

7SEAS TECHNOLOGIES LIMITED

INFORMATION MEMORANDUM FOR LISTING OF 58,65,720 EQUITY SHARES OF RS.10 EACH.

Registered and Corporate Office Address: 6-3-1239/2/A, 3rd Floor, Koti's Court, Rajbhavan Road, Somajiguda, Hyderabad-500082.

Phone No: +91 40-30686161/62

Fax: +91-40-30686163 **Website:** www.7seastech.com

Contact person: Mr. M. H.V.S.N.S. Prasad **Email:** phani.m.prasad@gmail.com

The Company was incorporated under the Companies Act, 1956 on 14th August, 1991 under the name and style of Flair Investment And Finance Limited. The company's name was changed to 7Seas Technologies Limited w.e.f 25th January, 2006.

GENERAL RISKS

Investment in equity and equity-related securities involve a degree of risk and investors should not invest in the equity shares of 7Seas Technologies Limited unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in the shares of 7Seas Technologies Limited for taking an investment decision, investors must rely on their own examination of the Company including the risks involved.

ABSOLUTE RESPONSIBILITY OF 7SEAS TECHNOLOGIES LIMITED

7Seas Technologies Limited. having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to 7Seas Technologies Limited., which is material, that the information contained in the Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares of 7Seas Technologies Ltd. is at present listed on Ahmedabad Stock Exchange Limited.

GENERAL INFORMATION

Name of the Company	7SEAS TECHNOLOGIES LIMITED
ISIN No. of the Company	NSDL No. INE454F01010 & CDSL No. INE454F01010
Registered and Corporate Office Address, Phones and Fax Nos. and website Of the Company	6-3-1239/2/A, 3 rd Floor, Koti's Court, Rajbhavan Road, Somajiguda, Hyderabad- 500082. Tel: +91 40-30686161/62 Fax: +91-40-30686163 www. 7seastech.com
Name, Tel. Phone No., Fax No. and E-mail ID of the Compliance Officer	Mr. M. H.V.S.N.S. Prasad Tel.No. +91 40-30686161/62 Fax No. : +91-40-30686163 Email. phani.m.prasad@gmail.com
Name, Tel. Phone No., Fax No. and E-mail ID of the Company Secretary	Mr. M. H.V.S.N.S. Prasad Tel.No. +91 40-30686161/62 Fax No. : +91 40-30686163 Email. phani.m.prasad@gmail.com
Name of the Managing Director of the Company	Mr. L. Maruti Sanker
Registrar and Transfer Agents of the Company (if In-house mention – INHOUSE) Address of the Registrar and Transfer Agents (if In-house provide the address for correspondence by investors)	M/s. Venture Capital and Corporate Investments Pvt Ltd., 12-10-167, Bharat Nagar, Hyderabad-500018.
Whether /common Agency appointed for share transfers by the Company (Yes / No)	Yes – M/s. Venture Capital and Corporate Investments Pvt Ltd., 12-10-167, Bharat Nagar, Hyderabad-500018.

1. BRIEF HISTORY OF THE COMPANY

The Company was incorporated under the Companies Act, 1956 on 14th August, 1991 in the name and style of Flair Investment And Finance Limited. The company's Objects and name were changed to 7Seas Technologies Limited w.e.f 25th January, 2006 for undertaking the software business .The equity shares of the company are listed on Ahmedabad Stock Exchange Limited, since 1996 onwards.

Company's Profile:

7Seas is an independent game development Company with a strong focus on developing and publishing IP based games in all genres for all ages. For many leading game portals across the globe 7Seas provides games through licensing. The Company has a strong online presence through www.onlinerealgames.com.

Having pioneered the developing IP based Gaming in India, 7Seas Technologies Limited is today poised to take on the challenges of global demands. With such capabilities across online, mobile, PC and Console gaming, the Company is bringing the world of gaming to every consumer touch point.

First Indian game company to be certified ISO 9001:2000.

