



30th ANNUAL REPORT

● 2020-2021 ●



Award - winning IP Development Company for Games

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30TH ANNUAL REPORT

2020-21

7SEAS ENTERTAINMENT LIMITED



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



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. L. Maruti Sanker	-- Managing Director	(DIN: 01095047)
Mrs. L. Hemalatha	-- Whole-Time Director & CFO	(DIN: 02226943)
Mr. B. Mohan Rao	-- Director	(DIN: 07233665)
Mrs.C. Sita Visalakshi	-- Independent Director	(DIN: 06380062)
Mr.Narra Venkateswarlu	-- Independent Director	(DIN: 08468341)
Mr. Harikrishna Duggineni	-- Additional Independent Director	(DIN: 09302531)

COMPANY SECRETARY

Mr. Remo John

REGISTERED OFFICE

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

CORPORATE IDENTITY NUMBER:

L72900TG1991PLC013074

AUDITORS

M/s Sathuluri & Co.,
Chartered Accountants,
3-4-529/6, Gopamma Nilayam,
500027, Lingampally Street Number 6,
Chitrapuri Colony, Bagh Lingampalli,
Narayanguda, Hyderabad, Telangana-
500027

INTERNAL AUDITOR

M/s. DVAK & Co., Hyderabad

BANKERS

Indian Overseas Bank
Rajbhavan Road, Hyderabad –
500082.

AUDIT COMMITTEE

Mr. Venkateswarlu Narra - Chairman
Mrs. C. Sita Visalakshi - Member
Mr. Harikrishna Duggineni - Member
Mr. B. Mohan Rao - Member

NOMINATION & REMUNERATION COMMITTEE

Mr. Venkateswarlu Narra - Chairman
Mrs. C. Sita Visalakshi - Member
Mr. Harikrishna Duggineni - Member
Mr. B. Mohan Rao - Member

STAKEHOLDER RELATIONSHIP COMMITTEE:

Mr. Venkateswarlu Narra - Chairman
Mrs. C. Sita Visalakshi - Member
Mr. Harikrishna Duggineni - Member
Mr. B. Mohan Rao - 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

WEBSITE : www.7seasent.com

INVESTOR E-MAIL ID:

investors@7seasent.com

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DIRECTORS' REPORT

To the Members

M/s. 7Seas Entertainment Limited

Hyderabad, Telangana, India

The Directors have pleasure in presenting before you the 30th Directors Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2021.

1. Financial summary/highlights:

The performance during the period ended 31st March, 2021 has been as under:

(Amount in Million)

Particulars	2020-21	2019-20
Turnover/Income (Gross)	0.16	0.52
Other Income	28.26	-
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	22.92	(2.55)
Less: Depreciation/ Amortization/ Impairment	5.14	7.29
Profit /loss before Finance Costs, Exceptional items and Tax Expense	17.78	(9.84)
Less: Finance Costs	-	5.62
Profit /loss before Exceptional items and Tax Expense	17.78	(15.46)
Add/(less): Exceptional items	-	-
Profit /loss before Tax Expense	17.78	(15.46)
Less: Tax Expense (Current & Deferred)	-	-
Profit /loss for the year (1)	17.78	(15.46)
Total Comprehensive Income/loss (2)	-	-
Total (1+2)	17.78	(15.46)
Balance of profit /loss for earlier years	(300.98)	(285.52)
Less: Transfer to Debenture Redemption Reserve	-	-
Less: Transfer to Reserves	-	-
Less: Dividend paid on Equity Shares	-	-
Less: Dividend paid on Preference Shares	-	-
Less: Dividend Distribution Tax	-	-
Balance carried forward	(283.20)	(300.98)

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

During the year under review, the Company has recorded total income including other income of Rs.28.42 million and profit of Rs.17.78 million as against the income of Rs.0.52 million and loss of Rs.15.46 million in the previous financial year ending 31.03.2020.

3. Impact of covid-19 on the performance:

The Company has considered the possible effects that may result from the pandemic relating to COVID-19. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the

Company, as at the date of approval of financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

4. Dividend:

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

5. Transfer to reserves:

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

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

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

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

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

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

There is no such amount of Un-paid or Unclaimed Dividend be transferred to Investor and Education and Protection Fund for the financial year ended 31st March 2021.

Also, disclosures with respect to any unpaid dividend lying in unpaid/unclaimed dividend account has been given in this report as Annexure- 1.

9. Details of utilization of funds:

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

10. Details of Nodal Officer:

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

11. Revision of financial statements:

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

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

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

13. Deposits from public:

The Company has not accepted any public deposits during the Financial Year ended 31st March, 2021 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 31st March, 2021, there has been no non-compliance with the requirements of the Act.

14. Depository System:

SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 mandate that the transfer, except transmission and transposition, of securities shall be carried out in dematerialized form only with effect from 1st April 2021. In view of the numerous advantages offered by the Depository system as well as to avoid frauds, members holding shares in physical mode are advised to avail of the facility of dematerialization from either of the depositories. The Company has, directly as well as through its RTA, sent intimation to shareholders who are holding shares in physical form, advising them to get the shares dematerialized.

Also, disclosures with respect to any outstanding shares lying in demat suspense account has been given in this report as Annexure- 1.

15. Independent director's familiarization programmes:

Independent Directors are familiarized about the Company's operations and businesses and financial performance of the Company, significant development so as to enable them to take well-informed decisions in timely manner. Interaction with the Business heads and key executives of the Company is also facilitated. Detailed presentations on important policies of the Company are also made to the directors. Direct meetings with the Chairman 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 2020-21 are also disclosed on the Company's website and its web link is <http://www.7seasent.com>.

16. Board Evaluation

The Board of Directors of the Company carried out annual evaluation of its own performance, Committees of the Board and individual Directors pursuant to various provisions under the Act, Regulation 17, 19 and Schedule II of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the SEBI circular dated January 5, 2017, circular dated January 10, 2019, which provides further clarity on the process of Board Evaluation (“SEBI Guidance Note”) and SEBI circular dated February 5, 2019. The Company has implemented a system of evaluating performance of the Board of Directors and of its Committees and individual Directors on the basis of a structured questionnaire which comprises evaluation criteria taking into consideration various performance related aspects. The procedure followed for the performance evaluation of the Board, Committees and individual Directors is enumerated in the Corporate Governance Report.

17. Number of Board the Meetings:

During the year, four (4) meetings of the Board of Directors of the Company were convened and held in accordance with the provisions of the Act. Dates of the Board Meeting, attendance by the directors are given in the Corporate Governance Report forming an integral part of this report.

18. Committees of the Board:

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

19. Audit Committee Recommendations:

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

20. Directors and key managerial personnel:

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

a. Appointment of Directors of the Company:

- i. Mrs. L Hemalatha as non-independent and executive Director, retires by rotation and being eligible, offers herself for re-appointment.
- ii. Disclosure pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) with respect to Directors seeking appointment at the Meeting is given below:

Name of Director	Mrs. L. Hemalatha
Date of Birth	30-10-1980
Qualification	B.Sc Graduate
Brief Resume	Mrs. L. Hemalatha is a B.Sc Graduate, with an experience of around 8 years in game testing field.
Expertise in specific functional areas	Game testing field and administration
Names of Listed entities in which the person also holds the directorship and the membership of Committees of the board	7Seas Entertainment Limited
No. of Shares held in the Company	4,00,000 Equity Shares
Inter se relationship with any Director	Spouse of Mr. L. Maruti Sanker, Managing Director

- iii. Further, the company has appointed Mr. Harikrishna Duggineni (DIN: 09302531) as Additional Independent Director in Board meeting held on 4th September, 2021 and relevant disclosures forms part of notice of Annual General Meeting.

Name of Director	Harikrishna Duggineni
Date of Birth	18/08/1982
Qualification	B.Com, ACMA, F.C.A.
Brief Resume	He has been conducting internal audit and Internal Financial controls audit of Listed Entities, carrying out Bank Audits and providing services in the field of accounts, Income Tax.
Expertise in specific functional areas	Finance, Taxation & Project financing
Names of Listed entities in which the person also holds the directorship and the membership of Committees of the board	7Seas Entertainment Limited
No. of Shares held in the Company	Nil
Inter se relationship with any Director	Not Applicable

b. Cessation of Director of the company:

Mr. P. Raja Sekhar has resigned due to ill health and preoccupations only with effect from the conclusion of the business hours on 1st September, 2021 and also stated that there are no material reasons other than those provided.

c. Key Managerial Personnel:

Key Managerial Personnel for the financial year 2020-21-

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

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

21. Indian Accounting Standards:

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

22. Statutory audit and auditors report:

Pursuant to the provisions of Section 139, 142 of the Companies Act, 2013 and the Rules framed thereunder and provisions of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and based upon recommendation of the Audit Committee, M/s. Sathuluri & Co., Chartered Accountants, Hyderabad (Firm Registration No. 006383S), was appointed at the 29th Annual General Meeting held on 28th December 2020 as Statutory Auditors of the Company to hold office for a term of five years from the conclusion of 29th Annual General Meeting till the conclusion of the 34th Annual General Meeting of the Company to be held in the year 2025,. The Auditors' Report for fiscal 2021 does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report. The Company has received audit report with unmodified opinion for Standalone audited financial results of the Company for the Financial Year ended 31st March, 2021 from the statutory auditors of the Company.

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

23. Internal auditors:

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

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

The Board has re-appointed M/s. DVAK & Co., Chartered Accountants, Hyderabad as Internal Auditors for the Financial Year 2021-22.

