

28th Annual Report 2018-2019



(Formerly known as 7Seas Technologies Ltd.)

7SEAS ENTERTAINMENT LTD.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. L. Maruti Sanker	-- Managing Director (DIN: 01095047)
Mrs. L. Hemalatha	-- Whole-Time Director cum CFO (DIN: 02226943)
Mr. B. Mohan Rao	-- Whole-Time Director (DIN: 07233665)
Mrs. C. Sita Visalakshi	-- Independent Director (DIN: 06380062)
Mr. Narra Venkateswarlu	-- Independent Director (DIN: 06380062)
Mr. Piduru Raja Sekhar	-- Independent Director (PAN: ASVPP0493K)

COMPANY SECRETARY

Mr. Remo John

REGISTERED OFFICE

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

CORPORATE IDENTITY NUMBER :

L72900TG1991PLC013074

AUDITORS

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

INTERNAL AUDITOR:

M/s. DVAK & Co., Hyderabad

BANKERS

Indian Overseas Bank
Rajbhavan Road, Hyderabad – 500082.

AUDIT COMMITTEE:

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

7SEAS ENTERTAINMENT LTD.

NOMINATION & REMUNERATION COMMITTEE:

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

STAKEHOLDER RELATIONSHIP COMMITTEE:

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

INDEPENDENT DIRECTORS COMMITTEE:

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

RISK MANAGEMENT COMMITTEE:

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

REGISTRAR & SHARE TRANSFER AGENTS

M/s. Venture Capital and Corporate Investments Private Limited
12-10-167, Bharat Nagar, Hyderabad - 500 018
Ph.Nos.040-23818475/23818476/23868023
Fax: 040-23868024

LISTED : BSE Limited
ISIN : *INE454F01010*
WEBSITE : www.7seasent.com
INVESTOR E-MAIL ID : investors@7seasent.com

7SEAS ENTERTAINMENT LTD.

NOTICE

Notice is hereby given that the 28th Annual General Meeting of the Shareholders of M/s. 7Seas Entertainment Limited will be held on Monday, 30th day of September, 2019 at 9:00 A.M. at the Registered Office of the Company at Plot No. 60, Flat No. 301, 3rd floor, "Abhi's Hiranya", Kavuri hills, Madhapur, Hyderabad-500033 Telangana to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2019, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.
2. To appoint a director in place of Mr. B.Mohan Rao (DIN: 07233665) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **APPOINTMENT OF MR. NARRA VENKATESWARLU (DIN: 08468341) AS AN INDEPENDENT DIRECTOR OF THE COMPANY:**

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152 of the Companies Act, 2013 and rules made there under), Mr. Narra Venkateswarlu (holding DIN 08468341), who was appointed as 'Additional Director' in the category of non-executive independent director in the Board of the Company on 26th March, 2019 pursuant to the provision of Section 161 (1) of the Companies Act, 2013 ("the Act") read with Articles of Association of the Company and whose term of office expires at the ensuing Annual General Meeting of the Company or the last date on which annual general meeting should have been held, whichever is earlier and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Narra Venkateswarlu as a candidate for the office of a Director of the Company who meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (Five) consecutive years commencing from the date of his appointment as Additional Director i.e. 28.05.2019 up to 27.05.2024."

7SEAS ENTERTAINMENT LTD.

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

4. APPOINTMENT OF MR. PIDURU RAJA SEKHAR AS AN INDEPENDENT DIRECTOR OF THE COMPANY:

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

“RESOLVED THAT pursuant to the provisions of Section 149, 152 of the Companies Act, 2013 and rules made there under), Mr. Piduru Raja Sekhar , who was appointed as 'Additional Director' in the category of non-executive independent director in the Board of the Company on 26th March,2019 pursuant to the provision of Section 161 (1) of the Companies Act, 2013 (“the Act”) read with Articles of Association of the Company and whose term of office expires at the ensuing Annual General Meeting of the Company or the last date on which annual general meeting should have been held, whichever is earlier and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr.Piduru Raja Sekhar as a candidate for the office of a Director of the Company who meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (Five) consecutive years commencing from the date of his appointment as Additional Director i.e. 08.06.2019 up to 07.06.2024.”

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

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

Sd/-

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

**Place: Hyderabad
Date: 12.08.2019**

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument of Proxy in order to be effective shall be deposited at the Registered Office of the Company by not less than 48 hours before the commencement of the Meeting.

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder. The appointment of proxy shall be in the Form No. MGT.11 annexed herewith.

2. The Register of Members and Share Transfer Books of the Company will remain closed from 24.09.2019 to 30.09.2019 (Both days Inclusive).
3. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
4. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.
5. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
6. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
7. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agents (M/s. Venture Capital and Corporate Investments Private Limited)

7SEAS ENTERTAINMENT LTD.

8. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
9. Members holding shares in the same name under different ledger folios are requested to apply for Consolidation of such folios and send the relevant share certificates to M/s. Venture Capital and Corporate Investments Private Limited., Share Transfer Agents of the Company for their doing the needful.
10. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.
11. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transfer/transmission /transposition, Demat / Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.
12. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
13. Electronic copy of the Annual Report for 2018-2019 is being sent to all the members whose Email-IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2018-2019 is being sent in the permitted mode.
14. Members may also note that the Annual Report for 2018-2019 will also be available on the Company's website **www.7seasent.com** for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: investors@7seasent.com

15. In terms of Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019 except in case of requests received for transmission or transposition of securities.
16. Pursuant to Clause 2 (h) of the Companies (Significant Beneficial Owners) Amendment Rules, 2019, individuals who hold a right or entitlement directly in the Company are requested to intimate the Company through a declaration in form BEN-1.

17. Voting through electronic means:

Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL). The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 24.09.2019, are entitled to vote on the Resolutions set forth in this Notice. The e-voting period will commence at 09.00 a.m. on 27.09.2019 and will end at 05.00 p.m. on 29.09.2019. The Company has appointed Mr. Doddapaneni Sathwik, Practising Company Secretary, to act as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting refer to the detailed procedure given hereinafter.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 09.00 a.m. on 27.09.2019 and will end at 05.00 p.m. on 29.09.2019. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 24.09.2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - (i) For CDSL: 16 digits beneficiary ID,
 - (ii) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - (iii) Members holding shares in Physical Form should enter Folio

7SEAS ENTERTAINMENT LTD.

Number registered with the Company.

- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) - Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. - In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

7SEAS ENTERTAINMENT LTD.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for “M/s. 7Seas Entertainment Limited.”
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

7SEAS ENTERTAINMENT LTD.

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
18. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 24.09.2019.
19. The Register of Directors’ and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the AGM.
20. Relevant documents referred to in the accompanying Notice with the Company are open for inspection at the Registered Office of the Company, during the office hours, on all working days between 10.00 A.M. to 5.00 P.M. up to the date of Annual General Meeting.
21. Pursuant to SEBI Circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018, shareholders holding shares in physical form whose folio do not have / have incomplete details with respect to PAN and bank particulars are mandatorily required to furnish the PAN and bank account details to the Company / Registrar & Transfer Agent (RTA) for registration under their folio. Further, as per the said circular all the unclaimed/ unpaid dividends also will be paid via electronic bank transfers only. Hence, the shareholders are requested to update their PAN and bank details.

7SEAS ENTERTAINMENT LTD.

22. The Ministry of Corporate Affairs (vide circular nos. 17/2011 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/uploading their email addresses, in respect of shares held in dematerialized form with their respective Depository Participant and in respect of shares held in physical form with the Company's Registrar and Share Transfer Agents.

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

**Place: Hyderabad
Date: 12.08.2019**

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

EXPLANATORY STATEMENT

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

Item No.3

Mr. Narra Venkateswarlu (holding DIN 08468341), was appointed as Additional Director on 28th May, 2019 in terms of Section 161 (1) of the Companies Act, 2013 in the category of 'Non-Executive Independent' in terms of the Companies Act, 2013, an Additional Director shall hold office up to the date of the ensuing Annual General Meeting of the Company or the last date on which annual general meeting should have been held, whichever is earlier and be eligible for appointment to the office of a Director at General Meeting in terms of Section 160 of the Companies Act, 2013. The Company has received a notice from a member under Section 160 of the Companies Act 2013, for appointment of Mr. Narra Venkateswarlu, for the office of Director in Independent category.

In order to ensure compliance with the provisions of Sections 149 and 152 of the Companies Act, 2013 read with Rules made there under and Schedule IV of the Act, it is proposed that approval of the shareholders be accorded for the appointment of Mr. Narra Venkateswarlu as 'Non-executive Independent Director' for a term up to 5 consecutive years commencing from the date of his appointment as Additional Director i.e. 28th May, 2019 upto 27th May, 2024.

Accordingly the Board of Directors recommends the passing of the above resolution as an Ordinary Resolution set out in the item no. 3 of the notice for appointment of Mr. Narra Venkateswarlu.

Save and except Mr. Narra Venkateswarlu, Independent Director, being an appointee, none of the other Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

Item No.4

Mr. Piduru Raja Sekhar was appointed as Additional Director on 8th June, 2019 in terms of Section 161 (1) of the Companies Act, 2013 in the category of 'Non-Executive Independent' in terms of the Companies Act, 2013, an Additional Director shall hold office up to the date of the ensuing Annual General Meeting of the Company or the last date on which annual general meeting should have been held, whichever is earlier and be eligible for appointment to the office of a Director at General Meeting in terms of Section 160 of the Companies Act, 2013. The Company has received a notice from a member under Section 160 of the Companies Act 2013, for appointment of

7SEAS ENTERTAINMENT LTD.

Mr. Piduru Raja Sekhar, for the office of Director in Independent category. In order to ensure compliance with the provisions of Sections 149 and 152 of the Companies Act, 2013 read with Rules made there under and Schedule IV of the Act, it is proposed that approval of the shareholders be accorded for the appointment of Mr. Piduru Raja Sekhar as 'Non-executive Independent Director' for a term up to 5 consecutive years commencing from the date of his appointment as Additional Director i.e. 8th June, 2019 upto 7th June, 2024.

Accordingly the Board of Directors recommends the passing of the above resolution as an Ordinary Resolution set out in the item no. 4 of the notice for appointment of Mr. Piduru Raja Sekhar.

Save and except Mr. Piduru Raja Sekhar Independent Director, being an appointee, none of the other Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

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

**Place: Hyderabad
Date: 12.08.2019**

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

7SEAS ENTERTAINMENT LTD.