7Seas has developed and occupied in all four business segments i.e., Online, Mobile, PC and Console. With the mix of all these four areas of operations, 7Seas has a mix of steady revenue generating streams and newer Business lines with a very high future potential. 7Seas profile includes:



www.7seastech.com
www.neodelight.com

www.fortune7inc.com
www.mobizill.com

www.onlinerealgames.com

In 7Seas we design and develop Games for all and in multiple Indian and Foreign languages. From action, adventure, puzzle, racing to sports, we are a Company of creative designers and IT Professionals with a strong focus on delivering high, energy entertainment content at every touch point – be it online, mobile, PC or a console.

With a development centre in Hyderabad and a publishing and distribution subsidiary company in the USA – Fortune7inc, we are trailblazing the entertainment business.

Of synergizing magical expertise and real entertainment – there is more behind the exciting world of gaming. At 7Seas, the quest is to sync the vibe of the virtual and the real. As a game development company, we undertake complex gaming development targeted at international audience of all ages and genres. We are also among the pioneering and leading companies to have launched the online gaming portals. Right from the base level concept creation through to the highly focused modeling and animation, our skill spectrum matches world-class quality. Thanks to our partners, we are fast reaching out to new geographies with newer escapades of entertainment. We have been the sole technology and development partners to some of the reputed names in the gaming industry.

Developing IP based games and providing them to the portals, partners and affiliates through game licensing is the core business focus. 7Seas also focuses on multiple revenue models: Game Licensing, In-game licensing, online advertising and ad supported mobile games and Retail sales.

We will be offering the games as licensing, advertising revenue share, and make custom development for brand specific games and the Company will retain ownership of the IP.

CAUTIONARY STATEMENT:

Statements and expectations expressed in this document may be “forward-looking statements” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company’s operations include economic conditions affecting demand/supply and price conditions in the domestic and international markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

2. CAPITAL STRUCTURE:

Sl.No.	SHARE CAPITAL	As on 16.09.2010 (Rs.)
1.	Authorised capital 60,00,000 equity shares of Rs. 10 each	6,00,00,000
2.	Issued, Subscribed and Paid up capital 58,65,720 equity shares of Rs. 10 each	5,86,57,200
3.	Calls in arrear	Nil
	TOTAL	5,86,57,200

3. FACT SHEET:

Sl. No.	Particulars	
1.	Issued and Paid up capital	Rs. 5.87 crores as on 16.09.2010
2.	Net worth (excluding revaluation of reserves) – Rs.5 crores	Rs. 16.78 crores as on 16.09.2010
3.	Net Tangible assets	2009-10- Rs.16.08 crs 2008-09- Rs.12.07 crs. 2007-08- Rs. 9.70 crs.
4.	Non-promoter holding	58.41%
5.	Public shareholders	522
6.	Turnover	2009-10-Rs. 6.81 Crores 2008-09-Rs.11.16 Crores 2007-08-Rs. 7.71 Crores
7.	Distributable Profits	2009-10-Rs.0.63 Crores 2008-09-Rs.1.12 Crores 2007-08-Rs.1.90 Crores
8.	Depository connectivity	Signed with NSDL and CDSL

4. SHAREHOLDING PATTERN AS ON 16.09.2010

Sl. No.	Category	No. of Shares	% Of Shares
(A) (1)	Indian Promoters	2439264	41.59
	Foreign Promoters	0	0
	Others	0	0
	Sub-Total (A)(1)	2439264	41.59
(B) (1)	Non-promoters		
	Institutional Investors	0	0
	Sub-Total (B)(1)	0	0
(B) (2)	Public Shareholding		
	Bodies corporate	1380	0.02
	Indian public	3198276	54.52
	NRIs/ OCB's	226800	3.87
	others	0	0

	Sub-Total	3426456	58.41
	Grand Total (A+B)	5865720	100.00

5. DIVIDEND TRACK RECORD: The Company has not paid any dividend for the last two financial years i.e., 2008-09 and 2009-10.