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. Amit Dharmani & Associates, Practicing Company Secretaries (C.P.No:18179) as the Secretarial Auditor of the Company, for conducting the Secretarial Audit for financial year ended 31st March, 2021.

The Secretarial Audit was carried out for the financial year ended 31st March, 2021. The Report given by the Secretarial Auditor is annexed herewith as Annexure-2 and forms integral part of this Report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark except the below:

“During the period under review, company reports to be continuously suspended from trading by BSE Limited due to certain non-compliances of regulations, Corporate Governance and delay in submissions of the certain reports and we have no comments to offer on the matter as trading commenced in FY 2021-22.”

The Management reply to the above qualification is:

The Company was under suspension on BSE due to penal reasons. However, the Company has been working aggressively towards revoking the company from suspension and the company is now actively trading on stock exchange.

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. In this regard, the Secretarial Compliance Report dated June 30 2021, given by M/s. Rajora & Co, Practicing Company Secretaries (CP No. 22886) was duly submitted to Stock Exchanges within stipulated time. The Report given by the Practicing Company Secretary is annexed herewith as Annexure-2A and forms integral part of this Report

The Secretarial Compliance Report does not contain any qualification, reservation or adverse remark except the below:

“The company got suspended from trading by BSE Limited due to certain non-compliances of regulations, Corporate Governance and delay in submissions of the certain reports.”

The Management reply to the above qualification is:

The Company was under suspension on BSE due to penal reasons. However, the Company has been working aggressively towards revoking the company from suspension and the company is now actively trading on stock exchange.

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

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

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

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

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

28. Cost records and cost audit:

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

29. No Frauds reported by statutory auditors:

During the Financial Year 2020-21, the Auditors have not reported any matter under section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under section 134(3) (ca) of the Companies Act, 2013.

30. Declaration by the Company:

The Company has issued a certificate to its Directors, confirming that it has not made any default under Section 164(2) of the Act, as on 31st March, 2021.

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

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

a. Conservation of Energy:

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

b. Technology Absorption:

- i. Research and Development (R&D): NIL
- ii. Technology absorption, adoption and innovation: NIL

c. Foreign Exchange Earnings and Out Go:

- i. Foreign Exchange Earnings: Nil
- ii. Foreign Exchange Outgo: Nil

32. Management discussion and analysis report:

Management discussion and analysis report for the year under review as stipulated under Regulation 34 (e) read with schedule V, Part B of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 with the stock exchange in India is annexed herewith as Annexure- 3 to this report.

33. Risk management policy:

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

34. Corporate governance:

Your Company has taken adequate steps to ensure compliance with the provisions of Corporate Governance as prescribed under the Listing Regulations. A separate section on Corporate Governance, forming a part of this Report and the requisite certificate from the Company's Auditors confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance as Annexure-4.

Also, certificate by the statutory auditor of the company certifying the Corporate Governance Report of the company as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been included in this report as Annexure-5.

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

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

36. Annual Return:

Pursuant to Sections 92 & 134(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, Annual Return in Form MGT-7 will be hosted on website URL: [https://www. www.7seasent.com](https://www.7seasent.com).

37. Declaration of independence:

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

In compliance with Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors of the Company have registered themselves with the India Institute of Corporate Affairs (IICA), Manesar and have included their names in the databank of Independent Directors within the statutory timeline. They have also confirmed that they will appear for the online proficiency test as per guidelines issued by Ministry of Corporate Affairs.

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).

38. Director's Responsibility Statement:

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external agencies including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by the management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and operating effectively during the Financial Year 2020-21.

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 31st March 2021:

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

39. Vigil Mechanism/Whistle Blower Policy:

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

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

40. Corporate social responsibility policy:

Since your Company does not have net worth of Rs. 500 Crore or more or turnover of Rs. 1000 Crore or more or a net profit of Rs. 5 Crore or more during the financial year 2020-2021, section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is not applicable and hence the Company need not adopt any Corporate Social Responsibility Policy.

41. Secretarial Standards:

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

42. Insurance:

The properties and assets of your Company are adequately insured.

43. Ratio of remuneration to each director:

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

44. Internal Financial Control Systems:

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

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

45. Related Party Transactions:

All related party transactions that were entered into during the financial year were on arm’s length basis and were in the ordinary course of business. During the financial year 2020-21, there were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

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

The summary statement of transactions entered into with the related parties pursuant to the omnibus approval so granted are reviewed and approved by the Audit Committee and the Board of Directors on a quarterly basis. The summary statements

are supported by an independent audit report certifying that the transactions are at an arm's length basis and in the ordinary course of business.

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 not applicable to the company during the period under review.

46. Policy on director's appointment and remuneration:

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

47. Particulars of loans, guarantees or Investments:

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

48. Non-executive directors' compensation and disclosures:

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

49. Employee Relations and Remuneration:

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

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

50. Failure to implement corporate actions:

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

51. Corporate insolvency resolution process initiated under the insolvency and bankruptcy code, 2016:

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

52. Statutory compliance:

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

53. Code of conduct for the prevention of insider trading:

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015 and Amended Regulations 2018. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company, as well as the consequences of violation. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities.

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

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

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

55. Prevention of sexual harassment at workplace:

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

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

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

56. 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 30th 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.

57. Event Based Disclosures

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

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

58. 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.

59. Policies:

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

Name of the policy	Brief Description	Website link
Board Diversity Policy	7Seas Technologies Limited, we believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us retain our competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors.	https://www.7seasent.com .
Nomination and Remuneration Policy	This policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director (executive/ non-executive) and also the criteria for determining the remuneration of the Directors, key managerial personnel and other employees.	https://www.7seasent.com .
Related Party Transaction Policy	The policy regulates all transactions between the Company and its related parties	https://www.7seasent.com .

60. 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 in Annexure- 7.



61. Appreciation & acknowledgement:

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

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

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

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

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

Place: Hyderabad
Date: 04.09.2021

DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

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

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

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

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



FORM NO. MR-3

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021**

To
The Members
M/s. 7seas Entertainment Limited
Hyderabad

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. 7seas Entertainment Limited** [CIN: L72900TG1991PLC013074] (hereinafter called 'the Company' or '**7seas**'). Secretarial 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 my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made there under;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - *not applicable to the Company as there are no such investments / borrowings*;
- 5) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act);

1. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Amended Regulations 2018;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure

Requirements) Regulations, 2018. **Not Applicable as there was no reportable event during the financial year under review;**

- d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. **Not Applicable as the Company has not issued any debt securities during the year under review.**
- e. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; **Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review.**
- f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable as the company has not delisted/proposed to delist its equity shares during the year under review.**
- g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018: **Not Applicable as the Company has not boughtback/ proposed to buy-back any of its securities during the year under review.**
- h. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable as the Company has not issued any ESOPS during the year under review.**
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. We have also examined compliance with the applicable clauses of the following:

- a. Secretarial Standards issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.
- b. Listing Agreements entered into by the Company with BSE Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. The Management has identified and confirmed the following laws as being specifically applicable to the Company:

- a. Information Technology Act, 2000 and the rules made thereunder.
- b. Software Technology Parks of India rules and regulations.
- c. Labour laws and Incidental laws related to Labour and Employees appointed by the Company either on its payroll or on contractual basis as related to Wages, Gratuity, Provident Fund, ESIC, Compensation etc.,
- d. Clearance from Various Local Authorities.

4. We further report that:-

- i. The company has a Company Secretary namely Mr. Remo John.
- ii. The Company has a Chief Financial Officer namely Mrs. L. Hemalatha.
- iii. The Company has an appointed M/s. DVAK & Co., internal auditors during the financial year 2020-21.

5. During the year the Company has conducted 4 Board Meetings, 4 Audit Committee Meetings, 4 Stakeholder Committee Meetings, 1 Nomination Remuneration Committee Meetings and 1 Independent Director's Meeting, and we have also examined compliance with the applicable clauses of the following:
6. The Board of Directors of the Company is not constituted with proper balance of Executive Directors; Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except as allowed under shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the period under review, company reports to be continuously suspended from trading by BSE Limited due to certain non-compliances of regulations, Corporate Governance and delay in submissions of the certain reports and we have no comments to offer on the matter as trading commenced in FY 2021-22.

7. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.
8. We further report that based on the review of the compliance/ certificates of the Company Secretary which were taken on record by the Board of Directors, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
9. We further report that during the audit period there was no event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

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 Amit Dharmani & Associates,
Company Secretaries

Sd/-
Amit Dharmani
Proprietor
ACS 41833
UDIN: A041833C000889561
C.P. No.18179
Place: Ujjain
Date: 04th September, 2021

To
The Members of
M/s 7Seas Entertainment Limited

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

- a. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b. 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.
- c. 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.
- d. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- e. 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.
- f. 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 Amit Dharmani & Associates,
Company Secretaries

Sd/-
Amit Dharmani
Proprietor
ACS 41833
UDIN: A041833C000889561
C.P. No.18179
Place: Ujjain
Date: 04th September, 2021
Unique Identification No.: S2017MP474100

**Secretarial compliance report of 7seas Entertainment Limited for the year ended
31st March, 2021**

We Rajora & Co, Practicing Company Secretaries have examined:

- (a) all the documents and records made available to us and explanation provided by 7seas Entertainment Limited (“the listed entity”),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31st March, 2021 (“Review Period”) in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include: -

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Not applicable**
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018-**Not applicable**
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014-**Not applicable**
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008-**Not applicable**
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013-**Not applicable**
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and circulars/guidelines issued thereunder;
- (i) Securities and Exchange Board of India (Depositories and participants) Regulations, 2018

And based on the above examination, I/We hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below: -

Sr.no	Compliance Requirement (Regulations/circulars/guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	Revocation of suspension & Corporate Governance	The company got suspended from trading by BSE Limited due to certain non-compliances of	Trading has been revoked during F.Y. 2020-21 we have no comments to offer on

		regulations, Corporate Governance and delay in submissions of the certain reports.	this.
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- (a) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.
- (b) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr.no	Action taken by	Details of violation	Details of action taken e.g., fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
NIL				

- (c) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. no	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 2021 (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
NIL				

Place: Hyderabad

Date: 30th June, 2021
 Name: Priyanka Rajora
 ACS: A38168
 C P No. 22886
 UDIN: A038168C000553650



MANAGEMENT'S DISCUSSION & ANALYSIS REPORT

7Seas Entertainment Ltd (7Seas) is India's First ISO 9001:2008 certified Independent Games Development Company. 7Seas focuses on developing and Publishing Game IPs in all genres for different age groups. 7Seas developed & released games 600+ IP based online games, 23+ Mobile Games. 7Seas is focusing on Racing, Shooting, Action, Simulation and Casual Games.