BOARD'S REPORT

**To the Members,
M/s.7seas Entertainment Limited
Hyderabad**

The Directors have pleasure in presenting before you the Directors Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2019.

1. Financial summary/highlights:

The performance during the period ended 31st March, 2019 has been as under: (Amount in Lakhs)

(Amount In Rs.)

Particulars	2018-19	2017-18
Turnover/Income (Gross)	19.98	134.33
Other Income	-	-
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	-1002.17	85.81 (63.49)
Less: Depreciation/ Amortization/ Impairment	(62.41)	22.32
Profit /loss before Finance Costs, Exceptional items and Tax Expense	(1064.58)	(83.52)
Less: Finance Costs	(68.88)	-61.21
Profit /loss before Exceptional items and Tax Expense	-1133.46	
Add/(less): Exceptional items	-	-61.21
Profit /loss before Tax Expense	-1133.46	
Less: Tax Expense (Current & Deferred)	-	
Profit /loss for the year (1)	-	
Total Comprehensive Income/loss (2)	-1133.46	-61.21
Total (1+2)	-1133.46	-61.21
Balance of profit /loss for earlier years	-	-
Less: Transfer to Debenture Redemption Reserve	-	-
Less: Transfer to Reserves	-	-
Less: Dividend paid on Equity Shares	-	-
Less: Dividend paid on Preference Shares	-	-
Less: Dividend Distribution Tax	-	-
Balance carried forward	-1133.46	-61.21

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

During the year under review, the Company has recorded an income of Rs.19.98 Lakhs and Loss of Rs.-1133.46 Lakhs as against the income of Rs.134.33 Lakhs and loss of Rs. -61.21 Lakhs in the previous financial year ending 31.03.2018.

3. Dividend:

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

4. 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.

5. 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.

6. 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.

7. 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 2019.

8. Details of Nodal Officer:

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

9. Revision of financial statements:

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

10. 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.

11. Deposits from public:

The Company has not accepted any public deposits during the Financial Year ended March 31, 2019 and as such, no amount of principal or interest on public deposits was outstanding as on the date of the balance sheet.

Details of deposits not in compliance with the requirements of the Act:

Since the Company has not accepted any deposits during the Financial Year ended March 31, 2019, there has been no non-compliance with the requirements of the Act.

Pursuant to the Ministry of Corporate Affairs (MCA) notification dated 22nd January 2019 amending the Companies (Acceptance of Deposits) Rules, 2014, the Company is required to file with the Registrar of Companies (ROC) requisite returns in Form DPT-3 for outstanding receipt of money/loan by the Company, which is not considered as deposits.

The Company would be complying with this requirement within the prescribed timelines.

12. Depository System:

SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 mandate that the transfer, except transmission and transposition, of securities shall be carried out in dematerialized form only with effect from 1st April 2019. In view of the numerous advantages offered by the Depository system as well as to avoid frauds, members holding shares in physical mode are advised to avail of the facility of dematerialization from either of the depositories. The Company has, directly as well as through its RTA, sent intimation to shareholders who are holding shares in physical form, advising them to get the shares dematerialized.

13. Selection and procedure for nomination and appointment of directors:

The Company has a Nomination and Remuneration Committee ("NRC") which is responsible for developing competency requirements for the Board, based on the industry and strategy of the Company. The Board composition analysis reflects an in-depth understanding of the Company, including its strategies, environment, operations, and financial condition

and compliance requirements.

The NRC makes recommendations to the Board in regard to appointment of new Directors and Key Managerial Personnel (“KMP”) and senior management. The role of the NRC encompasses conducting a gap analysis to refresh the Board on a periodic basis, including each time a Director’s appointment or re-appointment is required. The NRC is also responsible for reviewing the profiles of potential candidates’ vis-à-vis the required competencies, undertake a reference and due diligence and meeting of potential candidates prior to making recommendations of their nomination to the Board.

The appointee is also briefed about the specific requirements for the position including expert knowledge expected at the time of appointment.

14. Criteria for determining qualifications, positive attributes and independence of a director:

In terms of the provisions of Section 178(3) of the Act, and Regulation 19 of the Listing Regulations, the NRC has formulated the criteria for determining qualifications, positive attributes and independence of Directors, the key features of which are as follows:

Qualifications – The Board nomination process encourages diversity of thought, experience, knowledge, age and gender. It also ensures that the Board has an appropriate blend of functional and industry expertise.

Positive Attributes - Apart from the duties of Directors as prescribed in the Act the Directors are expected to demonstrate high standards of ethical behaviour, communication skills and independent judgment. The Directors are also expected to abide by the respective Code of Conduct as applicable to them.

Independence - A Director will be considered independent if he / she meets the criteria laid down in Section 149(6) of the Act, the Rules framed thereunder and Regulation 16(1) (b) of the Listing Regulations.

15. Training of Independent Directors:

Your Company’s Independent Directors are highly qualified and have been associated with corporate and business organizations. They understand Company’s business and activities very well, however, pursuant to Regulation 4 of the Listing Regulations, the Board has shown all the Independent Directors Company’s business and manufacturing activities and were also introduced to Company’s staff.

16. Independent director's familiarization programmes:

The familiarization program aims to provide the Independent Directors with the scenario within the software technology/services, the socio-economic environment in which the Company operates, the business model, the operational and financial performance of the Company, significant development so as to enable them to take well-informed decisions in timely manner. The familiarization programme also seeks to update the Directors on the roles, responsibilities, rights and duties under the Act and other statutes. The policy on Company's familiarization programme for Independent Directors is hosted on your Company's website and its web link is <http://www.7seasent.com>

17. Board Evaluation

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

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

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

18. Audit Committee Recommendations :

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

19. Number of Board the Meetings:

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

20. 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 thereof of these Committees during the year has been enumerated in Corporate Governance report.

21. Directors and key managerial personnel:

As on date of this report, the Company has six Directors, out of those three are Independent Directors including one Woman Independent Director.

- a) Appointment /Re-Appointment of Directors of the Company:
 - (i) Pursuant to provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. B. Mohan Rao (DIN 07233665) is liable to retire by rotation at the ensuing 23rd Annual General Meeting and being re- appointed.
 - (ii) Mr. Narra Venkateswarlu was appointed as the additional director and independent director of the Company on 28th May, 2019 subject to approval of members in Annual General Meeting.
 - (iii) Mr. Piduru Raja Sekhar was appointed as the additional director and independent director of the Company on 8th June, 2019 subject to approval of members in Annual General Meeting.
 - (iv) Disclosure pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with respect to Directors seeking re-appointment/appointment at the Meeting is given below:

7SEAS ENTERTAINMENT LTD.

Particulars	Name of the director	Name of the director
Name	Mr. Narra Venkateswarlu	Mr. Narra Venkateswarlu
Date of Birth	12.07.1965	19.07.1977
Qualifications	Graduation	B.Sc Graduate
Expertise in specific functional areas	--	18 years of Technical and Medical Transcription experience
Names of Listed entities in which the person also holds the directorship and the membership of Committees of the board	--	Nil
Shareholding of non-executive directors.	--	Nil
No. of Shares held in the Company	--	Nil
Inter se relationship with any Director	--	Nil

b) Key Managerial Personnel:

Key Managerial Personnel for the financial year 2018-19

- Mr. L. Maruti Sanker, Managing Director of the company.
- Mr. L.Hemalatha, Whole Time Director cum Chief financial officer of the company.
- Mr. Remo John, Company Secretary of the Company.

Mr. L. Hemalatha, was appointed as the chief financial officer of the Company with effect from April 23, 2019 and Mr. Remo John was appointed as the Company Secretary of the Company with effect from April 10, 2019 in place of Ms. Nida Siddiqui who ceased to be the Company Secretary of the Company w.e.f. April 08, 2019.

22. Indian Accounting Standards:

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

23. 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.

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

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

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

25. Statutory audit and auditors report:

The members of the Company at their Annual General Meeting held on 29th November, 2018 have appointed Mr. Kamlesh Kumar Bhargava, as statutory auditors of the Company to hold office until the conclusion of 31st Annual General meeting of the Company. The Auditors' Report for fiscal 2019 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

7SEAS ENTERTAINMENT LTD.

Financial Year ended March 31, 2019 from the statutory auditors of the Company.

26. 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 2019-20.

27. Secretarial Auditor & Audit Report:

In terms of section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, based upon the recommendations of the Audit Committee, the Board of Directors had appointed M/s. Sathwik & Associates, Practicing Company Secretaries (CP No. 16937) as the Secretarial Auditor of the Company, for conducting the Secretarial Audit for financial year ended March 31, 2019

The Secretarial Audit was carried out by M/s. Sathwik & Associates, Company Secretaries (CP No. 16937) for the financial year ended March 31, 2019. The Report given by the Secretarial Auditor is annexed herewith and forms integral part of this Report.

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

28. Annual Secretarial Compliance Report:

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019 read with Regulation 24(A) of the Listing Regulations, directed listed entities to conduct Annual Secretarial compliance audit from a Practicing Company Secretary of all applicable SEBI Regulations and circulars/guidelines issued thereunder. Further, Secretarial Compliance Report dated May 14, 2019, was given by M/s. Sathwik & Associates, Practicing Company Secretary which was submitted to Stock Exchanges within 60 days of the end of the financial year.

7SEAS ENTERTAINMENT LTD.

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

29. 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.

30. No Frauds reported by statutory auditors:

During the Financial Year 2018-19, 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.

31. Declaration by the Company:

The Company has issued a certificate to its Directors, confirming that it has not made any default under Section 164(2) of the Act, as on March 31, 2019.

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

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

A. Conservation of Energy:

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

B. Technology Absorption:

1. Research and Development (R&D): NIL
2. Technology absorption, adoption and innovation: NIL
- C. Foreign Exchange Earnings and Out Go:

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

33. Insurance:

The properties and assets of your Company are adequately insured.

34. 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- 1 to this report.

35. 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.

36. 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

37. Extract of Annual Return:

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

38. 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.

39. 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 2.75:1 and 0.266:1 respectively.

40. Declaration of independence:

7SEAS ENTERTAINMENT LTD.

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.

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).

41. Director's Responsibility Statement:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, your Directors confirm that: -

- a) in the preparation of the annual accounts for the financial year ended 31 March 2019, the applicable accounting standards and schedule III of the Companies Act, 2013 have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as on 31 March 2019 and of the profit and loss of the Company for the financial year ended 31 March 2019;
- 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.

