

7SEAS ENTERTAINMENT LIMITED

(formerly known as 7Seas Technologies Limited)

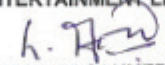

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STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2015

Part I						
(₹. in Lakhs except EPS & Share holding)						
Sl. No.	Particulars	3 months Ended	3 months Ended	3 months Ended	Year Ended	Year Ended
		31.03.2015	31.12.2014	31.03.2014	31.03.2015	31.3.2014
		(Audited)	(Un-Audited)	(Audited)	(Audited)	(Audited)
1	Income from Operations :					
	(a) Net Sales / Income from Operations	6.43	9.31	11.38	32.33	172.76
	(b) Other Operating Income	-	-	-	-	-
	Total Income From operations (net)	6.43	9.31	11.38	32.33	172.76
2	Expenses :					
	a) Games development costs	4.07	5.17	19.21	48.18	173.17
	b) Employee benefits expenses	17.04	11.92	20.88	60.87	91.80
	c) Depreciation and amortisation expenses	248.39	133.57	78.82	649.10	285.30
	d) Other Expenses	360.62	354.10	4.26	954.02	26.45
	Total Expenses (a+b+c+d)	630.12	504.76	123.17	1,712.17	576.71
3	Profit/(Loss) from operations before other income and Finance costs (1-2)	(623.69)	(495.45)	(111.79)	(1,679.84)	(403.95)
4	Other Income- (Interest)	-	0.26	0.39	0.66	1.27
5	Profit/(Loss) from ordinary activities before finance Cost (3+4)	(623.69)	(495.19)	(111.40)	(1,679.18)	(402.68)
6	Finance cost	20.79	11.86	20.05	65.94	73.63
7	Profit/(Loss) from ordinary activities before Tax (5-6)	(644.48)	(507.07)	(131.45)	(1,745.12)	(476.31)
8	Tax expenses:					
	(a) Current tax	-	-	-	-	-
	(b) Deferred tax	-	-	(127.57)	-	(104.22)
	Total (a+b)	-	-	(127.57)	-	(104.22)
9	Net profit/(Loss) for the period (7-8)	(644.48)	(507.07)	(3.88)	(1,745.12)	(372.09)
10	Exceptional Item	-	-	-	-	-
11	Net Profit/(Loss) after Taxes and minority interest (9-10)	(644.48)	(507.07)	(3.88)	(1,745.12)	(372.09)
12	Paid up Equity Share Capital (Face value of ₹10 /- per share)	711.09	711.09	711.09	711.09	711.09
13	Reserves excluding Revaluation Reserve as per balance sheet	-	-	-	(648.85)	1,434.04
14	Earnings Per Share (of ₹10/- each) (not annualised)					
	a) Basic	(9.06)	(7.13)	(0.05)	(24.54)	(5.23)
	b) diluted	(9.06)	(7.13)	(0.05)	(24.54)	(5.23)
Part II						
A Select Information for the Quarter ended 31st Mar, 2015						
Sl. No.	Particulars	3 months Ended	3 months Ended	3 months Ended	Year Ended	Year Ended
		31.03.2015	31.12.2014	31.03.2014	31.03.2015	31.03.2014
1	Public Shareholding					
	- Number of shares	3631136	3631136	3631136	3631136	3631136
	- Percentage of Shareholding	51.06%	51.06%	51.06%	51.06%	51.06%
2	Promoter and Promoter group Shareholding					
	a) Pledged/Encumbered					
	- Number of Shares	-	-	-	-	-
	-Percentage of shares to promoter group	-	-	-	-	-
	- Percentage of shares to total capital	-	-	-	-	-
	b) Non-Encumbered					
	- Number of Shares	3479764	3479764	3479764	3479764	3479764
	-Percentage of shares to promoter group	100.00%	100.00%	100.00%	100.00%	100.00%
	- Percentage of shares to total capital	48.94%	48.94%	48.94%	48.94%	48.94%
Particulars		3 Months ended 31/03/2015				
B INVESTOR COMPLAINTS						
	Pending at the beginning of the quarter	NIL	NIL	NIL	NIL	NIL
	Received during the quarter	NIL	NIL	NIL	NIL	NIL
	Disposed of during the quarter	NIL	NIL	NIL	NIL	NIL
	Remaining unresolved at the end of the quarter	NIL	NIL	NIL	NIL	NIL