At, 7Seas, it is an ongoing process to produce good quality of games for all the genres complete End to End Game development methodology process is implemented. 7Seas adopts multifaceted revenue strategy.

A. Industry Structure, Development and Outlook:

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

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

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

Almost all these revenues come from free-to-play and freemium games, which can be downloaded and played for free but allow gamers to spend money in the game to enhance the experience. The mobile gaming market is expected to reach a value of US\$ 116 billion by 2023, growing at a CAGR of 15% YoY¹².

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

B. Opportunities and Threats:

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

C. Business performance and Segment Reporting:

During the year under review, the Company has recorded an income of Rs. 282.90 Lakhs and profit of Rs.228.36 Lakhs as against the income of Rs.284.18 Lakhs and loss of Rs.154.64 Lakhs in the previous Financial Year 2019-20. Further, the company could not actively engage in business operations due to COVID-19.

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 2020-21	Financial Year 2019-20
1.	Operating Profit Margin (%)	(67.55)	(19.07)
2.	Net Profit Margin (%)	0.63	(29.96)
3.	Debtors Turnover (no. of times)	271 Days	81 Days
4.	Inventory Turnover	-	-
5.	Current Ratio	0.02	0.01
6.	Return on Net worth (%)	(0.31)	-
7.	Interest Coverage Ratio	-	(1.75)
8.	Debt Equity Ratio	-	-

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

D. Outlook:

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

E. Risks and Concerns:

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

F. Internal Control System and its adequacy:

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

The business risks and its control procedures are reviewed frequently. Systems audit is also conducted regularly to review the systems with respect to Security and its Adequacy. Reports



are prepared and circulated to Senior Management and action taken to strengthen controls where necessary.

G. Human resources and Industrial relations:

Your company continues to have cordial relations with its employees. During the year the company has employed 10 members in its company and has taken some HR initiatives to train and develop talent pool. In order to improve the performance of management and to scale up the business operations, the company planned to recruit experienced personnel at various levels and technologies apart from strengthening other departments with competent people.

H. Disclosure of Accounting Treatment:

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

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

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

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

Place: Hyderabad
Date: 04.09.2021

CORPORATE GOVERNANCE REPORT

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

1. COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE:

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

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

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

2. BOARD DIVERSITY:

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

3. COMPLIANCE WITH SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

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

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

4. 7SEAS' CODE OF CONDUCT FOR THE PREVENTION OF INSIDER TRADING:

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

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

5. BOARD OF DIRECTORS:

The composition of the Board of Directors of the company is an appropriate combination of executive and non-executive Directors with right element of independence. As on March 31, 2021, the Company's Board comprised of six Directors, three promoter Directors including one woman Director. In addition, there are three independent Directors on the Board. In terms of Regulation 17(1) (b) of SEBI (LODR) Regulations, 2015 and section 149 of Companies Act 2013, the company is required to have one half of total Directors as independent Directors. The non- executive Directors are appointed or re-appointed based on the recommendation of the Nomination & Remuneration Committee which considers their overall experience, expertise and industry knowledge. One third of the 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:

skills/expertise/competencies as required in the context of its business(es) and sector(s) for it to function effectively	skills/expertise/competencies actually available with the board	Names of directors who have such skills/expertise/competence
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
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

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
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, Mr. N Venkateshwarlu & Mrs. Sita Visalakshi Chimakurthy
Technical / Professional skills and specialized knowledge in relation to Company's business	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 Four (4) times during the financial year, on 22nd June, 2020, 31st August, 2020, 13th November, 2020 and 13th February, 2021. The maximum time gap between any two meetings was less than 120 days except for the meeting dated 22nd June, 2020 which was held after a gap of 128 days from previous meeting dated 14th February 2020 as permitted under various circulars issued by MCA and SEBI during COVID-19. 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 chairperson of more than five committees in which they are Directors. 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/ managing director 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 as below:

Name of Director	Category of Directorship	Number of Directorships in other Companies	Number of Board Committees membership held in other Companies		Attendance Particulars		
			Member	Chair person	Last AGM 29.12.2020	Board Meetings' 20-21	
						Held	Attended
Mr. L. Maruti Sanker	Managing Director*	–	–	–	Yes	4	4
Mrs. L. Hemalatha	Whole Time Director*	–	–	–	Yes	4	4
Mr. B. Mohan Rao	Non-Executive & Non-Independent Director	–	–	–	Yes	4	4
Mr. N Venkateshwarlu	Non-Executive & Independent Director	–	–	–	Yes	4	4
#Mr. P. Raja Sekhar	Non-Executive & Independent Director	–	–	–	Yes	4	4
Mrs. Sita Visalakshi Chimakurthy	Non-Executive & Independent Director	–	–	–	Yes	4	4

* Mr. L. Maruti Sanker was reappointed as Managing Director of the company for a period of five years from 01st April 2020 to 31st March 2025 in the Annual General Meeting dated 28th December, 2020.

*Mrs. L. Hemalatha was reappointed as Whole-time Director of the company for a period of five years from 28th March 2020 to 27th March 2025 in the Annual General Meeting dated 28th December, 2020.

Mr. P. Raja Sekhar has resigned due to ill health and preoccupations only, with effect from the conclusion of the business hours on 1st September, 2021 and also stated that there are no material reasons other than those provided.

Relationship of Directors inter-se: Mr. Maruti Sanker is spouse to Ms. L. Hemalatha and are related to each other.

Number of shares held by Non-Executive Director: Mr. B. Mohan Rao holds 5,00,000 shares as on 31st March 2021.

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.
- Annual business plan.
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary, whenever required.
- Expansion projects and its status monitoring.
- Fatal or serious accidents, injuries or any material environmental problems, if any.
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company, if any.
- Significant labour problems and their proposed solutions, whenever necessary.
- Any significant development in human resources / industrial relations including long-term wage agreement, major voluntary retirement scheme, etc.
- Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement, if material Quarterly disclosure of all the investments made.
- Material non-compliance of any regulatory, statutory nature or listing requirements and shareholders service, such as non-payment of dividend, delay in share transfer and others, if any.
- Quarterly review of compliance status under various laws applicable to the Company.
- Substantial non-payment of goods sold by the Company except disputes.
- Related Party Transactions, if they are not at arm's length and in the ordinary course of business.

- Half-yearly summary of bank guarantees issued.
- All other matters required to be placed before the Board for its review/information/approval under the statutes, including SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

11. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS:

The Board members are provided with necessary documents, reports, internal policies and site visits to enable them to familiarize with the Company's operations, its procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company business, strategy and risks involved. Detailed presentations on the Company's business segments were made at the meetings of the Directors held during the year 2020-2021. During the Financial Year 2020-21, there has been no change in the independent director of the Company.

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

12. COMMITTEES OF THE BOARD:

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

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

I. 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 2020-21 on February 13, 2021, involving the following:

- i. Evaluation of IDs, in their absence, by the entire Board was undertaken, based on their performance and fulfilment 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 Chairperson.

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 13, 2021, mainly to review the performance of Independent Directors and the Chairman & Managing Director and also the Board as a whole. All IDs were present at the said meeting.

- a. **Board:** Composition, responsibilities, stakeholder value and responsibility, Board development, diversity, governance, leadership, directions, strategic input, etc.

- b. **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.
- c. **Independent Directors:** Participation, managing relationship, ethics and integrity, Objectivity, bringing independent judgement, time devotion, protecting interest of minority shareholders, domain knowledge contribution, etc.
- d. **Chairperson:** Managing relationships, commitment, leadership effectiveness, promotion of training and development of directors etc.
- e. **Committees:** Terms of reference, participation of members, responsibility delegated, functions and duties, objectives alignment with company strategy, composition of committee, committee meetings and procedures, management relations.

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

Categories	Rating (out of 5)
1. Board as a whole	4
2. Individual Directors	
Mr. L. Maruti Sanker	4.5
Mrs. L. Hemalatha	4
Mr. B. Mohan Rao	4
Mrs. C. Sita Visalakshi	4
Mr. Narra Venkateswarlu	4
Mr. Piduru Raja Sekhar	3
3. Audit Committee	4
4. Stakeholder Relationship Committee	4
5. Nomination & Remuneration Committee	4
6. Risk Management Committee	3.8

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

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

II. Audit committee:

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

- A. **Brief Description of Terms of Reference:** - Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.