42. Vigil Mechanism/Whistle Blower Policy:

The Board of Directors has 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 has a vigil mechanism to deal with fraud and mismanagement, if any. The policy is on the website of the Company.

The policy provides for adequate safeguards against the victimisation of the employees who use the vigil mechanism. The vigil mechanism is overseen by the audit Committee.

43. Corporate social responsibility policy:

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

44. Secretarial Standards:

The company is in compliance with Secretarial Standards issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.

45. Particulars of loans, guarantees or Investments:

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

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

46. 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.

47. 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 2018-19, 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 annexed herewith as Annexure- D to this report.

48. Policy on directors 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.palred.com.

49. Employee Relations and Remuneration:

7SEAS ENTERTAINMENT LTD.

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. 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.

51. 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.

52. 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.

53. 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.palred.com.

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

54. Green Initiatives:

7SEAS ENTERTAINMENT LTD.

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 20th 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.

55. 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.

56. 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
7Seas Entertainment Limited**

**Place: Hyderabad
Date: 12.08.2019**

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

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

7SEAS ENTERTAINMENT LTD.

CODE OF CONDUCT

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

Certificate of Code of Conduct for the year 2018-19 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 2018-19.

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

**Place: Hyderabad
Date: 12.08.2019**

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

CORPORATE GOVERNANCE

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

1. Company's Philosophy on Corporate Governance:

Company's endeavour is to maximize shareholder value. Palred 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. Paired' 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, 2019, the Company's Board comprised of six Directors, three promoter Directors including one woman Director. In addition, there are three independent Directors on the Board. In terms of Regulation 17(1) (b) of SEBI (LODR) Regulations, 2015 and section 149 of Companies Act 2013, the company is required to have one half of total Directors as independent Directors. The non-executive Directors are appointed or re-appointed based on the recommendation of the Nomination & Remuneration Committee which considers their overall experience, expertise and industry knowledge. One third of the non-executive Directors other than independent Directors, are liable to retire by rotation every year and are eligible for reappointment, subject to approval by the shareholders.

6. Skills / Expertise / Competencies of the Board of Directors;

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

- a) Knowledge on Company's businesses (Plantations and Instant Coffee), policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.
- b) Behavioural skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.
- c) Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making.
- d) Financial and Management skills.
- e) Technical / Professional skills and specialized knowledge in relation to Company's business.

7. Re-appointment of Directors retiring by rotation:

Details of Director seeking appointment/ reappointment at the forthcoming Annual General Meeting as required under Regulation 36 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015 ("Listing Regulations") is annexed to the Notice convening the Annual General Meeting and forming part of this Annual Report.

8. Number of board meetings:

The Board of Directors met Five (5) times during the financial year, on May 30, August 14, November 14, in 2018 and February 14 and March 08 in 2019. The maximum time gap between any two meetings was less than four months. The agenda for each meeting is prepared well in advance, along with explanatory notes wherever required and distributed to all Directors.

9. Attendance and directorships held:

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

7SEAS ENTERTAINMENT LTD.

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

Name of Director	Category of Directorship	Number of Directorships in other Companies (excluding private companies)	Number of Board Committee memberships held in other Companies		Attendance Particulars		
			Member	Chairman	Last AGM 29.11.2018	Board meetings '18-19'	
						held during the Tenure	Attended
Mr. L. Maruti Sanker	Managing Director	–	–	–	Yes	5	5
Mrs. L. Hemalatha	Whole-Time Director	–	–	–	Yes	5	5
Mr. B. Mohan Rao	Whole-Time Director	–	–	–	Yes	5	5
Mr. M. Rama Mohan Rao	Non Executive & independent Director	1	–	–	Yes	5	5
Mr. Kolli Reddy	Non Executive & independent Director	–	–	–	No	2	2
Mr. Piduru Rajasekhar	Non Executive & independent Director	–	–	–	Yes	-	-
Mr. Narra Venkateshwarulu	Non Executive & independent Director	–	–	–	No	-	-
Mrs. Sita Visalakshi Chimakurthy	Non Executive & independent Director	–	–	–	Yes	-	-

10. Information supplied to the board:

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

- Annual and Quarterly financial statements for the Company and the Accounting Policy.
- Minutes of the meetings of the Audit Committee and other Committees of the Board.
- Annual business plan
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary, whenever required
- Expansion projects and its status monitoring.
- Fatal or serious accidents, injuries or any material environmental problems, if any
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company, if any
- Significant labour problems and their proposed solutions, whenever necessary
- Any significant development in human resources / industrial relations including long-term wage agreement, major voluntary retirement scheme, etc.
- Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement, if material Quarterly disclosure of all the investments made
- Material non-compliance of any regulatory, statutory nature or listing requirements and shareholders service, such as non-payment of dividend, delay in share transfer and others, if any
- Quarterly review of compliance status under various laws applicable to the Company
- Substantial non-payment of goods sold by the Company except disputes

- Related Party Transactions, if they are not at arm's length and in the ordinary course of business
- Half-yearly summary of bank guarantees issued.
- All other matters required to be placed before the Board for its review / information / approval under the statutes, including SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

11. Familiarization program for independent directors:

The Board members are provided with necessary documents, reports, internal policies and site visits to enable them to familiarize with the Company's operations, its procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company business, strategy and risks involved. Detailed presentations on the Company's business segments were made at the meetings of the Directors held during the year. During the financial year 2018-19, there has been no change in the independent director of the Company.

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

12. Committees of the board:

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

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

13. Performance Evaluation of Board, Committees and Directors

Pursuant to provisions of Regulation 17(10) of the SEBI Listing Regulations and the provisions of the Act, an annual Board effectiveness evaluation was conducted for FY 2018-19 on February 14, 2019, involving the following:

- i. Evaluation of IDs, in their absence, by the entire Board was undertaken, based on their performance and fulfillment of the independence criteria prescribed under the Act and SEBI Listing Regulations; and

7SEAS ENTERTAINMENT LTD.

- ii. Evaluation of the Board of Directors, its Committees and individual Directors, including the role of the Board Chairman.

An IDs' meeting, in accordance with the provisions of Section 149(8) read with Schedule IV of the Act and Regulation 25(3) and 25(4) of the SEBI Listing Regulations, was convened on February 14, 2019, mainly to review the performance of Independent Directors and the Chairman & Managing Director as also the Board as a whole. All IDs were present at the said meeting.

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

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

Categories	Rating (out of 5)
Board as a whole	4.60
Individual Directors	
Mr. L. Maruti Sanker	4.95
Mrs. L. Hemalatha	4.94
Mr. B. Mohan Rao	4.90
Mrs. Sita Visalakshi Chimakurthy	4.98
Mr. Kolli Reddy	4.50
Audit Committee	5.00
Stakeholder Relationship Committee	4.93
Nomination & Remuneration Committee	4.92

- 14. Audit committee:** Terms of reference of Audit committee covers all the matters prescribed under Regulation 18 of the Listing Regulations and Section 177 of the Act, 2013.
- A. Brief Description of Terms of Reference: - Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
 - i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
 - ii. Recommending the appointment and removal of External Auditors, fixation of audit fee and approval for payment for any other services;
 - iii. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
 - iv. Approval of payment to statutory auditors for any other services rendered by them.
 - v. Review with the management and statutory auditors of the annual financial statements before submission to the Board with particular reference to:
 - (a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) Significant adjustments made in the financial statements arising out of audit findings;
 - (e) Compliance with listing and other legal requirements relating to financial statements
 - (f) Disclosure of any related party transactions;
 - (g) Modified opinion(s) in the draft audit report;

7SEAS ENTERTAINMENT LTD.

- 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;

7SEAS ENTERTAINMENT LTD.

- 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.

i. Review of the following information:

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

7SEAS ENTERTAINMENT LTD.

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.

There were four (4) Audit Committee Meetings held during the year on 30.05.2018, 14.08.2018, 14.11.2018 and 14.02.2019.

Name	Designation	Category	No of Meetings held during the tenure of the director	No. of meeting attended
Mr. M. Rama Mohan Rao	Chairman	NED(I)	4	4
*Mr. Kolli Reddy	Member	NED(I)	2	2
Mrs. C.Sita Visalakshi	Member	NED(I)	4	4
*Mr. B. Mohan Rao	Member	NED(P)	2	2
#Mr. Piduru Raja Sekhar	Chairman	NED(I)	NA	NA
#Mr. Venkateswarlu Narra	Member	NED(I)	NA	NA

* resigned & appointed w.e.f. 14.08.2018

appointed w.e.f. 28.05.2019 & 08.06.2019

C. INDEPENDENT DIRECTORS' MEETING:

As per clause 7 of the schedule IV of the Companies Act (Code for Independent Directors) read with Regulation 25(3) of SEBI LODR Regulations, 2015, a separate meeting of the Independent Directors of the Company (without the attendance of Non-Independent directors) was held on 14.02.2019, 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.

3. NOMINATION AND REMUNERATION COMMITTEE (CONSTITUTED IN TERMS OF SEC 178 OF THE COMPANIES ACT, 2013 READ WITH REGULATION 19 OF SEBI LODR REGULATIONS, 2015).

The Committee comprises of three non-executive independent Directors.

A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:

- To approve the fixation/revision of remuneration of Executive Directors of the Company and while approving:
 - a. to take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
 - b. to bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.
- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and /or removal.
- To carry out evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To recommend/review remuneration of the Managing Director and Whole-time Director(s) based on their performance and defined assessment criteria.

B. COMPOSITION OF THE COMMITTEE:

7SEAS ENTERTAINMENT LTD.

Name	Designation	Category	No of Meetings held during the tenure of the director	No. of meeting attended
Mr. M. Rama Mohan Rao	Chairman	NED(I)	1	1
*Mr. Kolli Reddy	Member	NED(I)	--	--
Mrs. C.Sita Visalakshi	Member	NED(I)	1	1
*Mr. B. Mohan Rao	Member	NED(P)	1	1
#Mr. Piduru Raja Sekhar	Chairman	NED(I)	NA	NA
#Mr. Venkateswarlu Narra	Member	NED(I)	NA	NA

* resigned & appointed w.e.f. 14.08.2018

appointed w.e.f. 28.05.2019 & 08.06.2019

REMUNERATION POLICY:

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit.

