	Mr. Kiran Kumar Bodla	Independent Director
8.	09389493	Mr.N. Mahender Reddy	Independent Director
9.	09725877	Mrs. Surabhi Verma	Independent Director
10.	02328744	Mrs. Anupama Govardhanagiri	Independent Director

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

**For Chakravarthy & Associates**

Sd/-

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

**Place: Hyderabad**  
**Date: 12.08.2024**

FORM MR-3  
SECRETARIAL AUDIT REPORT  
(Pursuant to section 204(1) of the Companies Act, 2013  
and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014  
FOR THE FINANCIAL YEAR ENDED 31STMARCH, 2024

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

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

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the Financial Year commencing from 1st April, 2021 and ended 31st March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st of March, 2024 according to the provisions of:
  - i. The Companies Act, 2013 (the Act) and the rules made there under;
  - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment and External Commercial Borrowings;
2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') is furnished hereunder for the financial year 2023-24:-
  - 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](http://www.7seasent.com)**
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – **Not Applicable as the Company has not issued any securities during the year under review.**
  - d. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **Not Applicable as the Company has not issued any Employee Stock Options during the year under review.**
  - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021: **Not Applicable as the Company has not issued any debt securities during the year under review.**
  - f. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; **Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review.**
  - g. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **Not Applicable as the company has not delisted/ proposed to delist its equity shares during the year under review.**

- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable as the Company has not bought back/ proposed to buy-back any of its securities during the year under review.**
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were complied with to the extent applicable.
3. I have also examined compliance with the applicable clauses of the following:
- a. Secretarial Standards issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.
- b. Securities and Exchange Board of India Act, 1992 & Circulars, Master Circulars and Regulations issued by SEBI and applicable to the Company.
- c. Listing Agreements entered into by the Company with BSE Limited.
4. As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that
- (i) the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:
- External Commercial Borrowings were not attracted to the Company under the financial year under report;
  - Foreign Direct Investment (FDI) was not attracted to the company under the financial year under report;
  - Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.
- (ii) As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.
5. We have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial auditor and other designated professionals.
6. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above including the following:
- a) During the year the Company has conducted 5 meetings of the Board of Directors, 4 Meetings of Audit Committee meeting, 4 Meetings of Stakeholder Relationship Committee, 1 Meetings of Nomination & Remuneration Committee and 1 meeting of Independent Directors. We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company secretaries of India.
- b) Adequate notice of board meeting is given to all the directors along with agenda at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
- c) As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.
- d) I further report that during the year under report, the Company has not undertaken event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. other than those already disclosed to Stock Exchange i.e., BSE.
- e) I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For Chakravarthy & Associates**

**Sd/-**

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

**Place: Hyderabad**  
**Date: 12.08.2024**

**Annexure A**

To

The Members of

M/s. 7seas Entertainment Limited

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

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

**For Chakravarthy & Associates**

**Sd/-**

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

**Place: Hyderabad**

**Date: 12.08.2024**

## MANAGEMENT'S DISCUSSION & ANALYSIS REPORT

### Overview

7Seas Entertainment Ltd (7Seas) is an ISO-certified Independent Games Development Company. We are a leading developer and publisher of digital gaming entertainment products for consumers/gamers around the globe. We develop and publish Game IPs in all genres for different age groups, principally through 7Seas. Our products are designed for mobile gaming (smartphones and tablets) and PCs (Online Gaming) systems.

### Content Release Highlights

During fiscal year 2024, we released new gaming content for several game categories. Our Game Roller Coaster Simulator HD won the FICCI BAF 2024 Award held in Mumbai, India. Our cricket game titled " World Cricket Champions League" performed well throughout the year.

We expect our new updated version of these games will perform well in the coming years. We will also continue to invest in more new gaming opportunities that we believe will enhance and scale our business and have the potential to drive growth over the long-term.

In this financial year 7Seas developed & released games 5 Unique Mobile Games and 100+ casual online games. 7Seas is focusing on Free to Play Casual, Arcade, Racing, Shooting, Action, Puzzle, and Simulation Games.

7Seas developed first of its kind Short Gaming News App – Gamer Shorts. Gamer Shorts is a unique gaming app for connecting gaming eco system of all publishers/gamers/Companies etc., be updated with the Gaming Apps and Information.

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. Its suite of gaming content allows gamers to easily play the games.

### Industry Structure, Development and Outlook:

The gaming industry has come a long way since its inception, with new advancements in technology, graphics, and gameplay leading to an ever-growing fan base and market.

Global Gaming Market Overview: According to Statista:

- Revenue in the Games market worldwide is forecasted to reach US\$455.30bn in 2024.
- The revenue is anticipated to demonstrate an annual growth rate (CAGR 2024-2029) of 7.93%, leading to an estimated market volume of US\$666.70bn by 2029.
- When compared globally, the majority of revenue will be generated in China (US\$128.90bn in 2024).
- In the Games market, the number of users is projected to reach 3.0bn users by 2029.
- User penetration is set to be 33.3% in 2024 and is projected to reach 37.5% by 2029.
- The average revenue per user (ARPU) is forecasted to be US\$816.30.
- Global gaming media consumption is surging, with worldwide gamers engaging more with interactive content across various platforms and genres.

As per Newzoo's report - The global games market will generate \$187.7 billion in 2024. At present, gaming is at a major inflection point. Gaming will captivate an anticipated 3.4 billion enthusiasts this year, with its influence extending throughout the expansive media and entertainment landscape. The market is growing and there are opportunities out there for every scale.

The more the gaming market grows, the more ways there are for the different players in the ecosystem to boost their revenues from it. Even free-to-play games are now generating massive revenues. In fact, mobile games are one of the most important revenue sources for the market, as stated by Newzoo's reports that point out that there will be a spend of \$200 billion on in-game purchases by 2023.

A remarkable 79% of the online population engages with games in one way or another. All types of game-related engagement tend to increase with each younger generation (Newzoo). 42% of Gen Alpha engages with games across all dimensions, including playing, viewing, and other forms such as socialization, podcasts, in-person events. This level and breadth of engagement among youngsters signals that gaming is becoming more than just a pastime.



Trend is Mobile Gaming: The trend that is evolving the most is mobile gaming. It has become increasingly popular in recent years, and this is expected to continue in 2024. With the rise of 5G technology, mobile games will become even more accessible and offer more immersive gameplay experiences. Mobile gaming is also becoming more mainstream, with more and more people of all ages and backgrounds playing games on their phones.

#### Gaming in India Market Analysis:

As of July 2024, India's gaming market was valued at around \$3.1 billion and had 442 million gamers, making it the world's second-largest gaming market after China. The industry is expected to grow to \$12.359 billion by 2032, with a compound annual growth rate (CAGR) of 16.20% from 2024–2032.

The online gaming industry witnessed tremendous growth during the period of coronavirus outbreak. India's young online gaming business saw extraordinary growth, propelling it into the world's top five mobile gaming markets. The rising millennials and Gen Z population of the Country brought the online gaming world to life. India is poised to serve as a lucrative avenue for the gaming industry. Revenues come from free-to-play and freemium games, which can be downloaded and played for free but allow gamers to spend money in the game to enhance the experience.