- i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. Recommending the appointment and removal of External Auditors, fixation of audit fee and approval for payment for any other services;
- iii. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- iv. Approval of payment to statutory auditors for any other services rendered by them.
- v. Review with the management and statutory auditors, the annual financial statements and auditor's report thereon before submission to the Board with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Modified opinion(s) in the draft audit report;
- vi. Review of the quarterly and half yearly financial results with the management and the statutory auditors;
- vii. Examination of the financial statement and the auditors' report thereon;
- viii. Review and monitor statutory auditor's independence and performance and effectiveness of audit process;
- ix. Approval or any subsequent modification of transactions with related parties;
- x. Scrutiny of inter-corporate loans and investments;

- xi. Review of valuation of undertakings or assets of the company wherever it is necessary;
- xii. Evaluation of internal financial controls and risk management systems;
- xiii. Review with the management, statutory auditors and the internal auditors about the nature and scope of audits and of the adequacy of internal control systems;
- xiv. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- xvi. Consideration of the reports of the internal auditors and discussion about their findings with the management and suggesting corrective actions wherever necessary;
- xvii. Look into the reasons for any substantial defaults in payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividend) and creditors, if any;
- xviii. Review the functioning of the whistle blower mechanism;
- xix. Review and monitor the end use of funds raised through public offers and related matters;
- xx. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- xxi. Frame and review policies in relation to implementation of the Code of Conduct for Prevention of Insider Trading and supervise its implementation under the overall supervision of the Board;
- xxii. Discharge such duties and functions as indicated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 and the rules made thereunder from time to time.
- xxiii. mandatorily review of the following information:
 - management discussion and analysis of financial condition and results of operations;
 - statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - management letters / letters of internal control weaknesses issued by the statutory auditors;

- internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee;
- Statement of deviations as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to Stock Exchange(s) in terms of Regulation 32(1);
- Annual statement of funds utilized for purposes other than those stated in the offer document /prospectus / notice in terms of Regulation 32(7);
- The Audit Committee of the listed holding company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary company;
- Carrying out any other function as may be referred to the Committee by the Board;
- Authority to review / investigate into any matter covered by Section 177 of the Companies Act, 2013 and matters specified in Part C of Schedule II of the Listing Regulations.

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.

C. Composition, Meetings & Attendance:

There were four (4) Audit Committee Meetings held during the year on 22.06.2020, 31.08.2020, 13.11.2020 and 13.02.2021.

Name	Designation	Category	No. of Meetings held during the tenure if the Director	No. of Meeting attended
Mr. Venkateswarlu Narra*	Chairman	NED(I)	4	4
Mr. Piduru Raja Sekhar*	Chairman	NED(I)	4	4
Mrs. C.Sita Visalakshi	Member	NED(I)	4	4
Mr. B. Mohan Rao	Member	NED(P)	4	4
Mr. Harikrishna Duggineni *	Member	NED(I)	NA	NA

*Mr. Harikrishna Duggineni has been appointed as Additional Independent Director effective from 4th September, 2021 and Mr. Piduru Raja Sekhar resigned effective from 1st September, 2021, the committee was reconstituted on 4th September, 2021 to induct Mr. Venkateswarlu Narra as Chairman to the committee.

D. Independent Directors' Meeting:

As per clause 7 of the schedule IV of the Companies Act (Code for Independent Directors) read with Regulation 25(3) of SEBI LODR Regulations, 2015, a separate meeting of the Independent Directors of the Company (without the attendance of Non-Independent Directors) was held on February 13, 2021, to discuss:

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

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

a. Familiarization Program for Independent Directors:

As required under Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the company regularly familiarizes Independent Directors with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company etc.

The Board members are provided with necessary documents, reports, internal policies and site visits to enable them to familiarize with the Company's operations, its procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company business, strategy and risks involved. Detailed presentations on the Company's business segments were made at the meetings of the Directors held during the year. During the financial year 2020-21, there has been no change in the independent directors of the Company.

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

b. Declaration by Independent Directors:

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

c. Declaration by Board:

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

Mr.P. Raja Sekhar has resigned due to ill health and preoccupations only with effect from the conclusion of the business hours on 1st September, 2021 and also stated that there are no material reasons other than those provided.

III. Nomination and Remuneration Committee:

Terms of reference of Nomination and Remuneration Committee covers all the matters prescribed under Regulation 19 of the Listing Regulations and Section 178 of the Act, 2013.

A. The terms of reference of the Nomination and Remuneration Committee includes:

- i. Recommend to the Board the setup and composition of the Board, including formulation of the criteria for determining qualifications, positive attributes and independence of a Director.
- ii. Periodical review of composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- iii. Support the Board in matters related to the setup, review and refresh of the Committees.
- iv. Devise a policy on Board diversity.
- v. Recommend to the Board the appointment or reappointment of Directors.
- vi. Recommend to the Board how the Company will vote on resolutions for appointment of Directors on the Boards of its material subsidiaries.
- vii. Recommend to the Board, the appointment of Key Managerial Personnel (KMP) and executive team members.
- viii. Carry out the evaluation of every Director's performance and support the Board and Independent Directors in the evaluation of the performance of the Board, its committees and individual Directors, including formulation of criteria for evaluation of Independent Directors and the Board.
- ix. Oversee the performance review process for the KMP and executive team with the view that there is an appropriate cascading of goals and targets across the Company.
- x. Recommend the Remuneration Policy for the Directors, KMP, executive team and other employees.
- xi. On an annual basis, recommend to the Board the remuneration payable to Directors, KMP and executive team of the Company.
- xii. Review matters related to remuneration and benefits payable upon retirement and severance to MD/EDs, KMP and executive team.
- xiii. Review matters related to voluntary retirement and early separation schemes for the Company.

- xiv. Provide guidelines for remuneration of Directors on material subsidiaries.
- xv. Recommend to the Board how the Company will vote on resolutions for remuneration of Directors on the Boards of its material subsidiaries.
- xvi. Assist the Board in fulfilling its corporate governance responsibilities relating to remuneration of the Board, KMP and executive team members.
- xvii. Oversee familiarisation programmes for Directors.

B. Composition, Meetings & Attendance:

There were one (1) Nomination & Remuneration Committee Meeting held during the year on 13.02.2021.

Name	Designation	Category	No. of Meetings held during the tenure if the Director	No. of Meeting attended
Mr. Venkateswarlu Narra*	Chairman	NED(I)	1	1
Mr. Piduru Raja Sekhar*	Chairman	NED(I)	1	1
Mrs. C.Sita Visalakshi	Member	NED(I)	1	1
Mr. B. Mohan Rao	Member	NED(P)	1	1
Mr. Harikrishna Duggineni *	Member	NED(I)	NA	NA

*Mr. Harikrishna Duggineni has been appointed as Additional Independent Director effective from 4th September, 2021 and Mr. Piduru Raja Sekhar resigned effective from 1st September, 2021, the committee was reconstituted on 4th September, 2021 to induct Mr. Venkateswarlu Narra as Chairman to the committee.

C. 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.

D. 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:

In this policy the following terms shall have the following meanings:

- 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
- 2.3. "Independent Director" means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 read with Regulation 16 (1)(b) of SEBI LODR Regulations, 2015.

3 Policy:

3.1. Qualifications and criteria:

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

3.1.2. In evaluating the suitability of individual Board member, the NR Committee may take into account factors, such as:

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

3.1.3. The proposed appointee shall also fulfil the following requirements:

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

- shall abide by the code of Conduct established by the company for Directors and senior Management personnel;
- shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- such other requirements as may be prescribed, from time to time, under the companies Act, 2013, Equity listing Agreements and other relevant laws.

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

3.2. Criteria of independence:

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

3.2.2. The criteria of independence shall be in accordance with guidelines as laid down in companies Act, 2013.

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

3.3. Other directorships/ committee memberships:

3.3.1. The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as director of the company. The Nomination & Remuneration Committee shall take into account the nature of and the time involved in the director service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

3.3.2. A Director shall not serve as director including any alternate directorship, 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/ managing director in any listed company.

3.3.4.A Director shall not be a member in more than 10 committees or act as chairperson of more than 5 committee across all listed entities in which he/she holds directorships.

For reckoning the limit of public companies in which a person can be appointed as director, Directorship in private companies that are either holding or subsidiary company of a public company shall be included.

For reckoning the limit of Directorships of twenty companies, the Directorship in a dormant company shall not be included.

For the purpose of considering the limit of the committees, on which a director may serve in 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.

For the purpose of determination of limit, chairpersonship and membership of the audit committee and the Stakeholders' Relationship Committee alone shall be considered.

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

1. Scope:

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 of Reference:

In this policy, the following terms shall have the following meanings:

2.1. "Director" means a director appointed to the Board of the company.

2.2. "Key managerial personnel" means-

- i. The Chief Executive Office or the managing director or the manager;
- ii. The company secretary;
- iii. The whole-time director;
- iv. The chief finance Officer; and
- v. Such other office as may be prescribed under the companies Act, 2013

2.3. "Nomination and Remuneration committee" means the committee constituted by Board in accordance with the provisions of section 178 of the companies Act, 2013 Regulation 19 of SEBI LODR Regulations, 2015).

3. Policy:

3.1. Remuneration to Executive Director and key managerial personnel:

3.1.1. The Board on the recommendation of the Nomination and Remuneration (NR) committee shall review and approve the remuneration payable to the Executive Director of the company within the overall limit approved by the shareholders.

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

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

- i. Basic pay
- ii. Perquisites and Allowances
- iii. Stock Options
- iv. Commission (Applicable in case of Executive Directors)
- v. Retirement benefits
- vi. Annual performance Bonus

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

3.2. Remuneration to Non – Executive Directors:

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

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

3.3. Remuneration to other employees:

3.3.1. Employees shall be assigned grades according to their qualifications 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.