The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities shouldered and individual performance.

C. POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE

1. Scope:

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

2. Terms and References:

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

2.2 "Nomination and Remuneration Committee means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013

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

3. Policy:

Qualifications and criteria

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

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

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

3.1.3 The proposed appointee shall also fulfil the following requirements:

- shall possess a Director Identification Number;
- shall not be
- disqualified under the companies Act, 2013;
- shall endeavour to attend all Board Meeting and Wherever he is appointed as a Committee Member, the Committee Meeting;
- shall abide by the code of Conduct established by the company for Directors and senior Management personnel;
- shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the companies Act, 2013, Equity listing Agreements and other relevant laws.

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

3.2 Criteria of independence

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

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

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

3.3 Other directorships/ committee memberships

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

3.3.2 A Director shall not serve as director in more than 20 companies of which not more than 10 shall be public limited companies.

3.3.3 A Director shall not serve as an independent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time Director in any listed company.

3.3.4 A Director shall not be a member in more than 10 committees or act as chairman of more than 5 committee across all companies in which he holds directorships.

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

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

1. Scope:

1.1 This policy sets out the guiding principles for the Nomination and Remuneration committee for recommending to the Board the

7SEAS ENTERTAINMENT LTD.

remuneration of the directors, key managerial personnel and other employees of the company.

2. Terms and Reference:

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

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

2.2 “key managerial personnel” means

(i) The Chief Executive Office or the managing director or the manager;

(ii) The company secretary;

(iii) The whole-time director;

(iv) The chief finance Officer; and

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

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

3. Policy:

3.1 Remuneration to Executive Director and key managerial personnel

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

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

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

(i) Basic pay

(ii) Perquisites and Allowances

(iii) Stock Options

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

(v) Retirement benefits

(vi) Annual performance Bonus

7SEAS ENTERTAINMENT LTD.

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.

D. REMUNERATION TO DIRECTORS PAID DURING THE FINANCIAL YEAR 2018-19 AND OTHER DISCLOSURES

Name of the Director	Salary(Rs)	Sitting fees(Rs)	Number of shares held	Service Contracts	Stock Option Details	Fixed Component	Performance Based Incentive
Mr. L. Maruti Sanker	284500	–	4459764	–	–	–	–
Mrs. L. Hemalatha	103500	–	400000	–	–	–	–
Mr. B. Mohan Rao	–	–	500000	–	–	–	–
Mr. Kolli Rama Krishna Reddy	–	–	–	–	–	–	–
Mrs. Sita Visalakshi Chimakurthy	–	–	–	–	–	–	–
Mr. M. Rama Mohan Rao	–	–	–	–	–	–	–

E. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI LODR Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and other Committees of the Board. Structured questionnaires were prepared after taking in to consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of participation in the meetings and contribution, independence of judgments, safeguarding the interest of the Company and other stakeholders, etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the

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

Name	Designation	Category	No of Meetings held during the tenure of the director	No. of meeting attended
Mr. M. Rama Mohan Rao	Chairman	NED(I)	4	4
*Mr. Kolli Reddy	Member	NED(I)	2	2
Mrs. C.Sita Visalakshi	Member	NED(I)	4	4
*Mr. B. Mohan Rao	Member	NED(P)	2	2
#Mr. Piduru Raja Sekhar	Chairman	NED(I)	NA	NA
#Mr. Venkateswarlu Narra	Member	NED(I)	NA	NA

NED (I) : Non Executive Independent Director

B. NAME AND DESIGNATION OF COMPLIANCE OFFICER

Mr. Remo john was appointed as Company Secretary and Compliance officer of the Company w.e.f April 10, 2019

C. DETAILS OF COMPLAINTS/REQUESTS RECEIVED, RESOLVED AND PENDING DURING THE YEAR 2017-18

During the financial year 2018-19, no complaints were received from the shareholders.

5. RISK MANAGEMENT COMMITTEE**A.) COMPOSITION:**

The Details of composition of the Committee are given below:

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

NED (I) : Non Executive Independent Director

ED : 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.

6. GENERAL BODY MEETINGS**A. LOCATION, DATE AND TIME OF LAST THREE AGMS AND SPECIAL RESOLUTIONS THERE AT AS UNDER:**

Financial Year	Date	Time	Location	Special / Ordinary Resolution
2017-2018 (AGM)	29.11.2018	9.30 a.m	Plot no. 60, Flat no. 301, 3rd floor, "Abhi's Hiranya", Kavuri hills, Madhapur,	-
2016-2017 (AGM)	29.09.2017	9.30 a.m	Plot no. 60, Flat no. 301, 3rd floor, "Abhi's Hiranya", Kavuri hills, Madhapur,	-
2015-2016 (AGM)	30.09.2016	9.30 a.m	Plot no. 60, Flat no. 301, 3rd floor, "Abhi's Hiranya", Kavuri hills, Madhapur,	Appointment of Mrs. Sita Visalakshi Chimakurthy as Independent Director

B. PASSING OF RESOLUTIONS BY POSTAL BALLOT:

There were no resolutions passed by the Company through Postal Ballot during the financial year 2018-19.

7. 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. All the related party transactions during the year are in the ordinary course of business and on arms length basis.

B. COMPLIANCES:

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

C. WHISTLE BLOWER POLICY (Set up in terms of Sec 177 of the Companies Act, 2013 read with Regulation 22 of SEBI LODR Regulations, 2015)

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

D. 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 treatment prescribed in the Accounting Standards notified under Section 211 (3C) of the Companies Act, 1956.

E. 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.

F. COMPLIANCE WITH THE MANDATORY REQUIREMENTS AND ADOPTION OF THE NON-MANDATORY REQUIREMENTS OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

All mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been appropriately complied with and the status of non-mandatory requirements is given below:

- i. The Chairman of the Company is an Executive Chairman and hence the provisions for Non-Executive Chairman are not applicable. All other requirements of the Board during the year have been complied with.
- ii. The financial Statements are free from any Audit Qualifications.
- iii. At present, other non-mandatory requirements have not been adopted by the Company.

8. MEANS OF COMMUNICATION

The quarterly, half-yearly and yearly financial results will be sent to the Stock Exchanges immediately after the Board approves the same and these results will also be published in prominent daily newspapers.

7SEAS ENTERTAINMENT LTD.

These financial statements, press releases are also posted on the Company's website, at www.7seasent.com. As the financial performance of the Company is well published, individual communication of half yearly results are not sent to the shareholders.

9. General Shareholder Information

The following information would be useful to the shareholders:

A) ANNUAL GENERAL MEETING

Date and Time : Monday, 30th September 2019, at 09.00 A.M

Venue : Plot No. 60, Flat No. 301, 3rd floor, "Abhi's Hiranya",
Kavuri Hills, Madhapur Hyderabad.

B) FINANCIAL YEAR AND FINANCIAL YEAR CALENDAR (TENTATIVE SCHEDULE)

Financial year to which the Annual General Meeting relates: 2019-20

Financial calendar: 2019-20

Adoption of Quarterly results for the Quarter ending

- 30th June, 2019 : 1st/2nd Week of September 2019
- 30th September, 2019 : 1st/2nd Week of December, 2019
- 31st December, 2019 : 1st/2nd Week of February, 2019
- 31st March, 2020 : on or before 30th May 2020

Annual General Meeting (Next year): August / September, 2020

C) BOOK CLOSURE DATE

24th september 2019 to 30th september (both days inclusive)

D) ELECTRONIC CONNECTIVITY

ISIN: INE454F01010

E) REGISTRARS AND TRANSFER AGENTS

M/s. Venture Capital and Corporate Investments Private Limited

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

Ph.Nos.040-23818475/23818476/23868023

Fax: 040-23868024.

7SEAS ENTERTAINMENT LTD.

F) SHARE TRANSFER SYSTEM

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

G) Shareholding pattern as on 31.03.2019

S. No	Category	No. of shares held	Percentage of shareholding
A	Shareholding of Promoter and Promoter group	- 5559764	- 50.04
1.	Indian	--	
	Individual	--	--
2.	Foreign	--	--
	Individual	5559764	--
	Sub-Total A	-	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

7SEAS ENTERTAINMENT LTD.

H) Distribution of Shareholding as on 31.03.2019

SL. NO.	Shares	HOLDERS		Shares	
		Number	% To Total	No of Shares	% To Total
1	1 - 5000	1130	69.11	164126	1.48
2	5001 - 10000	176	10.76	153434	1.38
3	10001 - 20000	83	5.08	136621	1.23
4	20001 - 30000	46	2.81	118401	1.07
5	30001 - 40000	21	1.28	75780	0.68
6	40001 - 50000	32	1.96	150896	1.36
7	50001 - 100000	47	2.87	355575	3.2
8	100001 & Above	100	6.12	9956067	89.61
	Total:	1635	100	11110900	100

I) DEMATERIALISATION & LIQUIDITY OF SHARES

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

Particulars	No. of Shares	% Share Capital
NSDL	2949608	26.55%
CDSL	7869889	70.83%
PHYSICAL	7869889	2.62%
Total	11110900	100

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

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

16. Fees paid to Statutory Auditor:

A total fee of Rs. 50,000/- was paid by the Company, on a consolidated basis, for all services to Mr.Kamlesh Kumar Bhargava, Statutory Auditors and all entities in the network firm/ network entity of which they are part.

7SEAS ENTERTAINMENT LTD.

The total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors, Mr. Kamlesh Kumar Bhargava and all entities in the network firm/ network entity of which they are part is as follows:

Particulars	Amount in Rs.
Audit fees	50000/-
Fees for other services - Certification	
Reimbursement of out of pocket expenses	
Total	50000/-

17. Other disclosures:

- i. Details of transactions with related parties as specified in Indian Accounting Standards (IND AS 24) have been reported in the financial Statements. During the year under review, there was no transaction of a material nature with any of the related parties, which was in conflict with the interests of the Company at large. The Audit Committee takes into consideration the management representation and an independent audit consultant's report, whilst scrutinizing and approving all related party transactions, from the perspective of fulfilling the criteria of meeting arms' length pricing and being transacted in the ordinary course of business. During the period, all transactions with related parties entered into by the Company were in the ordinary course of business and on an arm's length basis, were approved by the Audit Committee. The detailed Policy on Related Party Transactions is available on the website of the Company at www.7seasent.com.
- ii. The Company has complied with the requirements of the stock exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last three years and accordingly no penalties or strictures were imposed on the Company by the stock exchanges, SEBI or any other statutory authority.
- iii. In accordance with the provisions of the Act and Regulation 22 of the SEBI Listing Regulations the Company has in place a Vigil Mechanism and a Whistle-Blower Policy duly approved by the Audit Committee which provides a formal mechanism for all Directors and employees of the Company to approach the Management of the Company and make protective disclosures to the Management about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics policy. The disclosures reported are addressed in the manner and within the time frames prescribed in the Policy. The Company affirms

that no director or employee of the Company has been denied access to the Audit Committee.