Some factors driving the growth of India's gaming market include:

- Large youth population: India has one of the world's largest youth populations.
- Expanding IT infrastructure: The growing use of smartphones and high-speed internet is fueling the growth of IT infrastructure

#### Opportunities and Threats:

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

#### A. Business performance and Segment Reporting:

During the year under review, the Company has recorded an income of Rs. 1179.12 Lakhs and profit before tax of Rs. 103.19 Lakhs as against the income of Rs. 555.92 Lakhs and Profit before tax of Rs. 53.27 Lakhs in the previous Financial Year 2022-23.

#### Key financial ratios:

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

S.No.	Financial Ratios	Financial Year 2023-24	Financial Year 2022-23
1.	Net capital turnover ratio	1.88	(2.46)
2.	Net Profit Margin (%)	0.09	0.10
3.	Trade receivables turnover ratio	20.73	11.77
4.	Return on Capital employed	0.12	(0.68)
5.	Current Ratio	12.72	0.44
6.	Return on Equity (%)	0.52	0.28
7.	Trade payables turnover ratio	-	-
8.	Debt Equity Ratio	-	-

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

**B. 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.

**C. 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.

**D. 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.

**E. Human resources and Industrial relations:**

Your company continues to have cordial relations with its employees. During the year the company has employed 30 members in its company and has taken some HR initiatives to train and develop talent pool. In order to improve the performance of management and to scale up the business operations, the company planned to recruit experienced personnel at various levels and technologies apart from strengthening other departments with competent people.

**F. Disclosure of Accounting Treatment:**

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

## INDEPENDENT AUDITOR'S REPORT

To

The Members of,

**7SEAS ENTERTAINMENT LIMITED**

Report on the Audit of the Standalone Financial Statements

**Opinion**

We have audited the accompanying standalone financial statements of 7SEAS ENTERTAINMENT LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2024, the Statement of Profit and Loss, including Other Comprehensive Income, Statement of Changes in Equity Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31st, 2024, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and with the consideration of the report of the branch auditor referred to in the "Other Matters" section below is sufficient and appropriate to provide a basis for our opinion.

**Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements for the year ended March 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.No	Key Audit Matter	Auditor's Response
1.	<p>Revenue Recognition:</p> <p>Refer to the disclosures related to Revenue Recognition in Note 2.12 to the Financial Statements.</p> <p>The Company engaged in the business of online games development through software development, IT Infrastructure solutions</p> <p>Considering the nature of business in which Company operates, there is complexity of the IT systems, significance of volumes of data processed by the IT systems, the impact of changing pricing models and inherent risk in relation to accuracy and completeness of revenue recognition.</p>	<p><b>Our audit procedures in respect of this area included:</b></p> <ol style="list-style-type: none"> <li>1. Assessed the Company's revenue recognition accounting policies are in compliance with Ind AS115 - Revenue from Contracts with Customers (Ind AS 115).</li> <li>2. Understood and evaluated the integrity of the general information and technology control environment and performed tests on mitigating manual controls as applicable.</li> <li>3. Tested the design, implementation and operating effectiveness of relevant controls in respect of revenue recognition and measurement.</li> <li>4. Performed substantive testing on test check basis and verified supporting documentation for</li> </ol>

	<p>Hence due to the above complexities, significant volume of data processed through operations in a highly competitive marketplace coupled with the impact of changing pricing models, we have considered this as a key audit matter.</p>	<p>revenue transactions recorded during the year which included sales invoices, customer contracts and bank statements; apart from that performed analytical procedures.</p> <p>5. Evaluated contracts (on a test check basis) including management discussion with an objective to ascertain whether the same are onerous in nature.</p> <p>6. Tested inter se reconciliations between relevant IT systems reports with general ledger, and performed verification of revenue recognized, deferred and unbilled revenue.</p> <p>7. Assessed disclosures in the Financial Statements in respect of revenue, as specified in IndAS 115.</p>
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### Information Other than the Financial Statements and Auditor's Report Thereon

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

In preparing the Financial Statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit & Auditors) Rules, 2014 as amended.
  - c) 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 except for the matters stated in the paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit & Auditors) Rules, 2014 as amended.

- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March 2024 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 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, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements to the financial statements.
  - 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.
  - iv. A) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
B) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the company from any person or entity, including foreign entity with the understanding, whether recorded in writing or otherwise, that the company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding party("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- v. The company has neither declared nor paid any dividend during the year as per Section 123 of the Act.
- vi. Based on our examination, which included test checks, the Company has used accounting software's for maintaining its books of account for the financial year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software's. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.
- vii. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

**For Sathuluri & Co.,  
Chartered Accountants  
Firm Reg. No.006383S**

**Sd/-  
S S Prakash  
Partner  
Membership No. 202710  
UDIN: 24202710BKELYN8597**

**Date: 28-05-2024  
Place: Hyderabad**

**Annexure A To Independent Auditors' Report of Even Date on the Standalone Financial Statements of 7SEAS ENTERTAINMENT LIMITED for the Year Ended March 31, 2024**

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

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of all major fixed assets.  
  
(b) A major portion of fixed assets have been physically verified by the management during the year at reasonable intervals; no material discrepancies were noticed on such verification.  
  
(c) Book of accounts of the company does not carry any immovable properties for the reporting period. Hence the above point is not applicable.
- ii. (a) As explained to us, the inventory has been physically verified by the management during the year at reasonable intervals.  
  
(b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business  
  
(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification of stocks as compared to book records
- iii. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- iv. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under. Accordingly, the provision stated under clause 3(v) of the Order are not applicable to the Company.
- v. The provisions of sub-Section (1) of Section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the services of the Company.
- vi. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, Goods and service Tax, cess and any other statutory dues to the appropriate authorities and no undisputed amounts payable were outstanding as at 31st March, 2024 for a period of more than six months from the date they became payable.  
  
(b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of Sales Tax or Service Tax or duty of customs or duty of excise or value added tax or Goods and service Tax or cess as at 31st March, 2024 which have not been deposited on account of a dispute.
- vii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment of the Company. Accordingly, the provisions stated under clause 3(viii) of the Order are not applicable to the Company.
- viii. According to the information and explanations given to us and on the basis of examination of the records, the Company has not defaulted in the repayment of loans along with interest to any financial institutions, banks or dues to debenture holders as at the balance sheet date.
- ix. a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated under clause 3(x)(a) of the Order are not applicable to the Company.

- b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly, or optionally convertible debentures during the year. Accordingly, the provisions stated under clause 3(x)(b) of the Order are not applicable to the Company.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. The Company is not a Nidhi Company. Accordingly, the provisions stated under clause 3(xii)(a) to (c) of the Order are not applicable to the Company.
- xii. According to the information and explanation given to us and based on our examination of the records of the company, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act where applicable and the details have been disclosed in the financial statements, etc., as required by the applicable accounting standards.
- xiii. According to the information and explanations given to us and based on our examination the company have an internal audit system and reports of the internal auditors been considered by the statutory auditor.
- xiv. According to the information and explanations given to us, in our opinion, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with its directors and accordingly, the reporting on compliance with the provisions of Section 192 of the Act in clause 3(xv) of the Order is not applicable to the Company.
- xv. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- xvi. Based on the overall review of Financial Statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the provisions stated under clause 3(xvii) of the Order are not applicable to the Company.
- xvii. There has been no resignation of the statutory auditors during the year. Accordingly, the provisions stated under clause 3(xviii) of the Order are not applicable to the Company.
- xviii. According to the information and explanations given to us and based on our examination of the records of the Company, the company is able to pay off the existing liabilities for next one year and material uncertainty doesn't exist as on date of audit report.
- xix. CSR is not applicable to this company.
- xx. There are no adverse remarks in the audit reports issued by the respective auditors in case of companies included in the consolidated financial statements.