Statement of Assets & Liabilities as at 31/03/2015		
Particulars	As at Mar' 31, 2015	As at Mar' 31, 2014
EQUITY AND LIABILITIES	Audited	Audited
Shareholders' Funds		
Share Capital	71,590,250	71,590,250
Reserves and Surplus	(64,885,372)	143,403,826
Preference Share Warrant	-	-
	6,704,878	214,994,076
Non - current liabilities		
Long - term borrowings	-	6,715,008
Deferred tax liabilities (Net)	1,533,152	1,533,152
Long term provisions	-	-
	1,533,152	8,248,160
Current liabilities		
Short - term borrowings	65,211,585	45,191,884
Trade Payables	6,248,479	5,385,172
Short - term provisions	-	-
	71,460,064	50,577,056
Total	79,698,094	273,819,293
ASSETS		
Non-current assets		
Fixed assets		
Gross Block	201,171,316	271,909,901
Less : Accumulated depreciation / amortization	125,071,077	97,123,581
Net block	76,100,239	174,786,320
Capital work- in- progress	-	-
	76,100,239	174,786,320
Deferred tax assets (Net)	-	-
Long - term loans and advances	-	-
Non-current investments	596,700	596,700
Other Non- Current Assets	-	-
	596,700	596,700
Current assets		
Inventories	-	-
Trade receivables	183,067	94,515,841
Cash and cash equivalents	4,687	122,078
Short - term loans and advances	2,813,401	3,798,354
Other current assets	-	-
	3,001,155	98,436,273
Total	79,698,094	273,819,293
NOTES:		
1 The above results were reviewed by the Audit Committee of Directors and taken on record by the Board of Directors at their meeting held on 30.05.2015		
2 The Accounting Standard 17 relating to Segment wise reporting is not applicable as the company operates in only one segment Viz., Software games development.		
3 The Company has revised its policy of providing depreciation on fixed assets effective April 01, 2014. Depreciation is now provided on a straight line basis for all assets as against the policy of providing on written down value basis. Further the remaining useful life has also been revised wherever appropriate based on an evaluation. The carrying amount as on April 01, 2014 is depreciated over the revised remaining useful life. As a result of these changes, the depreciation charge for the Year ended 31 March, 2015 is higher by Rs. 363.81 lakhs and the effect relating to the period prior to April 01, 2014 is of Rs. 337.76 lakhs which has been adjusted in reserves and surplus.		
4 Figures are regrouped wherever necessary		
Station: HYDERABAD	For 7SEAS ENTERTAINMENT LIMITED	
Date : 30.05.2015	 L. MARUTI SANKER MANAGING DIRECTOR	
		



M M REDDY & CO.,
Chartered Accountants

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Independent Auditors' Report on Financial Statements

To
The Members of 7 SEAS ENTERTAINMENT LIMITED.
Hyderabad.

Report on the financial Statements

We have audited the accompanying financial Statements of M/s. 7SEAS ENTERTAINMENT LIMITED which comprise the Balance Sheet as at 31st March 2015, the statement of Profit & Loss for the year ended and a summary of the significant accounting policies and other explanatory information.

Managements Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation 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.

Auditors Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical



requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us the said accounts read with other notes to accounts and accounting policies give the information required by the Companies Act 2013, in the manner so required and give a true and fair view:-

- i) In the case of Balance Sheet of the state of the affairs of the Company as at 31st March 2015 and
- ii) In the case of Profit & Loss Account of the Loss of the Company for the year ended on that date.
- iii) In the Cash Flow statement of the Cash Flow for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters to the financial statements:

- a) The financial statements indicates that the Company has accumulated losses of Rs. 1783.61 Lakhs and its net worth has been substantially eroded on account of the net loss of Rs.1745.13 Lakhs during the year ended. Cash Credit and Term Loan accounts of the company have become Non Performing Assets in bank which describes the position of the company in the fundamental accounting assumption "Going concern". However, the financial statements of the Company have been prepared on a going concern.
- b) Pursuant to the Schedule II of Companies Act, 2013 effective from 1st April, 2014, the company has charged depreciation on the remaining useful life of the fixed assets w.e.f April 1, 2014. An amount of Rs. 337.76 Lakhs representing the carrying amount of the assets with revised useful life as nil has been adjusted against the opening balance of retained earnings.

Our opinion is not modified in respect of these matters.




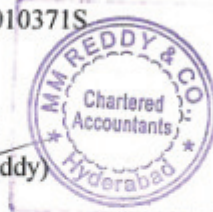
Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report that:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. In our opinion proper books of accounts as required by the law have been kept by the company so far as appears from our examination of these accounts.
- c. The company's Balance Sheet and Statement of Profit & Loss dealt with by the report are in agreement with the books of accounts.
- d. In our opinion the Balance Sheet and Statement of Profit & Loss comply with the accounting standards referred to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"
- 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 does not have any pending litigations
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

For M M REDDY & CO.,
Chartered Accountants
Firm Registration No.010371S


(M Madhusudhana Reddy)
Partner
Membership No.213077



Place: Hyderabad
Date : 30.05.2015