The Company has revised the Whistle-Blower policy to insert "reporting of incidents of leak or suspected leak of UPSI" in terms of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time and the revised policy was approved by the Board at its meeting held on February 14, 2019. Kindly refer to the Company's website at www.7seasent.com.

- iv. The Company has complied with all the mandatory requirements of Corporate Governance as specified in sub paras (2) to (10) of Part C of Schedule V of the SEBI Listing Regulations and disclosures on compliance with corporate governance requirements specified in Regulations 17 to 27 have been included in the relevant sections of this report.
- v. The Company also fulfils all the non-mandatory requirements as specified in Part E of the Schedule II of the SEBI Listing Regulations.
 - a) The Company has moved towards a regime of Standalone and Consolidated Financial Statements with unmodified audit opinion.
 - b) The Internal Auditor makes presentations to the Audit Committee.
 - c) Shareholders Rights: The Company has adopted requirements with regard to sending of quarterly half yearly financial results to the Members of the Company.
- vi. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) – Not applicable.
- vii. 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.
- viii. The Company has established an appropriate mechanism for dealing with complaints in relation to Sexual Harassment of Women at Workplace, in accordance with its Policy on Prevention of Sexual Harassment at Workplace ('POSH') which is available on the website of the Company. No complaints were received during the financial year 2018-19.

7SEAS ENTERTAINMENT LTD.

- ix. The Company is in compliance with the disclosures required to be made under this report in accordance with Regulation 34(3) read together with Schedule V(c) to the SEBI Listing Regulations.
- x. Appropriate information has been placed on the Company's website pursuant to clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations.
- xi. Commodity price risk and commodity hedging activities: Not Applicable
- xii. Disclosures with respect to demat suspense account/ unclaimed suspense account: Not Applicable

J) Address for Correspondence

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

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

**Place: Hyderabad
Date: 12.08.2019**

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

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

7SEAS ENTERTAINMENT LTD.

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
7Seas Entertainment Limited

We have examined the Compliance with conditions of Corporate Governance of M/s. 7Seas Entertainment Limited for the year ended 31st March, 2019 as stipulated in Regulation 34(3) read with Para E Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Compliance with the conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to review the procedures and implementations thereof adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us and representations made by the Directors and the Management's, we certify that the company has complied with conditions of the Corporate Governance as stipulated in Regulation 34 (3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the above mentioned Listing agreement.

As required by the guidance note issued by the institute of Chartered Accountants of India, we have to state that no grievances of investors are pending for a period exceeding one month against the Company as per the records maintained by the Company.

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

For Kamlesh Kumar Bhargav

**Sd/-
Kamlesh Kumar Bhargav
Partner
Membership No. 016307**

**Place: Hyderabad
Date: 12.08.2019**

7SEAS ENTERTAINMENT LTD.

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.***

7SEAS ENTERTAINMENT LTD.

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

To

The Board of Directors

7Seas Entertainment Limited

Dear Sirs,

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

1. I have reviewed the financial statements and the cash flow statement for the year ended 31st March 2019 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. I 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 of
7Seas Entertainment Limited**

Sd/-

L. Hemalatha

**Whole Time Director cum CFO
(DIN: 02226943)**

Place: Hyderabad

Date :12.08.2019

7SEAS ENTERTAINMENT LTD.

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

To

The Board of Directors

7Seas Entertainment Limited

Dear Sir,

I undertake to comply with the conditions laid down in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
 - (i) The statutory audit firm or the internal audit firm that is associated with the company and
 - (ii) The legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking you.

Yours Faithfully,

Place: Hyderabad
Date : 01.04.2019

Sd/-
M. Rama Mohan Rao
(Independent director)

7SEAS ENTERTAINMENT LTD.

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

To

The Board of Directors

7Seas Entertainment Limited

Dear Sir,

I undertake to comply with the conditions laid down in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
 - (i) The statutory audit firm or the internal audit firm that is associated with the company and
 - (ii) The legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking you.

Yours Faithfully,

Place: Hyderabad
Date : 01.04.2019

Sd/-
Mrs. Sita Visalakshi Chimakurthy
(Independent Director)

7SEAS ENTERTAINMENT LTD.

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

To

The Board of Directors

7Seas Entertainment Limited

Dear Sir,

I undertake to comply with the conditions laid down in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
 - (i) The statutory audit firm or the internal audit firm that is associated with the company and
 - (ii) The legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking you.

Yours Faithfully,

Place: Hyderabad
Date : 28.05.2019

Sd/-
Mr. Narra Venkateswarulu
(Independent director)

7SEAS ENTERTAINMENT LTD.

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

To

The Board of Directors

7Seas Entertainment Limited

Dear Sir,

I undertake to comply with the conditions laid down in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
 - (i) The statutory audit firm or the internal audit firm that is associated with the company and
 - (ii) The legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking you.

Yours Faithfully,

Place: Hyderabad
Date : 08.06.2019

Sd/-
Mr. Piduru Raja Sekhar
(Independent director)

7SEAS ENTERTAINMENT LTD.

MGT 9

Extract of Annual Return

As on the Financial Year 31.03.2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS :			
i.	CIN	L72900TG1991PLC013074	
ii.	Registration Date	14.08.1991	
iii.	Name of the Company	7Seas Entertainment Limited	
iv.	Category / Sub-Category of the Company	Company limited by shares/Non government company	
v.	Address of the Registered office and contact details	Plot No. 60, Flat No. 301, 3rd floor, "Abhi's Hiranya", Kavuri Hills, Madhapur, Hyderabad – 500033.	
vi.	Whether listed company Yes / No	Yes	
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Venture Capital and Corporate Investments Private Limited 12-10-167, Bharat Nagar, Hyderabad - 500 018 Ph.Nos.040-23818475/23818476/23868023 Fax: 040-23868024	
II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:			
All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-			
Sl. No.	Name and Description of main products /services	NIC Code of the Product / service	% to total turnover of the company
1	Computer games software	72214	98.02

7SEAS ENTERTAINMENT LTD.

S.No.	Name and Address		CIN/GLN		Subsidiar		% of		Applicable	
	of the Company				y Company		shares held		Section	
1.	The Company do not have any Subsidiary.									
IV. SHARE HOLDING PATTERN (Equity Share Ca pital Breakup as percentage of Total Equity)										
i) Category-wise Share Holding:-										
Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Cha nge durin g the year
	Dema t	Physica l	Total	% of Total Shares	Demat	Physica l	Total	% of Total Shar es		
A. Promoters										
(1)Indian										
Individual/ HUF	5559764	--	5559764	50.04	5559764	--	5559764	50.04	--	
Central Govt.	--	--	--	--	--	--	--	--	--	
State Govt .(s)	--	--	--	--	--	--	--	--	--	
Bodies Corp.	--	--	--	--	--	--	--	--	--	
Banks / FI	--	--	--	--	--	--	--	--	--	
Any Other....	--	--	--	--	--	--	--	--	--	
Sub-total (A) (1) :-	5559764	--	5559764	50.04	5559764	--	5559764	50.04	--	
(2) Foreign										
a) NRIs - Individuals	--	--	--	--	--	--	--	--	--	
b) Other – Individuals	--	--	--	--	--	--	--	--	--	
c) Bodies Corp.	--	--	--	--	--	--	--	--	--	

7SEAS ENTERTAINMENT LTD.

d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any Other....	--	--	--	--	--	--	--	--	--
Sub-total (A) (2):-	--	--	--	--	--	--	--	--	--
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	5559764	--	5559764	50.04	5559764	--	5559764	50.04	--
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks / FI	--	--	--	--	--	--	--	--	--
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FII's	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Fund	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
2. Non Institutions									
a) Bodies Corp.	56585	0	56585	0.51	9709	0	9709	0.09	0.42
i) Indian	--	--	--	--	--	--	--	--	--

7SEAS ENTERTAINMENT LTD.

ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals	--	--	--	--	--	--	--	--	--
i) Individual shareholders holding nominal share capital up to Rs. 2 lakh	1452434	141102	1593536	14.34	1508623	141103	1649726	14.85	0.51
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	3727310	102100	3829410	34.47	3734501	102100	3836601	34.53	(0.06)
c) Others (specify)								0.49	
1. NRI	5085	48200	53285	0.48	5735	48200	53935		(0.01)
2. Clearing Members	18320	--	18320	0.16	1167	--	1167	0.01	0.48
Sub-total (B)(2):- Total Public Shareholding (B)=(B)(1)+(B)(2)	5254734	296402	5551136	49.96					(1.1)
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	10819498	291402	11110900	100.00	10819497	291403	11110900	100.00	--

7SEAS ENTERTAINMENT LTD.

(ii)Shareholding of Promoters								
Sl. No	Shareholder's Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			%Change during the year
		No. of shares	% of Total Shares of the Company	% of shares pledged/encumbered to total shares	No. of shares	% of Total Shares of the Company	% of shares pledged/encumbered to total shares	
1	Maruti Sanker Lingamaneni	4459764	40.14	--	4459764	40.14	--	--
2	Hemalatha Lingamaneni	400000	3.60	--	400000	3.60	--	--
3	Kolla Narasimharao	200000	1.80	--	200000	1.80	--	--
4	B. Mohan Rao	500000	4.50	--	500000	4.50	--	--
(iii)Change in Promoters' Shareholding (please specify, if there is no change) : No Change								
Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Share holding at the end of the year				
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company			

7SEAS ENTERTAINMENT LTD.