**Date: 28-05-2024**  
**Place: Hyderabad**

**For Sathuluri & Co.,  
Chartered Accountants  
Firm Reg. No.006383S**

**Sd/-  
S S Prakash  
Partner  
Membership No. 202710  
UDIN: 24202710BKELYN8597**

**Annexure B To Independent Auditors' Report of Even Date on the Standalone Financial Statements of 7SEAS ENTERTAINMENT LIMITED for the Year Ended March 31, 2024**

[Referred to in Paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members Variman Global Enterprises Limited on the financial statements for the year ended March 31, 2024]

**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 M/s 7SEAS ENTERTAINMENT LIMITED ("the Company") as of 31st March 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Opinion**

In our opinion, the Company, including its branch has, in all material respects, an adequate internal financial control with reference to Financial Statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

**Managements and Board of Director's Responsibility for Internal Financial Controls**

The Company's management and Board of Director's is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). 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 our audit. We conducted 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.

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

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

**For Sathuluri & Co.,  
Chartered Accountants  
Firm Reg. No.006383S**

**Sd/-  
S S Prakash  
Partner  
Membership No. 202710  
UDIN: 24202710BKELYN8597**

**Date: 28-05-2024  
Place: Hyderabad**



## Balance Sheet as on 31st March 2024

(Amount ₹ in Lakhs)

Particulars	Notes	As at	As at
		March 31, 2024	March 31, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	3	135.30	58.33
(b) Intangible Assets		169.42	52.49
(c) Capital Work-in Progress		34.50	34.50
<b>Financial assets</b>			
(a) Investments		-	-
(b) Other Financial Assets	4	65.91	-
<b>Other non-current assets</b>			
		-	-
		<b>405.13</b>	<b>145.32</b>
<b>Current assets</b>			
(a) Financial Assets			
(i) Trade receivables	5	56.89	46.92
(ii) Cash and cash equivalents	6	116.78	43.54
(iii) Loans and Advances	7	463.11	65.73
(iv) Other Financial Assets		-	-
(b) Inventories	8	-	-
(c) Other current assets	9	45.53	22.83
		<b>682.30</b>	<b>179.02</b>
<b>Total Assets</b>		<b>1,087.43</b>	<b>324.34</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	10	1,866.01	1,513.59
(b) Other Equity	11	(849.49)	(1,602.65)
		<b>1,016.52</b>	<b>(89.06)</b>
<b>Liabilities</b>			
<b>Non - Current liabilities</b>			
(a) Financial Liabilities			
(i) Lease Liabilities		-	-
(ii) Other financial liabilities	12	-	-
(b) Provisions		-	-
(c) Deferred Tax Liabilities	13	17.27	10.22
(d) Other Non - Current Liabilities		-	-
<b>Total Non - Current liabilities</b>		<b>17.27</b>	<b>10.22</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises		-	-
(b) Total outstanding dues of Creditors other than micro enterprises and small enterprises	14	5.86	2.41
(ii) Borrowings	15	36.45	397.34
(iii) Lease Liabilities		-	-
(iv) Other financial liabilities		-	-
(b) Other current liabilities	16	11.32	3.43
(b) Provisions	17	-	-
		<b>53.63</b>	<b>403.18</b>
<b>Total Equity and Liabilities</b>		<b>1,087.43</b>	<b>324.34</b>
Summary of Significant Accounting Policies		2	

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

As per our report of even date  
For Sathuluri & Co.  
Chartered Accountants  
Firm Reg No. 006383S

Sd/-  
CA S S Prakash  
Partner  
M. No 202710

Place: Hyderabad  
Date: 28/05/2024

On behalf of the board of directors  
7SEAS ENTERTAINMENT LIMITED

Sd/-  
L MARUTI SANKER  
Managing Director  
DIN: 01095047

Sd/-  
L HEMALATHA  
Director  
DIN: 02226943

## Profit and loss statement for the year ended March 31, 2024

(Amount ₹ in Lakhs)

Particulars	Note No	2023-24		2022-23	
I. Revenue from operations	18	1,179.12		552.21	
II. Other income	19	-		3.71	
<b>III. Total Revenue</b>		1,179.12		555.92	
<b>IV. Expenses:</b>					
Cost of materials consumed	20	-		-	
Employee benefits expense	21	775.15		314.17	
Finance Costs	22	22.06		0.07	
Operation and Other Expenses	23	239.65		180.28	
Depreciation and amortization expense	3	39.06		8.13	
<b>Total expenses</b>		1,075.92		502.64	
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>		103.19		53.27	
VI. Exceptional items	24	-		-	
<b>VII Profit before extraordinary items and tax (V - VI)</b>		103.19		53.27	
VIII Extraordinary Items		-		-	
<b>IX Profit before tax (VII- VIII)</b>		103.19		53.27	
X Tax expense:					
(1) Current tax		-		-	
(2) Deferred tax		7.06		10.22	
<b>XII Profit (Loss) for the Year</b>		96.13		43.06	
<b>XIII Other Comprehensive income/(Loss)</b>					
i. Items that will not be reclassified subsequently to profit or loss		-		-	
ii. Income tax relating to items that will not be reclassified to profit or loss		-		-	
<b>Other Comprehensive income/(Loss) for the year</b>		-		-	
<b>XIV Total Comprehensive Income for The Period (XII + XIII)</b>		96.13		43.06	
Earnings per equity share:					
(1) Basic		0.52		0.28	
(2) Diluted		0.52		0.28	

Schedules Referred to above and notes attached thereto form integral part of balance sheet

As per our report of even date  
For Sathuluri & Co.  
Chartered Accountants  
Firm Reg No. 006383S

Sd/-  
CA S S Prakash  
Partner  
M. No 202710

Place: Hyderabad  
Date: 28/05/2024

On behalf of the board of directors  
7SEAS ENTERTAINMENT LIMITED

Sd/-  
L MARUTI SANKER  
Managing Director  
DIN: 01095047

Sd/-  
L HEMALATHA  
Director  
DIN: 02226943

## Cash Flow Statement for the year ended March 31, 2024

(Rs. In Lakhs)

