7SEAS ENTERTAINMENT LIMITED
POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

(Approved/Amended by the Board of Directors on 18 July 2026)

CIN: L72900TG1991PLC013074

Registered Office: 5th Floor, Plot Nos. 92, 93 and 94, Kavuri Hills, Madhapur, Hyderabad, Telangana – 500081

Classification: Public – to be hosted on the Company's website

1. Purpose

This Policy provides an objective framework for identification and governance of material subsidiaries under Regulations 16 and 24 of the LODR Regulations and ensures that the Board receives timely oversight information.

2. Scope and annual determination

The Policy applies to every present and future subsidiary, whether incorporated in India or abroad and whether held directly or indirectly. The determination shall be carried out at the beginning of each financial year using the immediately preceding audited consolidated financial statements and repeated upon acquisition, disposal, restructuring or material change.

3. Material-subsidiary threshold

A subsidiary shall be material if its income or net worth exceeds ten per cent of the consolidated income or net worth, respectively, of the Company and its subsidiaries in the immediately preceding accounting year, or such revised threshold as may be prescribed. Calculations, assumptions and conclusions shall be documented and placed before the Audit Committee and Board.

4. Board representation

At least one Independent Director of the Company shall be appointed to the board of an unlisted material subsidiary incorporated in India or abroad wherever required by Regulation 24. The nominee shall receive sufficient information and report significant matters to the Company's Board.

5. Audit Committee oversight

- The Audit Committee shall review financial statements of unlisted subsidiaries, particularly investments.
- Subsidiary auditors and management may be invited for explanations.
- Material qualifications, frauds, defaults, litigations, related-party transactions and internal-control weaknesses shall be escalated promptly.

6. Board oversight

- Minutes of unlisted-subsidiary board meetings shall be placed before the Company's Board.
- A statement of significant transactions and arrangements shall be periodically presented.

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- The subsidiary shall follow group governance, reporting, risk, cyber, data-protection and compliance standards proportionate to its operations.

7. Disposal and dilution

The Company shall not dispose of shares so as to reduce its holding below fifty per cent or cease control of a material subsidiary, and shall not sell, dispose or lease assets exceeding the applicable limit, without shareholder approval where prescribed, except under a duly approved scheme or statutory exemption. Aggregation and valuation shall be documented.

8. Information rights and controls

Subsidiaries shall provide budgets, financial results, cash flows, borrowings, guarantees, major contracts, compliance reports and risk updates in the form and frequency prescribed by the Company. Access to books, personnel and auditors shall be provided for oversight and consolidation.

9. Interpretation and overriding effect

Terms not specifically defined in this Policy shall have the meanings assigned to them under the Companies Act, 2013, the rules made thereunder, the applicable SEBI regulations and other governing law. References to statutes and regulations include amendments, clarifications, circulars and re-enactments. If any provision of this Policy conflicts with applicable law, the law shall prevail and this Policy shall be read as modified to the minimum extent necessary.

10. Administration and responsibility

The Board shall retain overall responsibility for this Policy. The committee or officer identified in this Policy shall administer it, maintain evidence of compliance and report material deviations. Every director, officer, employee, consultant and service provider within scope shall provide information and cooperation reasonably required for implementation.

11. Records, training and assurance

The Company Secretary/Compliance Officer shall ensure that approvals, registers, declarations, notices, reports, training records and supporting documents are retained for the period prescribed by law and the Company's document-retention schedule. Periodic awareness and role-based training shall be conducted. Internal audit or an independent reviewer may test compliance and recommend corrective action.

12. Review and amendment

This Policy shall be reviewed at least annually and earlier upon a material change in law, business model, organisation, risk profile or regulatory guidance. Material amendments shall be placed before the competent committee and the Board. The Managing Director and Company Secretary/Compliance Officer may jointly make clerical, contact-detail and statutory-reference corrections that do not alter substantive rights or obligations, subject to reporting to the Board.

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For 7Seas Entertainment Limited
Company Secretary / Compliance Officer

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