F. Remuneration to directors paid during the Financial Year 2020-21 and other disclosures:

Name of Director	Salary (Rs.)	Sitting Fees (Rs.)	Number of Shares held	Service Contracts	Stock Option Details	Fixed Component	Performance Based Incentive
Mr. L. Maruti Sanker	268500	0	4459764	0	0	0	0
Mrs. L. Hemalatha	179000	0	400000	0	0	0	0
Mr. B. Mohan Rao	0	0	500000	0	0	0	0
Mr. P. Raja Sekhar	0	0	0	0	0	0	0
Mrs. Sita Visalakshi Chimakurthy	0	0	0	0	0	0	0
Mr. N. Venkateshwarlu	0	0	0	0	0	0	0

IV. Stakeholder's Relationship Committee:

Stakeholder's Relationship Committee (Constituted in terms of Section 178 of the Companies Act, 2013 read with Regulation 20 of SEBI LODR Regulations, 2015) which inter-alia include:

- i. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non- receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- ii. Proactively communicate and engage with stockholders including engaging with the institutional shareholders at least once a year along with members of the Committee/Board/ KMPs, as may be required and identifying actionable points for implementation.
- iii. Review of measures taken for effective exercise of voting rights by shareholders.
- iv. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

- v. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

A. Composition and Attendance for Meetings:

There were four (4) Stakeholders' Relationship Committee Meetings held during the year on 22nd June, 2020, 31st August, 2020, 13th November, 2020 and 13th February, 2021.

Name	Designation	Category	No. of Meetings held during the tenure if the Director	No. of Meeting attended
Mr. Venkateswarlu Narra*	Chairman	NED(I)	4	4
Mr. Piduru Raja Sekhar*	Chairman	NED(I)	4	4
Mrs. C.Sita Visalakshi	Member	NED(I)	4	4
Mr. B. Mohan Rao	Member	NED(P)	4	4
Mr. Harikrishna Duggineni *	Member	NED(I)	NA	NA

*Mr. Harikrishna Duggineni has been appointed as an Additional Independent Director effective from 4th September, 2021 and Mr. Piduru Raja Sekhar resigned effective from 1st September, 2021, the committee was reconstituted on 4th September, 2021 to induct Mr. Venkateswarlu Narra as Chairman to the committee.

B. Status of Investor Complaints as on 31st March, 2021 and reported under Regulation 13(3) of the Listing Regulations is as under:

Particulars	Number of Complaints
Complaints as on 1 st April, 2020	Nil
Received during the year	Nil
Resolved during the year	Nil
Number of pending complaints as on 31 st March 2021	Nil

C. SCORES:

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

D. Name and Designation of Compliance Officer:

Mr. Remo John

Company Secretary & Compliance officer

Telephone No: 040- 9369703226,

E-mail: info@7seasent.com

V. 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). No meetings were held during the year under review.

A. Composition:

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

B. Role And Responsibilities of the Committee includes the following:

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

13. GENERAL BODY MEETINGS:

A. Location, date and time of last three Annual General Meeting and special resolutions there at is mentioned as under:

Financial Year	Date	Time	Location
2019-20	28.12.2020	9:00 A.M.	Through VC / OAVM
2018-19	30.09.2019	9:00 A.M.	Plot no. 60, Flat no. 301, 3rd floor, "Abhi's Hiranya", Kavuri hills, Madhapur, Hyderabad-500033 Telangana
2017-18	29.11.2018	11:00 A.M.	Plot no. 60, Flat no. 301, 3rd floor, "Abhi's Hiranya", Kavuri hills, Madhapur, Hyderabad-500033 Telangana

The company passed special resolutions as per the agenda given in the notice calling the aforementioned general meetings,

B. Extraordinary General Meeting:

No Extraordinary General Meetings were held during the year 2020-21.

C. Postal Ballot:

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

D. Procedure for postal ballot:

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

14. MEANS OF COMMUNICATION:

As per Regulation 46 of SEBI (LODR) Regulations, 2015, the Company is maintaining a functional web- site – <http://www.7seasent.com/> containing the information about the Company viz. details of business, financial information, shareholding pattern, annual reports, Company's policies, results and contact in- formation of the designated officials of the Company for handling investor grievances. The website is up- dated from time to time.

A. Publication of results in newspapers:

The quarterly, half-yearly & nine months un-audited financial results and annual audited financial results of the company are generally published in Business Standard or Financial Express, at national level in English language as well as Andhra Prabha/Nava Telangana at regional level in Telugu language circulating in the state of Telangana. The results are also posted on the Company's website <http://www.7seasent.com> and on the website of stock exchanges www.bseindia.com

B. Channels of Communication with the investors:

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



Further the management of the Company conducts investor call after approving Quarterly financial results in the Board meeting as and when may be necessitated.

15. GENERAL SHAREHOLDER INFORMATION:

A. Annual General Meeting:

Date and Time: Thursday, 30th September, 2021, at 01:00 P.M

Venue: The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020, read with circulars dated April 8, 2020, April 13, 2020, 13th January 2021 and other applicable circulars issued by the Securities and Exchange Board of India (SEBI), and as such there is no requirement to have a venue for the AGM. For details, please refer to the Notice of this AGM.

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

Financial year to which the Annual General Meeting relates: 2021-22

Financial calendar: 2021-22

Adoption of Quarterly results for the Quarter ending-

30th June, 2021 : 1st/2nd Week of August 2021

30th September, 2021 : 1st/2nd Week of November, 2021

31st December, 2021 : 1st/2nd Week of February, 2022

31st March, 2022 : On or before 30th May 2022

Annual General Meeting (Next year): August / September, 2022

*All timelines are subject to statutory framework and as may be enabled under COVID-19.

C. Book Closure date:

24th September, 2021 to 30th September, 2021 (both days inclusive).

D. Electronic Connectivity:

ISIN: INE454F01010, Stock Code: 540874

NATIONAL SECURITIES DEPOSITORY LIMITED

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

CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED

25th Floor, A Wing, Marathon Futurex, Mafatlal Mills Compound, NM Joshi Marg, Mumbai – 400 013, Maharashtra, India.

E. Registrars and Transfer Agents/Investors' Correspondence:

M/s. Venture Capital and Corporate Investments Private Limited

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

Ph.Nos.040-23818475/23818476/23868023

Fax: 040-23868024.

F. Name and Address of the Stock Exchanges on which Equity Shares are listed:

BSE Limited, Mumbai (BSE), Phiroze Jeejeebhoy Towers, Dala Street,
Fort, Mumbai-400001, Maharashtra, India

G. Share Transfer System:

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

H. Shareholding pattern as on 31.03.2021:

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

I. Distribution of Shareholding as on 31.03.2021:

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

J. Dematerialisation & Liquidity of Shares:

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

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

The Company has paid annual listing fees for the financial year 2020-21 to the BSE.

K. Dividend Payment Date:

No Dividend was declared during the Financial Year 2020-21.

L. Market Price Data/performance in comparison with BSE Sensex:

The monthly high / low prices of shares of the Company from April, 2020 to March, 2021 at BSE: **Not applicable** as the company was under suspension on BSE due to penal reasons. However, the company has taken necessary steps to revoke the suspension and is now actively trading in stock market.

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

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

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

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

The contact details and locations of plants are provided in the initial pages of Annual Report.

16. DISCLOSURES

A. Materially Significant Related Party Transactions:

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

B. Compliances:

There are no penalties imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to capital markets, during the last three years. The Board reviews the compliance of all the applicable laws and gives appropriate directions wherever necessary. However, the company was suspended from trading due to penal actions during the period under review.

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

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

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

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

a) Policy on Related Party Transactions-

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

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

During the year ended 31st March 2021, there were no proceeds from public issues, rights issues, preferential issues etc.

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

d) Recommendations of Committees of the Board-

There were no instances during the Financial Year 2020-21 wherein the Board had not accepted the recommendations made by any Committee of the Board.

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

Particulars	Amount (in Rs.)
Statutory Audit Fee	1,00,000

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

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

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

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

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

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

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

Regulation	Particulars of Regulation	Compliance (Yes/No)	Status
17	Board of Directors	Yes	
18	Audit Committee	Yes	
19	Nomination and Remuneration Committee	Yes	
20	Stakeholders Relationship Committee	Yes	
21	Risk Management Committee	Yes	
22	Vigil mechanism	Yes	
23	Related Party Transactions	Yes	
24	Corporate Governance requirement with respect to subsidiary of listed entity	Not Applicable	
24A	Secretarial Audit and Secretarial Compliance Report	Yes	
25	Obligations with respect to Independent Directors	Yes	
26	Obligation with respect to employees including Directors and	Yes	

	senior management, key managerial persons, directors and promoters.]	
27	Other Corporate Governance requirements	Yes
46(2)(b) to (i)	Functional Website	Yes

j) Disclosure with respect to Demat suspense account/unclaimed suspense account-

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

k) Code of Conduct-

The Board of Directors has laid down a 'Code of Conduct' (code) for all the Board members and the Senior Management of the Company and this code is posted on the website of the company. Annual declaration is obtained from every person covered by the code. The Company has a comprehensive Code of Conduct for prevention of insider trading in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015. The Board has formulated a Code of Conduct to regulate, monitor and report trading by insiders and the Board has also adopted a code of practices and procedures for fair disclosure of un-published price sensitive information, in order to align the same with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

l) Disclosure of Accounting Treatment-

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

m) Non-Executive Directors' Compensation and Disclosures-

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

n) CEO/ CFO Certification-

In terms of regulation 17(8) of the Listing Regulations, the CEO / CFO made a certification to the Board of Directors which has been reviewed by the Audit Committee and taken on record by the Board and enclosed as Annexure-6 to this Annual Report.