Particulars	2023-24		2022-23	
<b>Cash Flow from Operating Activities</b>				
Net Profit before tax and extra ordinary items	103.19		53.27	
Add: Baddebts	-		-	
Add: Interest income	-		(3.71)	
Add: Depreciation	39.06		8.13	
Add: Provision for gratuity	-		-	
Add: Loss on sale of fixed asset	-		-	
Less: Extraordinary Items	-		-	
<b>Cash flow before working capital changes</b>	<b>142.25</b>		<b>57.70</b>	
<b>Increase/(Decrease) in Non-Current Liabilities</b>				
Other Long Term Liabilities	-		-	
Long-term borrowings	-		-	
Long-term Provisions	-		-	
<b>Increase/(Decrease) in Current Liabilities</b>				
Short-term Borrowings	(360.89)		(43.76)	
Trade Payables	3.45		(0.15)	
Other Current Liabilities	7.90		(16.89)	
Short-term Provisions	-		-	
<b>(Increase)/Decrease in Non-Current Assets</b>				
Long-term Loans & Advances	-		-	
Other non-current Assets	-		-	
<b>(Increase)/Decrease in Current Assets</b>				
Inventories	-		-	
Trade Receivables	(9.96)		(29.05)	
Short-term Loans & Advances	(397.38)		47.53	
Other Current Assets	(88.61)		(8.47)	
<b>Cash generated from operations</b>	<b>(703.25)</b>		<b>6.91</b>	
Income taxes Paid	-		-	
<b>Net Cash from Operating Activities</b>		<b>(703.25)</b>		<b>6.91</b>
<b>Cash flow from Investing Activities</b>				
Sale of Asset	-		-	
Interest and other income received	-		3.71	
(Increase) / Decrease in Fixed assets and Capital Work In progress	-		(34.50)	
Purchase of Fixed Assets	(232.96)		(105.59)	
<b>Net Cash Flow from Investing Activities</b>		<b>(232.96)</b>		<b>(136.38)</b>
<b>Cash Flow from Financing Activities</b>				
Proceeds from Long Term Borrowings	-		-	
Proceeds from issue of share capital	1,009.45		-	
Interest paid on Borrowings	-		-	
<b>Net Cash Flow from Financing Activities</b>		<b>1,009.45</b>		<b>-</b>
<b>Net Increase/(Decrease) in Cash</b>		<b>73.24</b>		<b>(129.47)</b>
Add: Cash and cash equivalents from at the beginning of the year		43.54		173.02
<b>Cash and cash equivalents from at the end of the year</b>		<b>116.78</b>		<b>43.54</b>

As per our report of even date attached to the Balance Sheet

As per our report of even date  
For Sathuluri & Co.  
Chartered Accountants  
Firm Reg No. 006383S

Sd/-  
CA S S Prakash  
Partner  
M. No 202710

Place: Hyderabad  
Date: 28/05/2024

On behalf of the board of directors  
7SEAS ENTERTAINMENT LIMITED

Sd/-  
L MARUTI SANKER  
Managing Director  
DIN: 01095047

Sd/-  
L HEMALATHA  
Director  
DIN: 02226943

## Notes forming part of financial statements

3 - Property, Plant & Equipments		Rs in Lakhs									
		Gross Block			Accumulated Depreciation			Net Block			
	Fixed Assets	As at April 1, 2023	Additions	Deletions/ Adjustments	As at March 31, 2024	As at April 1, 2023	Depreciation charge for the year	Deletions/ Adjustments	As at March 31, 2024	As at March 31, 2023	
<b>a</b>	<b>Tangible Assets</b>										
	Computers	5.00	45.98		50.98		9.87		41.11	5.00	
	Inverter	1.17	-		1.17		0.37		0.80	1.17	
	Civil works	10.58	12.32		22.90		1.30		21.59	10.58	
	Vehicles	20.69	-		20.69		2.59		18.10	20.69	
	Furniture&fixtures	10.07	17.11		27.19		2.09		25.10	10.07	
	Office Equipment	10.82	21.60		32.42		3.83		28.59	10.82	
	<b>Total</b>	<b>58.33</b>	<b>97.02</b>	<b>-</b>	<b>155.35</b>	<b>-</b>	<b>20.04</b>	<b>-</b>	<b>135.30</b>	<b>58.33</b>	
<b>b</b>	<b>Intangible Assets</b>										
	Software	32.34	31.50		63.84		3.63		60.21	32.34	
	Games & IP's	11.18	54.97		66.15		7.41		58.75	11.18	
	Mobile and Web Application Development	8.96	49.47		58.44		7.98		50.46	8.96	
	<b>Total</b>	<b>52.49</b>	<b>135.94</b>	<b>-</b>	<b>188.43</b>	<b>-</b>	<b>19.02</b>	<b>-</b>	<b>169.42</b>	<b>52.49</b>	
<b>c</b>	Capital Work in Progress	34.50	-		34.50				34.50	34.50	
	<b>Total current year</b>	<b>145.32</b>	<b>232.96</b>	<b>-</b>	<b>378.28</b>	<b>-</b>	<b>39.06</b>	<b>-</b>	<b>339.22</b>	<b>145.32</b>	

**4 - LONG TERM LOANS & ADVANCES**

Rs in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Security Deposits	6.00	-
Fixed deposits	-	-
Other Deposits	2.24	-
Other loans and advances	57.67	-
<b>Total</b>	<b>65.91</b>	<b>-</b>

**5 - TRADE RECEIVABLES**

Particulars	As at March 31, 2024	As at March 31, 2023
a. Trade receivables considered good - Secured	-	-
b. Trade receivables considered good - Unsecured	56.89	46.92
c. Debts due by Directors or Officers of the company	-	-
<b>Total</b>	<b>56.89</b>	<b>46.92</b>

**Sub Note - 5.1 -Trade Receivable ageing schedule:**

As on 31 March 2024:

Particulars	Outstanding for following period from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	-	-	9.96	-	46.93	-	-	56.89
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>9.96</b>	<b>-</b>	<b>46.93</b>	<b>-</b>	<b>-</b>	<b>56.89</b>



As on 31 March 2023:

Particulars	Outstanding for following period from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	-	-	-	46.93	-	-	-	46.93
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	<b>46.93</b>	-	-	-	<b>46.93</b>

**6 - CASH & CASH EQUIVALENTS**

Particulars	As at March 31, 2024	As at March 31, 2023
<b>a. Cash and Cash Equivalents</b>		
(i) Balances with banks		
In Current Accounts	114.65	40.39
(ii) Cheques, drafts on hand	-	-
(iii) Cash on hand	2.13	3.15
<b>Total (a+b)</b>	<b>116.78</b>	<b>43.54</b>

**7 - SHORT TERM LOANS & ADVANCES**

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Secured advances</b>		
Loans and Advances to related parties		
Other Loans and Advances		
<b>UnSecured advances</b>		
Short term deposits		
Other Loans and Advances	354.11	65.73
Loans and Advances to related parties	109.00	-
<b>Total</b>	<b>463.11</b>	<b>65.73</b>

**8 - INVENTORIES (Valued at Lower of Cost or Net Realisable value)**

Particulars	As at March 31, 2024	As at March 31, 2023
8.1. Stock	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**9 - OTHER CURRENT ASSETS**

Rs in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
	TDS & TCS Receivable	0.71
S. Tax & GST Receivable	34.02	12.03
Interest Accrued on FD	-	-
Rental Deposit	10.80	10.80
<b>Total</b>	<b>45.53</b>	<b>22.83</b>

**10 - SHARE CAPITAL**

Rs in Lakhs

The Authorised, Issued, subscribed and fully paid up share capital comprises of equity shares having par value of ` 10 each as follows

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Authorised</b>		
23000000 Equity Shares of Re.10 each (Previous Year: 1,52,00,000 Equity Shares of Rs.10 each)	<b>2,300.00</b>	<b>1,520.00</b>
<b>Issued, Subscribed &amp; Paid up</b>		
1,86,60,129 Equity Shares of Re.10each (Previous Year: 1,51,35,900) Equity Shares of Rs.10 each)	1,866.01	1,513.59
<b>Total</b>	<b>1,866.01</b>	<b>1,513.59</b>

**A. Reconciliation of Shares Outstanding at the beginning and at the end of the year**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number		Number	
Opening Balance	1,51,35,900	1,513.59	1,11,10,900	1,111.09
Issued	<b>35,24,229</b>	352.42	40,25,000	402.50
Bought Back	-	-	-	-
<b>Closing Balance</b>	<b>1,86,60,129</b>	<b>1,866.01</b>	<b>1,51,35,900</b>	<b>1,513.59</b>

**B. Details of Share Holders holding more than 5% shares in the company**

Name of Shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Shares</b>				
i) L Maruti Sanker	60,90,821	32.64%	52,09,764	34.41%
ii) L Hemalatha	4,00,000	2.14%	4,00,000	2.64%
iii) B Mohan Rao	5,00,000	2.68%	5,00,000	3.30%
iv) Prasanth Gangavarapu	7,27,044	3.90%	10,00,000	6.61%
v) Chennamaneni Sushmitha	13,21,586	7.08%	-	0.00%
vi) Uday Srinivas T	-	0.00%	10,00,000	6.61%

**C. Terms/rights attached to Equity Shares**

The company has only one class of equity shares having a par value of ` 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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 by the shareholder.