6. FINANCIAL PERFORMANCE:

Financial Information: Last 3 years (Balance sheets and Profit & Loss A/c)

Particulars	As at 31.03.2010 Rs.	As at 31-08-2009 Rs.	As at 31-03-2008 Rs.
Source of Funds:			
Share Holder's Funds :			
Share Capital	58157200	52933575	48745250
Reserves & Surplus	95907513	67861442	48812753
Deffered tax liability	1300741	497805	87551
Secured Loans	6017890	-	-
Total	161383344	121292821	97645554
Application of Funds:			
Fixed Assets:			
Gross block	61023072	55212293	10166690
Accumulated Depreciation	14325592	6245403	2631715
Net Block	46697480	48966890	7534975
Investments	596700	596700	596700
Net Current Assets:			
Sundry Debtors	17330292	39467771	63679334
Cash & Bank Balances	236628	5166575	20243700
Product Development Expenditure	98837684	35990138	6626000
Loans & Advances	1031847	762118	1587013
	117436450	81386602	92136047
Less: Current Liabilities & Provisions	3347286	9657371	2622166
Net Current Assets	114089164	71729231	89513880
Total	161383344	121292821	97645554

Profit & Loss Account for the last 3 years

Particulars	As at	As at	As at
	31.03.2010	31-08-2009	31-03-2008
	Rs.	Rs.	Rs.
A. Income			
Income from operations	68110793	111517404	76409708
Other Income	-	106256	677280
	68110793	111623660	77086988
B. Expenditure			
Operational expenses	43970118	83135193	47639413
Administrative Expenses	7593363	11246591	6051433
Depreciation	8146420	3618559	1768254
	59709901	98000343	55459100
Profit for the year before tax	8400892	13623317	21627888
Less : Tax Expense:			
Current Tax	1297938	1946735	2561659
Fringe Benefit Tax	-	69640	45079
Deferred Tax	802936	410254	10204
Profit after tax for the year	6300019	11196689	19010946
Balance Brought Forward	21009442	9812753	(9198193)
Profit carried to balance sheet	27309461	21009442	9812753

**7. Un-audited / Audited Results: Snap shot of quarterly results for last 4 qtrs.
(Rupees in Lakhs)**

Particulars	Qtr. ended 30.06.2010 (Un-audited)	Qtr. ended 31.03.2010 (Audited)	Qtr. ended 31.12.2009 (Un-audited)	Qtr. ended 30.09.2009 (Un-audited)
Sales and other income	129.69	681.11	254.36	98.93
Total Expenditure	96.45	515.64	215.64	64.37
Profit After Tax	12.92	63.00	18.17	14.11
Equity (paid up)	556.57	556.57	546.57	512.80
Dividend	NIL	NIL	NIL	NIL
EPS Rs.	0.23	1.20	0.33	0.28

8. BOARD OF DIRECTORS AND MANAGEMENT

Sl. No.	Name	Designation
1.	Mr. L.Maruti Sanker	Managing Director
2.	Mr. Devabhaktuni V.Sai Prasad	Director
3.	Mr. Devender R.Poreddy	Director
4.	Mr. M.Ramamohan Rao	Director

BOARD OF DIRECTORS

7Seas is managed by a well experienced team that has hands on expertise in Gaming and software development areas. Successfully implemented and proven Online, Mobile and PC games by the management. The Board of Directors for 7Seas is comprised of following:

Details of Directors:

- **Mr. L. Maruti Sanker, Managing Director**

Mr. L. Maruti Sanker, aged about 36 years, brings a rich functional and industry exposure with over 8 years experience in the areas of Software Product Development, IT Services, Consulting and Marketing. He worked with an electrical transformer manufacturing company during 1995-97 as design engineer and there after worked with Visual Soft technologies Ltd between 1999 to 2005 in various positions handling products and services. Presently he is the Managing Director of 7Seas Technologies Limited, which is a Software Games Development and ISO 9001-2000 Certified Company.