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

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

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

Place: Hyderabad
Date: 04.09.2021



Annexure 5

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
7Seas Entertainment Limited

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance of conditions of corporate governance by 7Seas Entertainment Limited ("the company") for the year ended 31st March, 2021 as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) with BSE Limited.

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

In my opinion and to the best of my information and according to our examination of the relevant records and the explanations given to me and the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of the Schedule V of the Listing Regulations during the period ended March 31, 2021.

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

For Sathuluri & Co

Chartered Accountants

FRN: 006383S

S S Prakash

Partner

Membership No. 202710

Date: 04.09.2021

Place: Hyderabad

DECLARATION BY INDEPENDENT DIRECTORS

To
The Board of Directors
7Seas Entertainment Limited

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

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

1. I am/was not a promoter of the company or its holding, subsidiary or associate company;
2. I am/was not related to promoters or directors in the company, its holding, subsidiary or associate company;
3. Apart from receiving director sitting fees/remuneration, I have/had no material pecuniary relationship / transactions, with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year.
4. None of my relatives-
 - a. is holding any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year:
 - b. is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;
 - c. has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company, for such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;
 - d. has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (a), (b) or (c);
 - e. has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year;

5. Neither me nor my relatives-

- a. holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
- b. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of-
 - i. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - ii. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
 - iii. holds together with my relatives 2% or more of the total voting power of the company; or
 - iv. is a Chief Executive or director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or

6. I am not below the age of 21 Years.

7. I am not material supplier, service provider or customer or a lessor or lessee of the Listed Entity.

8. I am not a Non-Independent Director of another Company on the board of which any Non-Independent Director of the Listed Entity is an Independent Director.

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

Thanking you.
Yours faithfully,

Sd/-
C.Sita Visalakshi
(Independent Director)

Date: 04.04.2021
Place: Hyderabad



DECLARATION BY INDEPENDENT DIRECTORS

To
The Board of Directors
7Seas Entertainment Limited

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

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

1. I am/was not a promoter of the company or its holding, subsidiary or associate company;
2. I am/was not related to promoters or directors in the company, its holding, subsidiary or associate company;
3. Apart from receiving director sitting fees/remuneration, I have/had no material pecuniary relationship / transactions, with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year.
4. None of my relatives-
 - a. is holding any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year;
 - b. is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;
 - c. has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company, for such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;
 - d. has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (a), (b) or (c);
 - e. has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year;

5. Neither me nor my relatives-

- a. holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
- b. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of-
 - i. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - ii. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
 - iii. holds together with my relatives 2% or more of the total voting power of the company; or
 - iv. is a Chief Executive or director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or

6. I am not below the age of 21 Years.

7. I am not material supplier, service provider or customer or a lessor or lessee of the Listed Entity.

8. I am not a Non-Independent Director of another Company on the board of which any Non-Independent Director of the Listed Entity is an Independent Director.

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

Thanking you.
Yours faithfully,

Sd/-
N. Venkateswarlu
(Independent Director)

Date: 04.04.2021
Place: Hyderabad



DECLARATION BY INDEPENDENT DIRECTORS

To
The Board of Directors
7Seas Entertainment Limited

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

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

1. I am/was not a promoter of the company or its holding, subsidiary or associate company;
2. I am/was not related to promoters or directors in the company, its holding, subsidiary or associate company;
3. Apart from receiving director sitting fees/remuneration, I have/had no material pecuniary relationship / transactions, with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year.
4. None of my relatives-
 - a. is holding any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year;
 - b. is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;
 - c. has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company, for such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;
 - d. has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (a), (b) or (c);
 - e. has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year;

5. Neither me nor my relatives-

- a. holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
- b. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of-
 - i. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - ii. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
 - iii. holds together with my relatives 2% or more of the total voting power of the company; or
 - iv. is a Chief Executive or director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or

6. I am not below the age of 21 Years.

7. I am not material supplier, service provider or customer or a lessor or lessee of the Listed Entity.

8. I am not a Non-Independent Director of another Company on the board of which any Non-Independent Director of the Listed Entity is an Independent Director.

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

Thanking you.
Yours faithfully,

Sd/-
Harikrishna Duggineni
(Additional Independent Director)

Date: 04.09.2021
Place: Hyderabad



Annexure - 7

CERTIFICATE BY THE MANAGING DIRECTOR/CFO OF THE COMPANY

To
The Board of Directors
7Seas Entertainment Limited

Dear Sirs,

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

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2021 and to the best of our knowledge and belief;
 - a. These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
 - b. These statements present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of my knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct;
3. We accept responsibility for establishing and maintaining internal controls, I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the audit committee, deficiencies in the design or the operation of internal controls, if any, of which I was aware and the steps that I have taken or propose to take and rectify the identified deficiencies; and
4. That we have informed the auditors and the audit committee of:
 - a. Significant changes in the internal control during the year;
 - b. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c. Instances of significant fraud of which we have become aware and the involvement of any employee having a significant role in the company's internal control system.

For and on behalf of the Board
7Seas Entertainment Limited

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

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

Place: Hyderabad
Date: 04.09.2021



DECLARATION UNDER CODE OF CONDUCT

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

Certificate of Code of Conduct for the year 2020-21 as per Regulation 17(5) read with Regulation 34(3) Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

I hereby certify that all the Board Members and Senior Management have affirmed the compliance with the Code of Ethics and Business Conduct, under a certificate of Code of Conduct for the year 2020-21.

For and on behalf of the Board
7Seas Entertainment Limited

Sd/-
L. Maruti Sanker
Managing Director
(DIN: 01095047)
Place: Hyderabad
Date: 04.09.2021



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 Members of
7Seas Entertainment Limited

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of 7Seas Entertainment Limited having CIN L72900TG1991PLC013074 and registered office at Plot No. 60, Flat No. 301, 3rd floor, "Abhi's Hiranya", Kavuri hills, Madhapur, Hyderabad-500033, Telangana (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 31st March, 2021 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	Name of the Director	DIN	Date of Appointment
1.	Maruti Sanker Lingamaneni	01095047	01/04/2015
2.	Hemalatha Lingamaneni	02226943	27/03/2015
3.	Chimakurthy Sita Visalakshi	06380062	14/11/2015
4.	Bommineni Mohan Rao	07233665	09/07/2015
5.	Narra Venkateswarlu	08468341	28/05/2019

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 Amit Dharmani & Associates,
Company Secretaries

Sd/-
Amit Dharmani
Proprietor
ACS 41833
UDIN: A041833C000889592
C.P. No.18179
Place: Ujjain
Date: 04th September, 2021
Unique Identification No.: S2017MP474100



Independent Auditors' Report

To
The Members,
7SEAS ENTERTAINMENT LIMITED

Report on the Ind AS financial statements

We have audited the accompanying Ind AS financial statements of M/S. 7SEAS ENTERTAINMENT LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (Including other comprehensive income), the Statement of cash flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein referred to as 'Ind AS financial statements').

Management's Responsibility for the Financial Statements

Management's Responsibility for the Financial Statements The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on

7SEAS ENTERTAINMENT LIMITED

whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

Impact of COVID-19:

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March, 2021, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;

- d) in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015;
- e) on the basis of the written representations received from the directors as on 31st March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2021 from being appointed as a director in terms of Section 164 (2) of the Act; and
- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and operating effectiveness of such controls, refer to our separate report in Annexure B.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2015, in our opinion and to the best of our information and according to the explanations given to us:
- I. The Company does not have any pending litigations.
 - II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Sathuluri & Co
Chartered Accountants
FRN: 006383S

S S Prakash
Partner
Membership No. 202710

Place: Hyderabad
Date: 29.06.2021

Annexure-A to the Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the Year ended 31st March 2021, we report that:

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

arrears as at 31st March 2021 for a period of more than six months from the date they became payable except below;

Particulars	Demand U/s	Period to which the amount relates	Amount in Rs.
Income Tax Act, 1956	143(1)	A.Y.2007-08	2,44,013
Income Tax Act, 1956	154	A.Y.2012-13	85,300
Income Tax Act, 1956	154	A.Y.2013-14	2,35,710

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

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

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



ANNEXURE B TO THE INDEPENDENT AUDITOR'S

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

We have audited the internal financial controls over financial reporting of 7SEAS ENTERTAINMENT LIMITED ("the Company") as of March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

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

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

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

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

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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



Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

For Sathuluri & Co
Chartered Accountants
FRN: 006383S

S S Prakash
Partner
Membership No. 202710

Place: Hyderabad
Date: 29.06.2021

BALANCE SHEET AS AT 31ST MARCH, 2021
(Amount in Rs.)