**11 - OTHER EQUITY**

Rs in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
<b>a. Surplus</b>		
Opening balance	(2,786.47)	(2,829.53)
(+) Net Profit/(Net Loss) For the current year	96.13	43.06
<b>Closing Balance</b>	<b>(2,690.34)</b>	<b>(2,786.47)</b>
<b>b. Share Premium Reserve</b>		
Opening balance	1,183.82	1,183.82
(+) Addition For the current year	657.03	-
<b>Closing Balance</b>	<b>1,840.85</b>	<b>1,183.82</b>
<b>Total</b>	<b>(849.49)</b>	<b>(1,602.65)</b>

**12 - LONG TERM BORROWINGS**

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(a) Secured</b>		
<b>(i) Term loans</b>		
from banks	-	-
from other NBFCs	-	-
<b>(b) Unsecured</b>		
from bank - Agriculture loan	-	-
loan and advances from related parties	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**13 - DEFERRED TAX**

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Deferred Tax Liabilities</b>		
Opening Balance	10.22	-
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the	7.06	10.22
<b>Gross deferred tax liability</b>	<b>17.27</b>	<b>10.22</b>
<b>Deferred Tax Asset</b>		
Opening Balance	-	-
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial year	-	-
Deferred tax on losses eligible for carry forward	-	-
<b>Gross deferred tax asset</b>	<b>-</b>	<b>-</b>
<b>Net deferred tax Liability/ (Asset)</b>	<b>17.27</b>	<b>10.22</b>

**14 - TRADE PAYABLES**

Particulars	As at March 31, 2024	As at March 31, 2023
	(a) Total Outstanding dues of micro enterprises & small enterprises; and	-
(b) Total Outstanding dues of creditors other than micro enterprises & small enterprises	5.86	2.41
<b>Total</b>	<b>5.86</b>	<b>2.41</b>

**14.1. Additional Information related to Trade Payables**

Particulars	2023-2024	2022-2023
<b>Creditors:</b>		
- For Purchases		
- Micro, Small & Medium Enterprises	-	-
- Others	-	-
- For Capital goods	-	-
- For Expenses	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Trade Payable ageing schedule:****As on 31 March 2024:**

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-	-
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**As on 31 March 2023:**

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-	-
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**15 - SHORT TERM BORROWINGS**

Rs In Lakhs

Particulars	Rs In Lakhs	
	As at March 31, 2024	As at March 31, 2023
<b>(a) Secured</b>		
(i) Term loans		
from banks	-	175.52
from other NBFCs	-	-
(ii) Deposits	-	-
<b>(b) Unsecured</b>		
(i) Term loans		
from banks	-	-
from Related Parties	36.45	221.82
(ii) Deposits	-	-
<b>Total</b>	<b>36.45</b>	<b>397.34</b>

**16 - OTHER CURRENT LIABILITIES**

Rs in Lakhs

Particulars	Rs in Lakhs	
	As at March 31, 2024	As at March 31, 2023
Statutory dues including provident fund and tax deducted at source	2.06	1.05
Employee benefits payable	5.47	0.67
Audit Fee payable	2.00	0.90
Internal Audit fee payable	1.80	0.80
<b>Total</b>	<b>11.32</b>	<b>3.43</b>

**17 - SHORT TERM PROVISIONS**

Particulars	Rs in Lakhs	
	As at March 31, 2024	As at March 31, 2023
<b>Provision for employee benefits</b>		
Contribution to PF	0.86	-
ESIC	0.05	-
Provision for Income Tax	-	-
Provision for Rent	-	-
PT Payable	0.08	-
<b>Total</b>	<b>0.98</b>	<b>-</b>



**18 - REVENUE FROM OPERATIONS**

Rs in Lakhs

Particulars	2023-24	2022-23
	Sale of Goods	-
Sale of Services	1,179.12	552.21
Other operating revenue	-	-
<b>Total</b>	<b>1,179.12</b>	<b>552.21</b>

**19 - Other Income**

Particulars	2023-24	2022-23
	Interest income	-
Deferred Tax	-	-
Profit on Sale of Assets	-	-
Rental Income	-	-
<b>Total</b>	<b>-</b>	<b>3.71</b>

**20 - COST OF MATERIALS CONSUMED**

Particulars	2023-24	2022-23
	Opening Stock	-
Purchases	-	-
Less: Closing Stock	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**21 - EMPLOYEE BENEFIT EXPENSE**

Particulars	2023-24	2022-23
	Salaries and bonus	716.67
Staff Welfare	3.70	0.15
Directors Salaries	48.00	-
Contribution to Gratuity	-	-
EIS Payable	-	-
Contribution to provident fund and ESI	6.79	0.49
<b>Total</b>	<b>775.15</b>	<b>314.17</b>

**22 - FINANCE COSTS**

Particulars	2023-24	2022-23
	Interest expense	21.91
Bank Charges	0.14	0.07
Interest on TDS	-	-
<b>Total</b>	<b>22.06</b>	<b>0.07</b>

23. - OPERATION & OTHER EXPENSES	Rs in Lakhs	
	2023-24	2022-23
Audit Fee	2.00	2.00
Accounting Charges	-	0.55
Advertisement Charges	85.71	50.97
AMC Charges	3.31	0.75
Internal Audit Fee	1.00	1.00
BSE Listing & Other Charges	11.10	3.02
Business Auxilary Services	3.50	0.40
Commission	-	-
Communication Expenses (Internet & Telephone)	0.29	0.61
Consultancy Expenses	15.78	3.15
Courier Charges	0.04	0.01
CDSL Expenses	0.83	0.55
Data Service Charges	12.02	1.57
Director Sitting Fee	2.20	2.49
Domain Charges	0.26	0.03
Electricity Charges	2.95	2.44
ESI & PF Consultancy Charges	-	0.60
Event Photography and videography services	-	0.14
Fuel Expenses	-	1.25
General Expenses	15.15	5.07
Google Space Expenses	-	0.15
Information Technology consulting and support services	-	0.04
Interest on TDS	-	0.02
Leased Circuit Charges	-	0.14
Legal Expenses	-	0.15
Lunch and Tea Expenses	-	0.66
Management Consultancy Charges	-	0.33
Nasscom Exp Payable	-	0.12
NSDL Exps	0.55	0.45
Office maintenance	31.22	7.29
PF Employer Contribution Exp	-	3.95
Pooja Expenses	0.00	0.41
Printing & Stationery	0.24	0.27
Professional Services	2.95	4.08
Licences, Rates & Taxes	2.01	-
Reimbursement Expenses	-	0.50
Rent	23.73	20.35
Repairs & Maintenance	-	3.04
ROC & Other Statutory Compliances Expenses	-	-
Venture Capital Exp	0.68	0.57
Software Service	3.80	0.20
Sponsor Ship Service	-	0.10
Technical Service Fee	4.94	53.31
Travelling & conveyance	8.77	4.08
Utility Expenses	-	2.00
Water Expenses	0.11	0.07
Website Renewal and DesignExps	-	0.46
House Keeping expenses	4.52	0.58
Content Writer Expenses	-	0.36
<b>Grand Total</b>	<b>239.65</b>	<b>180.28</b>