- **Mr. D. V. Sai Prasad, Non Independent Director**

Mr. D. V. Sai Prasad, aged about 48 years, is an NRI residing in US for last 14 years. He has a Masters Degree in Engineering from Wayne State University, Detroit Michigan. Founder of Global Information Systems Inc (GIS), which is multi million-dollar software consulting company, started in 1997. He has experience in dealing with top five companies like Deloitte and Pricewaters House for IT implementations. As an active member of GIS he traveled across US to deal with various fortune 1000 clients. He is primarily responsible to coordinate and initiate Vasudeva Realtors Pvt. Ltd. by involving NRI team with sound financial background and vision. With wide contacts with many people in US and India, he helped to establish western luxury standards for Vasudeva Realtors construction in India. This vision helped to cater NRI needs and requirements in housing segment. He is also a promoter of Simbha Pharma Ltd., a pharmaceutical distribution company in Nairobi, Kenya.

- **Mr. Devender R.Poreddy, Independent Director**

Mr. Devender R.Poreddy, aged 48 years is a Mr Devender Poreddy is basically a Civil Engineering graduate with about 20 years of professional experience in India and abroad. He has been actively involved in the Planning, Designing & Execution of various residential & commercial projects. He is an NRI returned, who worked in the USA for about 5 years in the field of Civil Engineering and also Software Engineering.

- **Mr. M. Ramamohan Rao, Independent Director**

Mr. M. Ramamohan Rao, aged 65 years, he completed Automobile Engineering and Radio Engineering. Worked for 5 years in HMT as supervisor in SPM division. Worked in AT & T Bell Labs Chicago USA as R&D Engineer. Worked for 25 years in Telecommunications field in various executive positions. He traveled globally around 45 countries. He had so many patents for his credit in Telecommunications Sector.

He took early retirement at AT &T Bell labs USA as Executive Director.

Management Team

Mr. M. Mallikarjuna, Infrastructure Mgmt.

Mr. M. Mallikarjuna, aged 38 he is responsible for the company's infrastructure operation activities. He has 8 years of sound knowledge in operational level of infrastructure.

Mr. B.S. Venu Mallik, Manager Finance & Accounts

Mr. B.S. Venu Mallik, aged 33 he is responsible for the company's Financial activities. He has around 8 years of experience in handling financial activities. Monitoring the International proceeds and imbursement and overall supervision of Accounts.

Mr. N. Venkateswarlu Manager Legal and PR

Mr. N. Venkateswarlu, aged 37 he is responsible for the company's legal and PR activities. He has around 10 years of experience in handling legal activities, Trade Marks and copy rights. Have good associations with the Officials and monitors Press Releases.

Mrs. K. Madhavi Latha Manager Operations

Mrs. K. Madhavi Latha , aged 41 she is responsible for the Company's In house management. She has 10 years of experience in managing the local admin activities.

Group Companies

We have only one Subsidiary Company by name Fortune 7Inc. U.S.A.

9. Other Group Companies : Not Applicable

10. Status of Corporate Governance Compliance

The company has complied with the provisions of corporate governance.

11. Outstanding Litigations and defaults of Promoters Directors or the other Group of Companies.

The company does not have any outstanding Litigations and defaults of Promoters Directors.

Other Regulatory Disclosures

1. BRIEF STATEMENT OF COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Board of Directors of the company believes in and fully supports the principles of Corporate Governance. While striving to achieve the financial targets, the company seeks to follow the business principles and ethics and in all its dealings. The company has been regularly implementing the best practices of corporate governance in order to attain total transparency, accountability and integrity.

2. COMPOSITION AND CATEGORY OF DIRECTORS; EXECUTIVE NON-EXECUTIVE INDEPENDENT NOMINEE DIRECTOR ETC.:

The Board of Directors consists of 2 independent 3 non-executive directors and 1 (one) executive director. The composition and category of Directors is as follows:

Sl. No.	NAME OF THE DIRECTORS	CATEGORY
1	Mr. L. Maruti Sanker	Promoter , Executive
2	Mr. Devabhaktuni V. Sai Prasad	Promoter , Non-Executive
3	Mr. Devender R. Poreddy	Independent, Non-executive
4	Mr. M. Ramamohan Rao	Independent, Non-executive

3. AUDIT COMMITTEE:

The company constituted a Qualified and Independent Audit Committee comprises of three Directors of which two are Non-Executive independent directors and one Executive Director in accordance with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges and Sec. 292A of the Companies Act 1956.