PARTICULARS		Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS:				
(1)	Non-current assets			
	(a) Property, Plant and Equipment	2	-	-
	(b) Capital work-in-progress		-	-
	(c) Goodwill		-	-
	(d) Other Intangible Assets	2	53,399	51,93,399
	(e) Intangible Assets under development		-	-
	(f) Financial assets		-	-
	(i) Investments		-	-
	(ii) Other Financial Assets		-	-
	(g) Deferred tax assets (net)		-	-
	(h) Other non-current assets		-	-
(2)	Current assets			
	(a) Inventories		-	-
	(b) Financial assets		-	-
	(i) Investments		-	-
	(ii) Trade receivables	3	1,15,243	1,15,243
	(iii) Cash and cash equivalents	4	16,000	24,719
	(iv) Bank Balances other than (iii) above		-	-
	(v) Loans and advances	5	1,50,000	1,50,000
	(vi) Investments held for Sale		-	-
	(c) Other current assets	6	10,96,823	6,19,009
	TOTAL ASSETS		14,31,465	61,02,370
II EQUITY AND LIABILITIES:				
	Equity			
	(a) Equity Share Capital	7	11,11,09,000	11,11,09,000
	(b) Other Equity			
	(i) Reserves and Surplus	8	(16,88,42,899)	(18,66,26,714)
	Liabilities			
(1)	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings		-	-
	(b) Provisions		-	-
(2)	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	9	5,30,53,125	7,42,83,523
	(ii) Trade Payables	10	12,51,754	32,73,255
	(iii) Other financial liabilities		-	-
	(b) Other current liabilities	11	-	-
	(c) Provisions	12	15,26,214	7,29,035
	(d) Deferred tax liabilities (Net)	13	33,34,271	33,34,271
	TOTAL EQUITY AND LIABILITIES		14,31,465	61,02,370
	Significant accounting policies and notes to accounts	1 to 17		

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

For Sathuluri & Co
Chartered Accountants
FRN: 006383S

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

S S Prakash
Partner
Membership No. 202710

Sd/-
L MARUTI SANKER
Managing Director

Sd/-
L HEMALATHA
Whole-time Director
& CFO

Sd/-
Remo John
Company
Secretary

Place: Hyderabad
Date: 29.06.2021

DIN: 01095047

DIN: 02226943



**STATEMENT OF PROFIT AND LOSS
FOR THE FOR THE YEAR ENDED 31ST MARCH, 2021**

(Amount in Rs.)

	PARTICULARS	Note No.	Year Ended March 31, 2021	Year Ended March 31, 2020
I	Revenue from operations	14	1,55,147	5,16,053
II	Other Income	15	2,82,63,296	-
III	Total Income (I+II)		2,84,18,443	5,16,053.00
IV	Expenses:			
	Operating Expenses		-	-
	Employee Benefits Expense	16	9,59,000	9,06,144
	Depreciation and amortization expense	2	51,40,000	72,88,301
	Other expenses	17	45,35,628	77,86,016
	Total Expenses		1,06,34,628	1,59,80,461
V	Profit before tax (III-IV)		1,77,83,815	(1,54,64,408)
VI	Tax Expense			
	- Current tax		-	-
	- Deferred tax		-	-
VII	Profit for the period (V-VI)		1,77,83,815	(1,54,64,408)
VIII	Other Comprehensive Income (OCI)			
	i) Items that will not be reclassified to profit & loss		-	-
	ii) Income tax relating to items that will not be reclassified to profit & loss		-	-
	Other comprehensive income for the year (net of tax)		-	-
IX	Total Comprehensive Income (VII+VIII)		1,77,83,815	(1,54,64,408)
X	Earnings per equity share: (Equity shares of par value of Rs.10/- each)			
	- Basic		1.60	(1.39)
	- Diluted		1.60	(1.39)
	Significant accounting policies and notes to accounts	1 to 17		

For Sathuluri & Co
Chartered Accountants
FRN: 006383S

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

S S Prakash
Partner
Membership No. 202710

Sd/-
L MARUTI SANKER
Managing Director

Sd/-
L HEMALATHA
Whole-time Director
& CFO

Sd/-
Remo John
Company
Secretary

Place: Hyderabad
Date: 29.06.2021

DIN: 01095047

DIN: 02226943

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2021

PARTICULARS	Year ended 31-03-2021 Amount in Rs.	Year ended 31-03-2020 Amount in Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before tax	1,77,83,815	(1,54,64,408)
Adjustment for:		
Depreciation and Amortisation	51,40,000	72,88,301
Interest Expenses	-	-
Interest Earned	-	-
Cash Flows from Operations before changes in assets and liabilities	2,29,23,815	(81,76,107)
Movements in Working Capital:		
(Increase)/ Decrease in trade receivables	-	2,64,287
(Increase)/Decrease in Short Term Loans Advances	-	-
(Increase) / Decrease in Inventories	-	-
(Increase) / Decrease in Trade Payables	(20,21,501)	(6,31,323)
(Increase)/Decrease in Other current Assets	(4,77,814)	(1,27,427)
Change in Working Capital	(24,99,315)	(4,94,463)
Changes in non-current assets and liabilities		
Decrease/(Increase) in loans & advances		-
Decrease/(Increase) in Borrowings	(2,12,30,398)	84,55,667
Decrease/(Increase) in other current liabilities	-	-
Decrease/(Increase) in Long Term Provisions	7,97,179	37,803
Changes in non-current assets and liabilities	(2,04,33,219)	84,93,470
Cash Generated from Operations	(8,719)	(1,77,100)
Less: Taxes paid	-	8542
Net Cash from operating activities(A)	(8,719)	(1,85,642)
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Increase) / Decrease in Fixed assets and Capital Work In progress		
Bank Balances not considered as Cash and Cash equivalents	-	-
Interest and other Income received	-	-
Net cash used in Investing activities (B)	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Share Capital		
Increase / (Decrease) in Borrowings	-	-
Increase / (Decrease) in Other Short-term Borrowings (Net)	-	-
Net cash Flow from Financing Activities (C)	-	-
Net Increase/(Decrease) in cash & cash equivalents [A+B+C]	(8,719)	(1,85,642)
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	24,719	2,10,361
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	16,000	24,719

For Sathuluri & Co
Chartered Accountants
FRN: 006383S

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

S S Prakash
Partner
Membership No. 202710

Place: Hyderabad
Date: 29.06.2021

Sd/-
L MARUTI SANKER
Managing Director

DIN: 01095047

Sd/-
L HEMALATHA
Whole-time Director
& CFO
DIN: 02226943

Sd/-
Remo John
Company
Secretary

a. Equity Share Capital:

(Amount in Rs.)

Particulars	Amount
Balance as at 31 st March, 2020	1,11,10,900
Changes in Equity Share Capital during 2020-21	-
Balance as at 31 st March, 2021	1,11,10,900

b. Other Equity:

Particular	Share Warrants	Reserves & Surplus		Items of other comprehensive income (OCI)	Total
		General Reserves	Retained Earnings	Others	
Balance as at 31 st March, 2020	-	-	(30,09,83,888)	-	(30,09,83,888)
Total comprehensive income for the year ended 31st March, 2021		-	1,77,83,815	-	1,77,83,815
Profit or Loss		-	-	-	
Other Comprehensive Income (net of tax)		-	-	-	
Total comprehensive income		-	1,77,83,815	-	1,77,83,815
Transaction with owners in capacity of owners		-	-	-	
Balance as at 31 st March, 2021	-	-	(2,83,200,073)	-	(2,83,200,073)

For Sathuluri & Co
Chartered Accountants
FRN: 006383S

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

S S Prakash
Partner
Membership No. 202710

Sd/-
L MARUTI SANKER
Managing Director

Sd/-
L HEMALATHA
Whole-time Director
& CFO

Sd/-
Remo John
Company
Secretary

Place: Hyderabad
Date: 29.06.2021

DIN: 01095047

DIN: 02226943

Notes to accounts

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

1.1. Basis of preparation of financial statements

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

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

b) Use of estimates and judgment-

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

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

1.2. Property, Plant and Equipment & Depreciation

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

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

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

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

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

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

which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

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

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

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

1.3. Impairment of non-financial assets

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

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

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

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

1.4. Intangible assets

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

1.5. Inventory

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

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

1.6. Foreign currencies transactions and translations

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

The gain or loss on decrease/increase in reporting currency due to fluctuations in foreign exchange rates, in case of monetary current assets and liabilities in foreign currency, are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction.

1.7. Provisions

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

1.8. Revenue Recognition

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

Interest Income

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

1.9. Dividend Income

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

1.10. Employee benefits

1.10.1. Short term employee benefits

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

1.10.2. Defined benefit plans

a) Provident fund

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

b) Employee State Insurance Fund

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

1.11. Tax Expenses

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

Current tax

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

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

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used

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

1.12. Leases

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

1.13. Borrowing costs

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

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

1.14. Earnings per equity share

(i) Basic earnings per share

Basic earnings per share are calculated by dividing:

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

(ii) Diluted earnings per share

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

1.15. Financial Instruments

I. Financial assets

A. Initial recognition and measurement

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

a) Financial assets carried at amortized cost (AC)

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

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

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

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

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

B. Investments in subsidiaries:

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

II. Financial Liabilities:

A. Initial recognition-

All financial liabilities are recognized at fair value.