**Note 23.1 Payment to Auditors**

Particulars	2023-24	2022-23
As An Auditor		
- Audit Fees	2.00	2.00
- Tax Audit	-	-
- Limited Review	-	-
In Other Capacity		
- Taxation Matters	-	-
- Company Law matters	-	-
- Certification matters	-	-
- Reimbursement of Expenses	-	-
<b>Total Payment to Auditor</b>	<b>2.00</b>	<b>2.00</b>

**Note 23.2: Corporate Social Responsibility( CSR) Not Applicable to this period**

Particulars	2023-24	2022-23
Amount required to be spent as per Section 135 of the Companies Act, 2013		-
Amount spent during the year on:	-	-
	-	-

**24. Exceptional Items**

Particulars	2023-24	2022-23
Prior period Expense	-	-
Write off expenses	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**25 - Additional Regulatory Information - Ratios**

(All Amounts are in lakhs unless otherwise stated)

Ratio	Numerator	Denominator	As at 31st March 2024	As at 31st March 2023	Variance
Current Ratio (in times)	Total Current Assets	Total Current Liabilities	12.72	0.44	2765%
Debt-Equity Ratio (in times)	Total Debts	Total Shareholder's Equity	-	-	-
Debt Service Coverage Ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + finance cost	Debt service = Interest & lease payments + Principal repayments	-	-	-
Return on Equity Ratio (in%)	Net Profit for the year	Average total equity	0.52	0.28	81%
Trade receivables turnover ratio (in times)	Revenue from operations (Net Credit Sales)	Average trade receivables	20.73	11.77	76%
Trade payables turnover ratio (in times)	Cost of materials consumed + Changes in inventories of stock-in-trade + Other expenses	Average trade payable	-	-	0%
Net capital turnover ratio (in times)	Revenue from operations	Working capital (i.e., Total current assets less total current liabilities)	1.88	(2.46)	-176%
Net profit ratio (in %)	Net Profit for the year	Revenue from operations	0.09	0.10	-9%
Return on Capital employed (in %)	Profit before tax and finance cost	Capital employed = Net worth + Lease liabilities +Deferred tax liabilities	0.12	(0.68)	-118%

**26. Related Party Disclosures (Ind AS 24):**

Related Party disclosures required as per Accounting Standard (Ind AS-24) on “Related Party disclosures” issued by the Institute of Chartered Accountants of India, are as below:

**a. Names of related parties and the Description of Relationship:**

S. No	Name	Relationship
(i)	<b>Key Management Personnel</b>	
	Maruti Sanker Lingamaneni	Managing Director
	Hemalatha Lingamaneni	Whole Time Director & CFO
	Bommineni Mohan Rao	Director
	Kiran Kumar Bodla	Director
	N. Mahender Reddy	Director
	Pradeep Kumar Kamisetty	Director
	Anupama Govardhanagiri	Director
	Gandra Srinivasa Rao	Director
	Surabhi Verma	Director
	Chimakurthy Sita Vasalakshi	Director
	Remo John	Company Secretary

**b. Related Party Transactions:****2. Key Managerial Personnel (KMP's)**

<b>MARUTI SANKER LINGAMANENI, MANAGING DIRECTOR</b>	<b>As on 31st March 2024</b>	<b>As on 31st March 2023</b>
Directors Remuneration	30.00	6.00

<b>HEMALATHA LINGAMANENI DIRECTOR</b>	<b>As on 31st March 2024</b>	<b>As on 31st March 2023</b>
Directors Remuneration	18.00	6.00

**27. Earnings Per Share (Ind AS 33):**

- a. **Basic Earnings Per Share** for (continued operations) there are no discontinued operations hence, EPS is presented for continued operations only.

(Amount in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Nominal Value of Equity Shares (Rupees per Share fully paid-up) (A)	10	10
Profit after Tax (in Rs.) (B)	96.13	43.06
No of Shares outstanding at the beginning of the year	151.36	111.11
Shares Issued During the Year	35.24	40.25
Weighted average number of Equity shares outstanding at the end of year (C)	186.60	151.36
Earnings Per Share (in Rs.) (D = B÷C)-Basic	0.52	0.28

- b. **Diluted earnings per share** (continued operations) there are no discontinued operations hence, EPS is presented for continued operations only.

(Amount in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Nominal Value of Equity Shares (Rupees per Share fully paid-up) (A)	10	10
Profit after Tax (in Rs.) (B)	96.13	43.06
No of Shares outstanding at the beginning of the year	151.36	111.11
Shares Issued During the Year	35.24	40.25
Weighted average number of Equity shares outstanding at the end of year (C)	186.60	151.36
Dilutive Shares (D)	NIL	NIL
Earnings Per Share (in Rs.) – Diluted (E) (E = B÷C)	0.52	0.28



**28. Derivative instruments and un-hedged foreign currency exposure:**

- a) There are no outstanding derivative contracts as at March 31, 2024, and March 31, 2023.
- b) Particulars of Un-hedged foreign currency exposure is: Nil

**29. Secured Loans:****Term Loans:**

From banks and financial institutions, together with interest accrued thereon, are secured by way of Vehicle Loans - primarily secured by the vehicle acquired with the loan sanction and personal guarantee of Director.

**Working capital Loans:**

Secured by way hypothecation on stocks, books debts and floating charge on Movable property not being pledged.

**30. Net Current Assets:**

(Amount in Lakhs)

S. No	Particulars	As of 31 <sup>st</sup> March, 2024	As of 31 <sup>st</sup> March, 2023
<b>A</b>	<b>Current Assets:</b>		
1	Inventories	-	-
2	Trade Receivables	56.89	46.92
3	Cash and Cash equivalent	116.78	43.54
4	Loans	463.11	65.73
5	Current Tax Asset (Net)	-	-
6	Other Current Asset	45.53	22.83
	<b>Total Current Assets</b>	<b>682.30</b>	<b>179.02</b>
<b>B</b>	<b>Current Liabilities:</b>		
1	Borrowings	36.45	397.34
2	Trade Payables	5.86	2.41
3	Other Financial Liabilities	-	-
4	Other Current Liabilities	11.32	3.43
5	Current Tax Liabilities (Net)	-	-
	<b>Total Current liabilities</b>	<b>53.63</b>	<b>403.18</b>
<b>C</b>	<b>Current Assets-Current Liabilities</b>	<b>628.67</b>	<b>(224.16)</b>

## 31. Revenue from Operations:

(Amount in Lakhs)

S. No	Particulars	As of 31 <sup>st</sup> March, 2024	As of 31 <sup>st</sup> March, 2023
1	<b>Revenue from software services</b>		
	Revenue from products and platforms	-	-
	Revenue from software services	1179.12	552.21
2	Revenue from Sale of Service	-	-
3	Other Operating Revenues	-	-
	<b>Total</b>	<b>1179.12</b>	<b>552.21</b>