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

Sl. No.	Shareholder Name	Shareholding at the beginning of the year		Share holding at the end of the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Meenu Bhanshali	256833	2.31	256833	2.31
2	Venu Madhav Edupuganti	250000	2.25	250000	2.25
3	Vallabh Roopchand Bhanshali	230053	2.07	230053	2.07
4	Kolla Narasimha Rao	200000	1.80	200000	1.80
5	Jignesh Madhukant Mehta Tanvi Jignesh Mehta	173729	1.56	173729	1.56
6	Ch. Sita Ramu	149500	1.35	149500	1.35
7	P. Murali Krishnam Raju	109300	0.98	109300	0.98
8	Satyanarayana Burugapalli	100350	0.9	100350	0.9
9	Eswara Prasad sayana	-	-	100000	0.90
10	Penumetcha Keerthi	-	-	100000	0.9

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of	No. of shares	% of total shares of the

7SEAS ENTERTAINMENT LTD.

			the company		company
1.	L. Maruti Sanker				
	At the beginning of the year	4459764	40.14	4459764	40.14
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc): NIL				
	At the End of the year	4459764	40.14	4459764	40.14
2.	Mrs. L. Hemalatha				
	At the beginning of the year	400000	3.6	400000	3.6
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):NIL				
	At the End of the year	400000	3.6	400000	3.6
3.	Mr. B. Mohan Rao (resigned w.e.f. 08.06.2019)				
	At the beginning of the year	500000	4.50	500000	4.50
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):NIL				
	At the End of the year	500000	4.50	500000	4.50
4.	Mr. M Rama Mohan Rao				
	At the beginning of the year	--	--	--	--
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):				
	At the End of the year	--	--	--	--
5.	Mr. Narra Venkateswarulu				
	At the beginning of the year (appointed w.e.f	--	--	--	--
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):				
	At the End of the year	200000	1.8	200000	1.8

7SEAS ENTERTAINMENT LTD.

6.	Mrs. Sita Visalakshi Chimakurthy				
	At the beginning of the year	--	--	--	--
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):				
	At the End of the year	--	--	--	--
7	Mr. Piduru Rajashekar				
	At the beginning of the year (appointed w.e.f				
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):				
	At the end of the year	--	--	--	--

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i)Principal Amount	56,353,303	12,45,723	--	56,353,303
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	56,353,303	--	--	56,353,303
Change in Indebtedness during the financial year				
Addition	68,87,930	13,40,900	--	82,28,830
Reduction				
Net Change	68,87,930	13,40,900	--	82,28,830
Indebtedness at the end of the financial year			--	
i) Principal Amount	6,32,41,233	25,86,623		6,58,27,856
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	6,32,41,233	25,86,623	--	6,58,27,856

7SEAS ENTERTAINMENT LTD.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

<i>A. Remuneration to Managing Director, Whole-time Directors and/or Manager:</i>				
Sl. no.	Particulars of Remuneration	Name of MD (L. Maruti Sanker)	Name of WTD (L. Hemalatha)	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	Remuneration to managing Director Rs. 2,84,500 P.A	Remuneration to Whole-Time Director Rs. 1,03,500 P.A	Rs 3,88,000
		NIL Nil	NIL NIL	
2.	Stock Option	--	--	--
3.	Sweat Equity	--	--	--
4.	Commission - as % of profit - Others, specify...	--	--	--
5.	Others, please specify	--	--	--
	Total (A)	2,84,500	1,03,500	3,88,000
	Ceiling as per the Act	--	--	--

7SEAS ENTERTAINMENT LTD.

B. Remuneration to other directors:					
Sl. no.	Particulars of Remuneration	Name of Director	Total Amount		
1.	Independent Directors Fee for attending board / committee meetings · Commission · Others, please specify	--	--		
	Total (1)	--	--		
2.	Other Non-Executive Directors · Fee for attending board / committee meetings · commission · Others, please specify	--	--		
	Total (2)	--	--		
	Total (B)=(1+2)	--	--		
	Total Managerial Remuneration	--	--		
	Overall Ceiling as per the Act	--	--		
C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD					
Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--	--
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission - as % of profit - others, specify...	NIL	NIL	NIL	NIL

7SEAS ENTERTAINMENT LTD.

5.	Others, please Specify	NIL	NIL	NIL	NIL
	Total	NIL	NIL	NIL	NIL
VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:					
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
B. DIRECTORS					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
C. OTHER OFFICERS IN DEFAULT					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

7SEAS ENTERTAINMENT LTD.

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

Sub: Certificate under Schedule V(C)(10)(i) of SEBI (Listing Obligations and Disclosure Requirements), 2015

We, M/s. Sathwik & Associates, Practicing Company Secretaries, have examined the Company and Registrar of Companies records, books and papers of M/s. 7Seas Entertainment Limited (CIN: L72900TG1991PLC013074) having its Registered Office at Plot No. 60, Flat No. 301, 3rd floor, "Abhi's Hiranya", Kavuri hills, Madhapur, Hyderabad-500033, Telangana. (the Company) as required to be maintained under the Companies Act, 2013, SEBI Regulations, other applicable rules and regulations made thereunder for the Financial Year ended on March 31, 2019.

In my opinion and to the best of my information and according to the examinations carried out by me and explanations and representation furnished to me by the Company, its officers and agents, we certify that none of the following Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority as on March 31, 2019:

List of Directors of the Company as on 31st March, 2019

S. No	DIN No	Name of the Director	Designation
1.	01095047	Mr. L. Maruti Sanker	Managing Director
2.	02226943	Mrs. L. Hemalatha	Whole Time Director
3.	07233665	Mr. B. Mohan Rao	Non-Executive – Non Independent Director
4.	06380062	Mrs.C. Sita Visalakshi	Non-Executive- Independent Director
5	06380062	Mr.Narra Venkateswarlu	Non-Executive- Independent Director
6.	PAN: ASVPP0493K	Mr. Piduru Raja Sekhar	Non-Executive- Independent Director

For Sathwik & Associates,

Sd/-
D. Sathwik
Practicing Company Secretary
C.P.No: 16937

Place: Hyderabad
Date: 12.08.2019

ANNEXURE-IV

FORM MR-3

SECRETARIAL AUDIT REPORT

(Pursuant to section 204(1) of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration Personnel)
Rules, 2014

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

To
The Members of
M/s. 7Seas Entertainment Limited

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

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of audit, we hereby report that in our opinion, the company has, during the financial year commencing from 1st April, 2018 and ended 31st March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st of March, 2019 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under for specified sections notified and came into effect on various dates;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment (FDI),

7SEAS ENTERTAINMENT LTD.

Overseas Direct Investment and External Commercial Borrowings;

5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 **including the provisions with regard to disclosures and maintenance of records required under the said Regulations;**
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Amended Regulations 2018; **The Company has framed code of conduct for regulating & reporting trading by insiders and for fair disclosure and displayed the same on the Company's website i.e. www.7seasent.com.**
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (upto 10th November, 2018) and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (with effect from 11th November, 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, 1998. (up to 10th September, 2018) and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (with effect from 11th September, 2018): **Not Applicable as the Company has not bought back/ proposed to buy-back any of its securities during the year under review.**

7SEAS ENTERTAINMENT LTD.

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

7SEAS ENTERTAINMENT LTD.

8. We have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial auditor and other designated professionals.
9. As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that
 - i. The provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:
 - External Commercial Borrowings were not attracted to the Company under the financial year under report;
 - Foreign Direct Investment (FDI) was compiled by the company under the financial year under report;
 - Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.
10. As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.

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 appointed M/s. DVAK & Co., internal auditors during the financial year 2018-19.
11. During the year the Company has conducted 5 Board Meetings, 4 Audit Committee Meetings, 4 Stakeholder Committee Meetings, 2 Nomination Remuneration Committee Meetings and 1 Independent Director's Meeting, and We have also examined compliance with the applicable clauses of the following:

7SEAS ENTERTAINMENT LTD.

12. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors; Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
13. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
14. 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.
15. 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.
16. 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.

For Sathwik & Associates

Sd/-

Doddapaneni Sathwik

Proprietor

C.P.No: 16937

Place: Hyderabad

Date: 12.08.2019

To

The Members of

M/s 7Seas Entertainment Limited

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

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

For Sathwik & Associates

Sd/-

Doddapaneni Sathwik

Proprietor

C.P.No: 16937

Place: Hyderabad

Date: 12.08.2019

7SEAS ENTERTAINMENT LTD.

MANAGEMENT'S DISCUSSION & ANALYSIS REPORT

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

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

a.) Industry Structure, Development and Outlook

Gaming Industry through its long history is one of the most promising entertainment segment on digital devices. Gaming industry has always been a unique source of entertainment for its customers. As a highly discretionary element of consumer spending, it is also exposed to changes in new Technologies, economic confidence and conditions.

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

b.) Opportunities and Threats.

Though the overall scenario for the gaming companies is extremely competitive, there are some niche areas where there are many opportunities for Global Growth. The management is exploring these areas to consider entering 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 revenue of Rs. 19.98 lakhs and made a net loss of Rs.1134.33 lakhs against revenue of Rs. 134.33 lakhs and net loss of Rs. 61.20 lakhs in the previous financial year 2017-18.

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

d.) Outlook:

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

e.) Risks and Concerns:

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

f) Internal Control System and its adequacy

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

The business risks and its control procedures are reviewed frequently. Systems audit is also conducted regularly to review the systems with respect to Security and its Adequacy. Reports are prepared and circulated to Senior Management and action taken to strengthen controls where necessary.

h) Human resources and Industrial relations

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

(i) Disclosure of Accounting Treatment:

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

7SEAS ENTERTAINMENT LTD.

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, 2019, the Statement of Profit and Loss (Including other comprehensive income), the Statement of cash flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein referred to as 'Ind AS financial statements').

Management's Responsibility for the Financial Statements

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

Auditors Responsibility

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

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

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

comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are Free from material misstatement.

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

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, 2019, 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.

7SEAS ENTERTAINMENT LTD.

- 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 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act; and
- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and operating effectiveness of such controls, refer to our separate report in Annexure B.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2015, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Kamlesh Kumar Bhargava,.
Chartered Accountants

Kamlesh Kumar Bhargava
Proprietor
M.NO:16307.

Place: Hyderabad
Date : 28th May, 2019

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 31 March 2019, 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.

7SEAS ENTERTAINMENT LTD.

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 sourcedues 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 31 March 2019 for a period of more than six months from the date they became payable except below;

Particulars	DemandU/s	Period to which the amount relates	Amount in Rs.
Income TaxAct, 1961	143(1)	A.Y.2007-08	2,44,013
Income TaxAct, 1961	154	A.Y. 2012-13	85,300
Income TaxAct, 1961	154	A.Y. 2013-14	2,35,710

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

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

8. The Company has not paid outstanding dues and interest thereon to banks at year ended.
9. The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and terms loans during the year.
10. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

7SEAS ENTERTAINMENT LTD.