B. Subsequent measurement-

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

1.16. First time adoption of Ind As:

Transition to Ind As-

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

Note No.2: Property, Plant and Equipment

Particulars	Amortisation						Net value	
	AS AT 01.04.2020	Adjustments Additions/(Deletions)	AS AT 31.03.2021	AS AT 01.04.2020	Adjustments Additions/(Deletions)	For the year	AS AT 31.03.2021	AS AT 31.03.2020
<u>TANGIBLE ASSETS</u>								
1. Computers	1,39,300	-	1,39,300	1,39,300	-	-	1,39,300	-
2. Furniture and Fixtures	33,90,821	-	33,90,821	33,90,821	-	-	33,90,821	-
3. Electrical Fittings	4,01,985	-	4,01,985	4,01,985	-	-	4,01,985	-
4. Interiors	7,50,489	-	7,50,489	7,50,489	-	-	7,50,489	-
5. Office Equipments	15,19,663	-	15,19,663	15,19,663	-	-	15,19,663	-
6. Vehicles	12,64,306	-	12,64,306	12,64,306	-	-	12,64,306	-
Total	74,66,564	-	74,66,564	74,66,564	-	-	74,66,564	-
7. Software	34,29,270	-	34,29,270	34,29,270	-	-	34,29,270	-
8. Games & IP's	13,55,80,152	-	13,55,80,152	13,21,67,934	-	33,58,820	13,55,26,754	34,12,218
9. Web Portals	5,46,95,330	-	5,46,95,330	5,29,14,150	-	17,81,180	5,46,95,330	17,81,180
Total	19,37,04,752	-	19,37,04,752	18,85,11,353	-	51,40,000	19,36,51,353	51,93,399
Grand Total	20,11,71,316	-	20,11,71,316	19,59,77,917	-	51,40,000	20,11,17,917	51,93,399

Note No.3: Trade Receivables

PARTICULARS	As at March 31, 2021	As at March 31, 2020
	Amount in Rs.	Amount in Rs.
(a) Outstanding for a period exceeding six months from the date they are due for payment Unsecured, considered good	1,15,243	1,15,243
(b) Outstanding for a period not exceeding six months Unsecured, considered good	-	-
	1,15,243	1,15,243

Note No.4: Cash and Cash Equivalents

PARTICULARS	As at March 31, 2021	As at March 31, 2020
	Amount in Rs.	Amount in Rs.
(a) Balance with banks	6,065	12,234
(b) Cheques in Hand	-	-
(c) Cash on Hand	9,935	12,485
	16,000	24,719

Note No.5: Short Term Loans & Advances

PARTICULARS	As at March 31, 2021	As at March 31, 2020
	Amount in Rs.	Amount in Rs.
Advances to Customer	-	-
Other Deposits	1,50,000	1,50,000
	1,50,000	1,50,000

Note No.6: Other Current Assets

PARTICULARS	As at March 31, 2021	As at March 31, 2020
	Amount in Rs.	Amount in Rs.
(a) Other Current Assets	10,96,823	6,10,467
(b) Advance Tax & TDS	-	-
	10,96,823	6,10,467

Note No.7: Equity Share Capital

PARTICULARS	As At March 31,2021		As At March 31,2020	
	Number	Amount in Rs.	Number	Amount in Rs.
Authorised				
Equity Shares of Rs. 10/- each	1,12,50,000	11,25,00,000	1,12,50,000	11,25,00,000
Issued, Subscribed and Paid up				
Equity Shares of Rs. 10/- each fully paid up [Refer foot note (a) to (d) below]	1,11,10,900	11,11,09,000	1,11,10,900	11,11,09,000
Total	1,11,10,900	11,11,09,000	1,11,10,900	11,11,09,000

Foot Note:
(a) Reconciliation of the number of shares outstanding as at March 31, 2021:

PARTICULARS	As At March 31,2021		As At March 31,2020	
	Number	Amount in Rs.	Number	Amount in Rs.
Equity Shares outstanding at the beginning of the year	1,11,10,900	11,11,09,000	1,11,10,900	11,11,09,000
Equity Shares Issued during the year for Cash	-	-	-	-
Equity Shares Issued during the year for other than cash*	-	-	-	-
Equity Shares bought back during year	-	-	-	-
Equity Shares outstanding at the end of the year	1,11,10,900	11,11,09,000	1,11,10,900	11,11,09,000

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

PARTICULARS	As At March 31,2021		As At March 31,2020	
	Number	% of Holding	Number	% of Holding
Equity Shares outstanding at the beginning of the year	44,59,764	40.14%	44,59,764	40.14%
Equity Shares Issued during the year for Cash	2,86,833	2.58%	2,86,833	2.58%
Equity Shares Issued during the year for other than cash*	4,00,000	3.60%	4,00,000	3.60%

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

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

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

Note No.8: Reserves & Surplus

PARTICULARS	As at March 31, 2021	As at March 31, 2020
	Amount in Rs.	Amount in Rs.
(a) General Reserves:	-	-
(b) Capital Reserves		
Share Premium	11,23,85,515	11,23,85,515
Add: Addition during the year	-	-
Forfeited Shares Reserve	19,71,660	19,71,660
	11,43,57,175	11,43,57,175
(b) Retained earnings:		
Opening balance	(30,09,83,888)	(28,55,19,480)
(+) Net profit during the year	1,77,83,815	(1,54,64,408)
Closing balance	(28,32,00,073)	(30,09,83,888)
(c) Other Comprehensive income:	-	-
Total (a+b+c)	(16,88,42,899)	(18,66,26,714)

Note No.9: Short-Term Borrowings

PARTICULARS	As at March 31, 2021	As at March 31, 2020
	Amount in Rs.	Amount in Rs.
Secured Loan		
Working Capital Loan-IOB	2,28,52,125	6,88,65,421
Unsecured Loan		
Borrowings from Directors & Related Parties	3,02,01,000	54,18,102
	5,30,53,125	7,42,83,523

Note No.10: Trade Payables

PARTICULARS	As at March 31, 2021	As at March 31, 2020
	Amount in Rs.	Amount in Rs.
Dues to Micro, Small and Medium Enterprises		
Sundry Creditors	9,12,528	27,11,750
Expenses Payable	3,39,226	5,61,505
	12,51,754	32,73,255

Note No.11: Other Current Liabilities

PARTICULARS	As at March 31, 2021	As at March 31, 2020
	Amount in Rs.	Amount in Rs.
(a) Statutory Liabilities	-	-
(b) Security deposits from customers	-	-
(c) Employee Benefits Payable	-	-
	-	-

Note No.12: Short-Term Provisions

PARTICULARS	As at March 31, 2021	As at March 31, 2020
	Amount in Rs.	Amount in Rs.
Other Provisions	15,26,214	7,29,035
	15,26,214	7,29,035

Note No.13: Deferred Tax liabilities

PARTICULARS	As at March 31, 2021	As at March 31, 2020
	Amount in Rs.	Amount in Rs.
Opening Balance	33,34,271	33,34,271
Add/less changes during Period	-	-
	33,34,271	33,34,271

Note No.14: Revenue from operations

PARTICULARS	As at March 31, 2021	As at March 31, 2020
	Amount in Rs.	Amount in Rs.
Revenue from operations	1,55,147	1,55,147
	1,55,147	1,55,147

Note No.15: Other Income

PARTICULARS	As at March 31, 2021	As at March 31, 2020
	Amount in Rs.	Amount in Rs.
Non-Operating Income		
Finance Income on		
Deposits with bank	-	-
Others	2,82,63,296	-
	2,82,63,296	-

Note No.16: Employee Benefits Expense

PARTICULARS	As at March 31, 2021	As at March 31, 2020
	Amount in Rs.	Amount in Rs.
(a) Salaries & Wages	4,71,100	4,46,100
(b) Contribution to provident and other funds	-	-
(c) Directors Remuneration	4,72,500	4,47,500
(d) Staff welfare expenses	15,400	12,544
	9,59,000	9,06,144

Note No.17: Other Expenses

PARTICULARS	As at March 31, 2021	As at March 31, 2020
	Amount in Rs.	Amount in Rs.
Auditors' remuneration	1,00,000	1,00,000
BSE Listing & Other Charges	28,01,110	7,03,000
Communication Expenses (Internet & Telephone)	17,598	38,759
Consultancy /Secretarial Charges	1,80,000	1,20,000
Conference & Promotional Expenses	13,795	13,795
Electricity Charges	16,857	16,857
Accounting & Internal Audit Fee	1,20,000	1,20,000

Interest & Bank Charges	-	56,24,188
Insurance	15,241	10,872
Legal Consultation Services	-	-
Office maintenance	82,584	1,27,548
Printing & Stationery	24,512	18,247
Rates & Taxes	10,524	8,193
Rent	8,40,000	8,40,000
ROC & Other Statutory Compliances Expenses	2,10,546	-
Repairs & Maintenance	60,000	8,429
Provision for Bad Debts	-	-
Travelling & conveyance	42,861	36,128
	45,35,628	77,86,016

16. Contingent Liabilities: Nil

17. Secured Loans:

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

18. Quantitative details:

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

19. Related Party Transactions:

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

A. Subsidiaries:

Name of the Subsidiary company-

The Company do not have any Subsidiary.

B. Transactions with key management personnel:

Particulars of remuneration and other benefits paid to key management personnel during the year ended March 31, 2021:

(in lakhs)

Details	For the Year 2020-21	For the Year 2019-20
Remuneration to Mr. L. Maruti Sanker	2.83	2.62
Remuneration to Mrs. L. Hemalatha	1.90	1.86

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

As at March 31, 2021 as per available information with the company, there are no dues to small scale Industrial Undertakings.

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

22. Income taxes:

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

23. Segment reporting:

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

24. Auditors Remuneration:

(In Rupees)

Particulars	For the Year 2020-2021	For the Year 2019-2020
Statutory Audit	1,00,000	1,00,000
Tax Audit	-	-
Total	1,00,000	1,00,000

**25. Earnings per share:**

(In Rupees)

Particulars	For the Year 2020-2021	For the Year 2019-2020
Net profit after tax	1,77,83,815	(1,54,64,408)
Weighted average number of equity shares	111,10,900	111,10,900
Nominal value of shares	10	10
Earnings per share (basic/diluted)	1.60	(1.39)

For Sathuluri & Co
Chartered Accountants
FRN: 006383S

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

S S Prakash
Partner
Membership No. 202710

Place: Hyderabad
Date: 29.06.2021

Sd/-
L MARUTI SANKER
Managing Director

DIN: 01095047

Sd/-
L HEMALATHA
Whole-time Director
& CFO

DIN: 02226943

Sd/-
Remo John
Company
Secretary



If Undelivered please return to:

7SEAS Entertainment LTD.

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

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