## 32. Other Income:

(Amount in Lakhs)

S. No	Particulars	As of 31 <sup>st</sup> March, 2024	As of 31 <sup>st</sup> March, 2023
1	Sale of Products / Services		
	Domestic	-	-
	Exports	1179.12	552.21
	<b>Gross Revenue</b>	<b>1179.12</b>	<b>552.21</b>
	Less: Discount		-
	Less: Returns	-	-
	Less: price Concession	-	-
	Less: Goods and service Tax	-	-
	<b>Net Revenues recognized from contracts with customers</b>	<b>1179.12</b>	<b>552.21</b>

## 33. Other Income:

(Amount in Lakhs)

S. No	Particulars	As of 31 <sup>st</sup> March, 2024	As of 31 <sup>st</sup> March, 2023
1	Interest on Deposits with Banks and others.	-	-
2	Other Incomes	-	3.71
	<b>TOTAL</b>	<b>-</b>	<b>3.71</b>

**34. Foreign Currency Transactions: 965219 USD****35. Details of Loans given, Investments made and Guarantee given covered Under Section 186(4) of the Companies Act, 2013.**

- a. The company has not extended any Corporate Guarantees in respect of loans availed by any company/firm during the reporting period.
- b. The company has not made any investments during the reporting period.

**36. Contingent Liabilities not provided for and commitments:**

Nature of Contingent Liability	As of 31st March, 2024	As of 31st March, 2023
i. Unexpired guarantees issued on behalf of the company by Banks for which the Company has provided counter guarantee	Nil	Nil
ii. Bills discounted with banks which have not matured	Nil	Nil
iii. Corporate Guarantees issued by Company on behalf of others to Commercial Banks & Financial Institutions	Nil	Nil
iv. Collateral Securities offered to Banks for the limit Sanctioned to others	Nil	Nil
v. Legal Undertakings given to Customs Authorities for clearing the imports	Nil	Nil
vi. Claims against the company not acknowledged as debts		
a) Excise	Nil	Nil
b) Sales Tax	Nil	Nil
c) Service Tax	Nil	Nil
d) Income Tax	Nil	Nil
e) Civil Proceedings	Nil	Nil
f) Company Law Matters	Unascertainable	Unascertainable
g) Criminal Proceedings	Unascertainable	Unascertainable
h) Others	Nil	Nil
vii. Estimated amounts of contracts remaining to be executed on Capital Account and not provided for	Nil	Nil

**37. Auditors' Remuneration:**

(Amount in Lakhs)

Particulars	As of 31st March, 2024	As of 31st March, 2023
Statutory Audit*	2.00	2.00

\*The fees is exclusive of GST

**38. Dues to Micro Small and Medium Enterprises:**

Disclosure required as per section 22 of the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act.) as at 31.03.2024.

S. No	Particulars	As at 31st March 2024
1	Principal amount due to suppliers under MSMED	NIL
2	Interest accrued and due to suppliers covered under MSMED on the above amount, unpaid	NIL
3	Payment made to suppliers (with Interest) beyond the appointed day during the year.	NIL
4	Payment made to suppliers (other than interest) beyond the appointed day during the previous year	NIL
5	Interest paid to suppliers covered under MSMED	NIL
6	Interest due & Payable to suppliers covered under MSMED Act., towards payments already made.	NIL

The information has been given in respect of such vendors to the extent they could be identified as micro and small enterprises on the basis of information available with company.

**39. Financial Risk Management**

In course of its business, the company is exposed to certain financial risk such as market risk (Including currency risk and other price risks), credit risk and liquidity risk that could have significant influence on the company's business and operational/financial performance. The Board of directors reviews and approves risk management framework and policies for managing these risks and monitor suitable mitigating actions taken by the management to minimize potential adverse effects and achieve greater predictability to earnings.

**40. Credit Risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The company makes an allowance for doubtful debts/advances using expected credit loss model.

**41. Liquidity risk**

Liquidity risk refers to the risk that the company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company's exposure to liquidity risk is minimal as the promoters of the company is infusing the funds based on the requirements.

**42. Financial figures have been rounded off to nearest rupees in lakhs and regrouped wherever is necessary.****43. Notes 3 to 43 forms part of Balance Sheet and have been authenticated.**

As per our report of even date  
For Sathuluri & Co.  
Chartered Accountants  
Firm Reg No. 006383S

Sd/-  
CA S S Prakash  
Partner  
M. No 202710

Place: Hyderabad  
Date: 28/05/2024

On behalf of the board of directors  
7SEAS ENTERTAINMENT LIMITED

Sd/-  
L MARUTI SANKER  
Managing Director  
DIN: 01095047

Sd/-  
L HEMALATHA  
Director  
DIN: 02226943

**Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024**

(All amounts are in INR Lakhs, except for share data and where otherwise stated)

**1. Corporate Information:**

“7SEAS ENTERTAINMENT LIMITED” is engaged in the business of providing gaming solutions through software development, IT Infrastructure solutions to clients and partners through aggressive market development and continuous improvement through agility. It is public company domiciled in India and incorporated under the provisions of Companies Act, 1956 applicable in India and it was incorporated in the year 1991 having its Registered office at 5th Floor, Plot No.92, 93 & 94 Kavuri Hills, Hyderabad, Madhapur, Telangana, India, 500081. The shares of the company are listed in Bombay Stock Exchange.

**2. Material accounting policies**

Material accounting policies adopted by the company are as under:

**2.1 Basis for Preparation of financial statements:****a) Statement of Compliance with Ind AS**

These 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 as amended from time to time.

Accounting policies have been consistently applied to all the years presented except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use. These financial statements have been prepared for the Company as a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date March 31, 2024.

The Ind AS financial statements were approved by the Board of Directors of the Company on May 28, 2024.

**b) Basis of measurement**

The financial statements have been prepared on a historical cost convention on accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS: -

- i. Certain financial assets and liabilities measured at fair value (refer Note - 2.21 accounting policy on financial instruments)
- ii. Net defined employee benefit assets / (liability) are measured at fair value of plan assets, less present value of defined benefit obligations.
- iii. Share based payment transactions are measured at fair value.

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Division II – Ind AS Schedule III to the Act. The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

**An asset is classified as current when it is:**

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted

**All other assets are classified as non-current.**

- A liability is classified as current when:
- It is expected to be settled in normal operating cycle

- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period the Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

**c) Presentation currency and rounding off**

The financial statements are presented in INR and all values are rounded to nearest lakhs (INR 00,000), except when otherwise indicated.

**d) Uses of Estimates and judgments:**

The preparation of standalone financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognised in the year in which the estimates are revised and in any future years affected. Refer Note 2.27 for detailed discussion on estimates and judgements. Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the standalone financial statements is included in the following notes:

- Useful lives of property, plant and equipment;
- Impairment;
- Financial instruments;
- Employee benefits;
- Provisions;
- Income taxes

**2.2 Current and Non-Current Classification:**

Current assets / liabilities include the current portion of non-current assets / liabilities respectively. All other assets / liabilities including deferred tax assets and liabilities are classified as non-current.

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

**2.3 Property Plant and Equipment (Ind AS 16):**

Items of property, plant and equipment are measured at historical cost less accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, taxes (other than those subsequently recoverable from tax authorities), borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

"Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component



accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised."