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.

**For Kamlesh Kumar Bhargava,.
Chartered Accountants**

**Kamlesh Kumar Bhargava
Proprietor
M.NO:16307.**

**Place: Hyderabad
Date : 28th May, 2019**

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, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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, 2019, based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

**For Kamlesh Kumar Bhargava,.
Chartered Accountants**

**Kamlesh Kumar Bhargava
Proprietor
M.NO:16307.**

**Place: Hyderabad
Date : 28th May, 2019**

7SEAS ENTERTAINMENT LTD.

BALANCE SHEET AS AT 31st MARCH 2019

(Amount in Rs.)

	PARTICULARS	Note No.	As at March 31, 2019	As at March 31, 2018
I	<u>ASSETS:</u>			
(1)	Non-current assets			
	(a) Property, Plant and Equipment	2	-	-
	(b) Capital work-in-progress		-	-
	(c) Goodwill		-	-
	(d) Other Intangible Assets	2	1,24,81,700	1,87,22,550
	(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	3,79,530	10,38,82,837
	(iii) Cash and cash equivalents	4	2,10,361	1,79,056
	(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	4,83,040	1,58,917
	TOTAL ASSETS		1,37,04,631	12,30,93,360
II	<u>EQUITY AND LIABILITIES:</u>			
	Equity			
	(a) Equity Share Capital	7	11,11,09,000	11,11,09,000
	(b) Other Equity			
	(i) Reserves and Surplus	8	(17,11,62,306)	(5,78,16,633)
	Liabilities			
(1)	Non Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings		-	-
	(b) Provisions		-	-
(2)	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	9	6,58,27,856	5,75,99,026
	(ii) Trade Payables	10	39,04,578	59,64,123
	(iii) Other financial liabilities		-	-
	(b) Other current liabilities	11	-	-
	(c) Provisions	12	6,91,232	29,03,572
	(d) Deferred tax liabilities(Net)	13	33,34,271	33,34,271
	TOTAL EQUITY AND LIABILITIES		1,37,04,631	12,30,93,360
Significant accounting policies and notes to accounts		1 to 16		

For Kamlesh Kumar Bhargava
Chartered Accountants

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

Kamlesh Kumar Bhargava
Proprietor
Membership No. 016307

Sd/-
L MARUTI SANKER
Managing Director
DIN: 01095047

Sd/-
L HEMALATHA
Director
DIN: 02226943

Place : Hyderabad
Date : 28-05-2019

7SEAS ENTERTAINMENT LTD.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2019

(Amount in Rs.)

	PARTICULARS	Note No.	Year Ended March 31, 2019	Year Ended March 31, 2018
I	Revenue from operations	14	19,97,544	1,34,33,438
II	Other Income		-	-
III	Total Income (I+II)		19,97,544	1,34,33,438.00
IV	Expenses:			
	Operating Expenses		-	-
	Employee Benefits Expense	15	12,61,600	8,20,800
	Depreciation and amortization expense	2	62,40,850	63,49,230
	Other expenses	16	10,78,40,767	1,23,83,949
	Total Expenses		11,53,43,217	1,95,53,979
V	Profit before tax (III-IV)		(11,33,45,673)	(61,20,541)
VI	Tax Expense			
	- Current tax		-	-
	- Deferred tax		-	-
VII	Profit for the period (V-VI)		(11,33,45,673)	(61,20,541)
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)		(11,33,45,673)	(61,20,541)
X	Earnings per equity share: (Equity shares of par value of Rs.10/- each)			
	- Basic		(10.20)	(0.55)
	- Diluted		(10.20)	(0.55)
Significant accounting policies and notes to accounts		1 to 16		

For Kamlesh Kumar Bhargava
Chartered Accountants

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

Kamlesh Kumar Bhargava
Proprietor
Membership No. 016307

Sd/-
L MARUTI SANKER
Managing Director
DIN: 01095047

Sd/-
L HEMALATHA
Director
DIN: 02226943

Place : Hyderabad
Date : 28-05-2019

7SEAS ENTERTAINMENT LTD.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH, 2019

PARTICULARS	Year ended 31-03-2019 Amount in Rs.	Year ended 31-03-2018 Amount in Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit before tax	(11,33,45,673)	(61,20,541)
Adjustment for:		
Depreciation and Amortisation	62,40,850	63,49,230
Interest Expenses	-	-
Interest Earned	-	-
Cash Flows from Operations before changes in assets and liabilities	(10,71,04,823)	2,28,689
Movements in Working Capital::		
(Increase)/ Decrease in trade receivables	10,35,03,307	59,61,664
(Increase)/Decrease in Short Term Loans Advances	-	-
(Increase) / Decrease in Inventories	-	-
(Increase) / Decrease in Trade Payables	(20,59,545)	(1,86,62,581)
(Increase)/Decrease in Other current Assets	(3,23,696)	1,20,688
Change in Working Capital	10,11,20,066	(1,27,00,917)
Changes in non current assets and liabilities		
Decrease/(Increase) in loans & advances		17,92,828
Decrease/(Increase) in Borrowings	82,28,830	83,52,486
Decrease/(Increase) in other current liabilities	-	18,01,119
Decrease/(Increase) in Long Term Provisions	(22,12,340)	7,64,480
Changes in non current assets and liabilities	60,16,490	1,27,10,913
Cash Generated From Operations	31,733	2,38,685
Less: Taxes paid	428	38231
Net Cash from operating activities(A)	31,305	79,766
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]	31,305	79,766
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,79,056	99,290
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	2,10,361	1,79,056

For Kamlesh Kumar Bhargava
Chartered Accountants

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

Kamlesh Kumar Bhargava
Proprietor
Membership No. 016307

Sd/-
L MARUTI SANKER
Managing Director
DIN: 01095047

Sd/-
L HEMALATHA
Director
DIN: 02226943

Place : Hyderabad
Date : 28-05-2019

a. Equity share capital

	(Amount in Rs.)
	Amount
Balance as at the 31 March 2017	1,11,10,900
Changes in equity share capital during 2017-18	-
Balance as at the 31 March 2018	1,11,10,900

b. Other equity

	Share Warrants	Reserves and surplus		Items of Other comprehensive income (OCI)	Total
		General Reserves	Retained earnings	Others	
Balance at 31 March 2017	-	-	(17,21,73,807)	-	(17,21,73,807)
Total comprehensive income for the year ended 31 March 2018					
Profit or loss		-	(11,33,45,673)	-	(11,33,45,673)
Other comprehensive income (net of tax)		-	-	-	-
Total comprehensive income		-	(11,33,45,673)	-	(11,33,45,673)
Transactions with owners in their capacity as owners			-	-	-
Balance at 31 March 2018	-	-	(28,55,19,480)	-	(28,55,19,480)

Notes to accounts

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

1. Basis of preparation of financial statements

a) Compliance with Indian Accounting Standards (Ind As)

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

b) Use of estimates and judgment

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

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

1.2. Property, Plant and Equipment & Depreciation

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

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

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

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

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

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

7SEAS ENTERTAINMENT LTD.

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.

7SEAS ENTERTAINMENT LTD.

NOTE NO: 2 Property, Plant and Equipment

Particulars	Amortisation					Net value		
	AS AT 01.04.2018	Adjustments Additions/(Deletions)	AS AT 31.03.2018	AS AT 01.04.2018	Adjustments Additions/(Deletions)	For the year	AS AT 31.03.2019	AS AT 31.03.2018
<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	74,65,564	-	74,65,564	74,65,564	-	-	74,65,564	-
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	12,35,37,029	-	40,14,374	12,75,51,403	1,20,43,123
9. Web Portals	5,46,95,330	-	5,46,95,330	4,80,15,903	-	22,26,476	5,02,42,379	66,79,427
Total	19,37,04,752	-	19,37,04,752	17,49,82,202	-	62,40,950	18,12,23,052	1,67,22,550
Grand Total	20,17,71,316	-	20,17,71,316	18,24,48,766	-	62,40,950	18,86,89,616	1,87,22,550
Previous Year	20,17,71,316	-	20,17,71,316	15,06,34,097	-	2,54,65,441	17,60,99,537	5,05,37,219

7SEAS ENTERTAINMENT LTD.

Notes to Accounts

NOTE NO 3 Trade Receivables

PARTICULARS	As at March 31, 2019	As at March 31, 2018
	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	3,79,530	10,38,82,837
(b) Outstanding for a period not exceeding six months Unsecured, considered good	-	-
	3,79,530	10,38,82,837

NOTE NO 4 Cash & Cash Equivalents

PARTICULARS	As at March 31, 2019	As at March 31, 2018
	Amount in Rs.	Amount in Rs.
(a) Balance with banks	1,67,673	1,19,678
(b) Cheques in Hand	-	-
(c) Cash on Hand	42,688	59,378
	2,10,361	1,79,056

NOTE NO 5 Short Term Loans & Advances

PARTICULARS	As at March 31, 2019	As at March 31, 2018
	Amount in Rs.	Amount in Rs.
Advances to Customers	-	-
Other Deposits	1,50,000	1,50,000
	1,50,000	1,50,000

NOTE NO 6 Other Current Assets

PARTICULARS	As at March 31, 2019	As at March 31, 2018
	Amount in Rs.	Amount in Rs.
Product Development Expenditure		
(a) GST Receivable	4,82,613	1,20,688
(b) Advance Tax & TDS	427	38,229
	4,83,040	1,58,917

7SEAS ENTERTAINMENT LTD.

Provisional Notes to Accounts

NOTE NO: 7: EQUITY SHARE CAPITAL:

PARTICULARS	As At March 31,2019		As At March 31,2018	
	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, 2018, March 31, 2019:

PARTICULARS	As at March 31,2019		As At March 31,2018	
	Number	Amount in Rs.	Number	Rs. In lakhs
Equity Shares outstanding at the beginning of the year	1,11,10,900	11,11,09,000	1,11,10,900	11,11,09,000
Equity Shares Issued during the year for Cash	-	-	-	-
Equity Shares Issued during the year for other than cash*	-	-	-	-
Equity Shares bought back during year	-	-	-	-
Equity Shares outstanding at the end of the year	1,11,10,900	11,11,09,000	1,11,10,900	11,11,09,000

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

PARTICULARS	As at March 31,2019		As At March 31,2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding
I) L Maruti Sanker	44,59,764	40.14%	44,59,764	40.14%
II) Meenu Bhanshali	2,86,833	2.58%	2,86,833	2.58%
III) L Hemalatha	4,00,000	3.60%	4,00,000	3.60%

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

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

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

7SEAS ENTERTAINMENT LTD.