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Depreciation methods, estimated useful lives:

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 recognized in profit or loss.

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

Depreciation on the fixed assets has been provided based on useful lives as prescribed under part C of 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.

S. No	Asset	Useful life (in Years)
1	Plant and Machinery	5-6
2	Electrical Installations	3-5
4	Computers	2-4
6	Servers & Networks	2-4
5	Office Equipment	2-5
6	Furniture & Fixtures	2-5
7	Vehicles	5-6

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

#### 2.4 Intangible assets (Ind AS 38):

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.

#### 2.5 Investment in Subsidiaries

Investment in Subsidiaries are valued at cost. Dividend income from subsidiaries is recognised when its right to receive the dividend is established.

#### 2.6 Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within the normal trade cycle as per agreement. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

#### 2.7 Effects of changes in foreign exchange rates (Ind AS 21):

During the financial year the company has not entered into any foreign exchange transactions. Hence this Ind AS does not have any financial impact on the financial statements of the company.

#### 2.8 Impairment of non-financial assets/unlisted equity investments

The carrying amounts of the Company's tangible and intangible assets, including unlisted equity investments, 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 in order to determine the extent of the impairment loss, if any.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash generating unit for which the estimates of future cash flows have not been adjusted. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

An impairment loss is recognised in the statement of profit or loss if the estimated recoverable amount of an asset or its cash generating unit is lower than its carrying amount. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been previously recognised.

#### 2.9 Cash Flow Statement (Ind AS 7):

Cash flows are reported using the indirect method under Ind AS 7, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

a. Non-cash items: Nil

b. Changes in Liability Arising from Financing Activity

Particulars	01-04-2023	Cash Flow -Incr. / (Decr)	31-03-2024
Current Borrowings	397.34	(360.89)	36.45
Non-current Borrowings	-	-	-
<b>Total</b>	<b>397.34</b>	<b>(360.89)</b>	<b>36.45</b>

## 2.10 Capital Work in Progress

Capital Work in Progress (CWIP) includes Plant & Equipment under erection and Preoperative Expenditure pending allocation on the assets to be acquired/commissioned, capitalized. It also includes payments made towards technical know-how fee and for other General Administrative Expenses incurred for bringing the asset into existence.

Investments are classified as Non-Current and Current investments. Investments, which are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

Current investments are carried at lower of cost and fair value. Non-Current Investments are carried at cost less provision for other than temporary diminution, if any, in value of such investments.

## 2.11 Borrowing Costs (Ind AS 23):

Borrowing costs that are attributable to the acquisition or construction of qualifying assets up to the date of capitalization of such asset are capitalized as part of the cost of such assets. All other borrowing costs are charged to the Statement of Profit and Loss.

## 2.12 Revenue Recognition (Ind AS 18-Revenues):

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

- Sales Revenue is recognized on dispatch to customers as per the terms of the order. Sales Revenue is net of returns and applicable trade discounts and excluding GST billed to the customers.
- Subsidy from Government is recognized when such subsidy has been earned by the company and it is reasonably certain that the ultimate collection will be made.
- Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.
- All other incomes are recognized based on the communications held with the parties and based on the certainty of the incomes.

**2.13 Inventories (Ind AS 2):**

Inventories at the year-end are valued as under:

Raw Materials, Packing Material, Components, Consumables and Stores & Spares	At Cost as per First in First out Method (FIFO)
Work in Progress and Finished goods	At lower of net realizable value and Cost of Materials plus Cost of Conversion and other costs incurred in bringing them to the present location and condition

- Cost of Material excludes duties and taxes which are subsequently recoverable.
- Stocks at Depots are inclusive of duty, wherever applicable, paid at the time of dispatch from Factories.

**2.14 Retirement and other Employee Benefits (Ind AS 19):**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders related service.

Gratuity liability is a defined benefit obligation and the cost of providing the benefits under this plan has not determined on the basis of actuarial valuation at each year-end.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short term employee benefit. The Company has not provided any provision for leave encashment.

**2.15 Ind AS 17- Leases**

Finance charges in respect of finance lease obligations are recognized as finance costs in the statement of profit and loss. In respect of operating leases for premises, which are cancellable / renewable by mutual consent on agreed terms, the aggregate lease rents payable is charged as rent in the Statement of Profit and Loss.

**2.16 Insurance Claims:**

Insurance Claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

**2.17 Earnings per Share (Ind AS 33):**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential ordinary shares.

**2.18 Segment Reporting:**

The company operates business in providing solutions through games development through software development, IT Infrastructure solutions to clients and partners through aggressive market development and continuous improvement through agility under single segment. Hence reporting is not applicable.

**2.19 Provisions, Contingent Liabilities and Contingent Assets (Ind AS 37):**

Provisions are recognised only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

**Contingent liability is disclosed for:**

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company; or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

**2.20 Prior Period and Extraordinary and Exceptional Items:**

- All Identifiable items of Income and Expenditure pertaining to prior period are accounted through "Prior Period Items".
- Extraordinary items are income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the enterprise and, therefore, are not expected to recur frequently or regularly. The nature and the amount of each extraordinary item be separately disclosed in the statement of profit and loss in a manner that its impact on current profit or loss can be perceived.
- Exceptional items are generally non-recurring items of income and expenses within profit or loss from ordinary activities, which are of such, nature or incidence.

**2.21 Financial Instruments (Ind AS 107): Financial Instruments:****I. Financial assets:****A. Initial recognition and measurement**

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

- **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.

- **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.

- **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

#### 2.22 Events Reporting Period (Ind AS-10)

An entity shall adjust the amounts recognized in its financial statements to reflect adjusting events after the reporting period.

#### 2.23 Consolidated and Separate Financial Statement (Ind AS 27):

The company has two subsidiary companies for the current reporting period. Hence consolidated and separate financial statement are prepared as per the Ind AS 27.

#### 2.24 Investments in Associates (Ind AS 28):

The company has not made any investments in any of its associates during the reporting period. This accounting standard has no financial impact on the financial statements for the current reporting period.

#### 2.25 Interest in Joint Ventures (Ind AS 31)

The company has no interest in any Joint ventures. This accounting standard has no financial impact on the financial statements for the current reporting period.

#### 2.26 Income Taxes (Ind AS 12)

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

- **Current Tax:**

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

- **Deferred Taxes:**

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

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

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



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

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

## 2.27 Significant accounting judgements, estimates and assumptions

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

### I. Estimates and assumptions

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

#### (a) Defined benefit plans gratuity benefits

The cost of the defined benefit plans such as gratuity are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end. The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis.

#### (b) Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

## 2.28 Recent accounting pronouncements

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2023 on 31st March 2023 amending:

- a) Ind AS 1, 'Presentation of Financial Statements' - This amendment requires companies to disclose their material accounting policies rather than their significant accounting policies.
- b) Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - This amendment has introduced a definition of 'accounting estimates' and includes guidance to help distinguish changes in accounting policies from changes in accounting estimates.
- c) Ind AS 12 'Income Taxes' - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The amendments clarify how companies account for deferred tax on transactions such as leases

These are applicable from Financial Year beginning on or after 1st April 2023 (Thus for us will be applicable from 1st April 2024).

Based on a preliminary evaluation, the Company does not expect any material impact on the financial statements resulting from the implementation of these amendments



If undelivered please return to:

# 7SEAS ENTERTAINMENT LTD.

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

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