Notes to accounts

NOTE NO 8 Reserves and Surplus

PARTICULARS	As at March 31, 2019	As at March 31, 2018
	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	(17,21,73,807)	(16,60,53,266)
(+) Net profit during the year	(11,33,45,673)	(61,20,541)
Closing balance	(28,55,19,480)	(17,21,73,807)
(c) Other Comprehensive income:	-	-
Total (a+b+c)	(17,11,62,306)	(5,78,16,633)

NOTE NO 9 Short term Borrowings

PARTICULARS	As at March 31, 2019	As at March 31, 2018
	-	Amount in Rs.
Secured Loan		
Working Capital Loan-IOB	6,32,41,233	5,63,53,303
Unsecured Loan		
Borrowings from Directors & Related Parties	25,86,623	12,45,723
	6,58,27,856	5,75,99,026

NOTE NO 10 Trade Payables

PARTICULARS	As at March 31, 2019	As at March 31, 2018
	Amount in Rs.	Amount in Rs.
Dues to Micro, Small and Medium Enterprises		
Sundry creditors	31,93,032	59,64,123
Expenses Payable	7,11,546	
	39,04,578	59,64,123

7SEAS ENTERTAINMENT LTD.

Notes to accounts

NOTE NO 11 OTHER CURRENT LIABILITIES:

PARTICULARS	As at March 31, 2019	As at March 31, 2018
	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, 2019	As at March 31, 2018
	Amount in Rs.	Amount in Rs.
Other provisions	6,91,232	29,03,572
	6,91,232	29,03,572

NOTE NO 13 Deferred Tax liabilities

PARTICULARS	As at March 31, 2019	As at March 31, 2018
	Amount in Rs.	Amount in Rs.
Opening Balance	33,34,271	15,33,152
Add/less changes during Period		18,01,119
	33,34,271	33,34,271

NOTE NO: 14 Revenue from operations

PARTICULARS	Year ended March 31, 2019	Year ended March 31, 2018
	Amount in Rs.	Amount in Rs.
Revenue from operations	19,97,544	1,34,33,438
	19,97,544	1,34,33,438

7SEAS ENTERTAINMENT LTD.

Notes to Accounts

NOTE NO: 15 EMPLOYEE BENEFITS EXPENSE:

PARTICULARS	Year ended March 31, 2019	Year ended March 31, 2018
	Amount in Rs.	Amount in Rs.
(a) Salaries & Wages	7,80,000	8,20,800
(b) Contribution to provident and other funds	-	-
(c) Directors Remuneration	3,88,000	-
(d) Staff welfare expenses	93,600	-
	12,61,600	8,20,800

NOTE NO: 16 OTHER EXPENSES:

PARTICULARS	Year ended March 31, 2019	Year ended March 31, 2018
	Amount in Rs.	Amount in Rs.
Auditors remuneration	1,00,000	1,00,000
BSE Listing & Other Charges	2,50,000	30,02,500
Communication Expenses (Internet & Telephone)	1,41,984	86,423
Consultancy /Secretarial Charges	1,20,000	45,750
Conference & Promotional Expenses	4,210	8,449
Electricity Charges	97,999	32,857
Accounting & Internal Audit Fee	1,20,000	-
Interest & Bank Charges	68,87,930	83,52,486
Insurance	10,155	11,542
Legal Consultation Services	-	-
Office maintenance	1,63,455	86,243
Printing & Stationery	4,211	8,452
Rates & Taxes	6,221	12,485
Rent	8,40,000	5,80,800
Repairs & Maintenance	71,524	9,644
Provision for Bad Debts	9,90,00,000	-
Travelling & conveyance	23,078	46,318
	10,78,40,767	1,23,83,949

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 donot 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, 2019:

(In Rs. Lakhs)

Particulars	For the Year 2018-19	For the Year 2017-18
Remuneration to Mr. L. Maruti Sanker	2.84	0.00
Remuneration to Mrs. L. Hemalatha	1.04	0.00

7SEAS ENTERTAINMENT LTD.

20. Dues to micro & small-scale industrial undertakings

As at March 31, 2019 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 Rs.)

Particulars	For the Year 2018-2019	For the Year 2017-2018
Statutory Audit	75,000	75,000
Tax Audit	25,000	25,000
Total	1,00,000	1,00,000

7SEAS ENTERTAINMENT LTD.

26. Earnings per share

(In Rs.)

Particulars	For the Year 2018-2019	For the Year 2017-2018
Net profit after tax	(11,33,45,673)	(61,20,541)
Weighted average number of equity shares	111,10,900	111,10,900
Nominal value of shares	10	10
Earnings per share (basic/diluted)	(10.20)	(0.55)

For Kamlesh Kumar Bhargava
Chartered Accountants

Kamlesh Kumar Bhargava
Proprietor
Membership No. 016307

Place : Hyderabad
Date : 28-05-2019

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

Sd/-
L MARUTI SANKER
Managing Director
DIN: 01095047

Sd/-
L HEMALATHA
Director
DIN: 02226943

7SEAS ENTERTAINMENT LTD.

Form No. MGT-11

Proxy form

Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014

CIN : L72900TG1991PLC013074
Name of the company: 7Seas Entertainment Limited
Registered office: Plot no. 60, Flat no. 301, 3rd floor,
"Abhi's Hiranya", Kavuri hills, Madhapur,
Hyderabad-500033 Telangana

Name of the member(s):

Registered Address:

E-mail Id:

Folio No./Client Id:

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name :

Address : _

E-mail Id :

Signature:, or failing him

2. Name :

Address:

E-mail Id :

Signature:, or failing him

3. Name :

Address:

E-mail Id:

Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the Company, to be held on Monday, 30th day of September, 2019 at 09.00 a.m. at Plot no. 60, Flat no. 301, 3rd floor, "Abhi's Hiranya", Kavuri hills, Madhapur, Hyderabad-500033 Telangana and at any adjourned meeting thereof in respect of such resolutions as are indicated below:

7SEAS ENTERTAINMENT LTD.

Resolutions:

1. Approval of financial statements for the year ended 31.03.2019
2. Appointment of Mr. B.Mohan Rao, Director who retires by rotation.
3. Appointment of Mr. Narra Venkateswarlu as an independent director of the company.
4. Appointment of Mr. Piduru Raja Sekhar as an independent director of the company:

Signed this day of..... 2019

Signature of shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

ATTENDANCE SLIP

(Please present this slip at the Meeting venue)

I hereby record my presence for the 28th Annual General Meeting of the members to be held on Monday, 30th day of September, 2019 at 09.00 a.m. at Plot no. 60, Flat no. 301, 3rd floor, "Abhi's Hiranya", Kavuri hills, Madhapur, Hyderabad-500033 Telangana and at any adjourned meeting thereof.

Shareholders/Proxy's Signature _____

Shareholders/Proxy's full name _____

(In block letters)

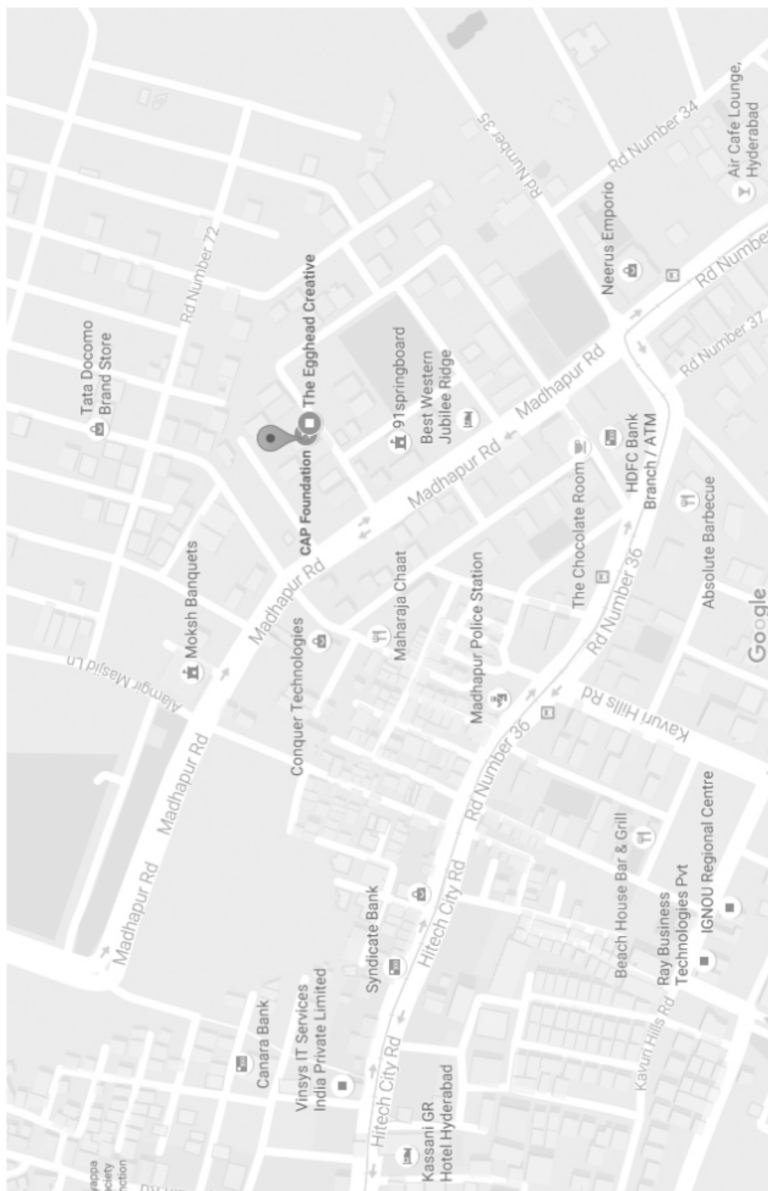
Folio No./ Client ID _____

No. of shares held _____

Note:

Shareholders attending the meeting in person or by proxy are required to complete the attendance slip and hand it over at the entrance of the meeting hall.

Route Map for AGM





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.