Audit Committee consists 3 directors as mentioned below: .

SL. NO.	NAME OF THE DIRECTOR	
1.	Mr. Devender R. Poreddy	Chairman
2.	Mr. M. Ramamohan Rao	Member
3.	Mr. L. Maruti Sanker	Member

The terms of reference stipulated by the Board of Directors to the Audit Committee are as contained in clause 49 of the Listing Agreement and section 292A of the Companies Act 1956 briefly as follows:

- (a) Oversight of the Company's financial reporting process and the disclosure of its financial information.
- (b) Recommending the appointment of External auditors and Internal Auditors fixation of their fees and approval for payment for any other services.
- (c) Reviewing with management the Quarterly Half Yearly and Annual Financial Statements before submission to the Board focusing primarily on (i) any

changes in accounting policies and practices (ii) major accounting entries based on exercise of judgment by management (iii) qualifications in draft audit report (iv) significant adjustments arising out of audit (v) the going concern assumptions (vi) compliance with accounting standards (vii) compliance with stock exchanges and legal requirements concerning financial statements and (viii) any related party transactions i.e. transactions of the Company of material nature with promoters or the management or relatives etc. that may have potential conflict with the interest of the Company.

- (d) Reviewing with the management external and internal auditors the adequacy and compliance of internal control systems.
- (e) Reviewing the adequacy of internal audit functions.
- (f) Discussion with internal auditors any significant findings and follow- up there of.
- (g) Reviewing the findings of any internal investigations by the internal auditors into matters where there is irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
- (h) Discussions with external auditors before the audit commence nature and scope of audit as well as have post-audit discussion to ascertain any area concern.

4. REMUNERATION COMMITTEE:

The Remuneration Committee is vested with the power to recommend and review remunerations of the executive and non-executive directors of the company. The committee consists of the following directors.

SL. NO.	NAME OF THE DIRECTOR	
1.	Mr. Devender R. Poreddy	Chairman
2.	Mr. M. Ramamohan Rao	Member
3.	Mr. L. Maruti Sanker	Member

5. SHARE HOLDER'S GRIEVANCE COMMITTEE:

The Shareholder's Grievance Committee comprises of

- 1. Mr. Devender R. Poreddy
- 2. Mr. L. Maruti Sanker
- 3. Mr. M. Ramamohan Rao

The Committee specifically looks after the services of the Registrars and Share Transfer Agents and recommends measures for providing efficient services to investors and resolving investor's complaints in the shortest possible time.

6 . ANNUAL GENERAL MEETING:

Location and time for last three Annual General Meetings were as follows:

AGM for the financial year ended	Location of holding AGM	Date and Time of AGM
2009-2010	At Hotel Inner Circle 6-3-905, Saboo Heights, Behind Saboo Maruti Showroom, Somajiguda, Hyderabad – 500 082.	30 th June , 2010 at 09.30 A.M
2008-2009	At Hotel Inner Circle 6-3-905, Saboo Heights, Behind Saboo Maruti Showroom, Somajiguda, Hyderabad – 500 082.	30 th September,2009 at 9.30 A.M.
2007-2008	At Pride Inn Guest Rooms situated at No.8-2-289/8/1/B,Banjara Hills, Road No 14, Beside BN Reddy Colony, Opp: Walden street, Hyderabad - 500 034	30 th September, 2008 at 9.30 A.M.

DECLARATION

NO STATEMENT MADE IN THIS INFORMATION MEMORANDUM SHALL CONTRAVENE ANY OF THE PROVISIONS OF THE COMPANIES ACT, 1956 AND THE RULES MADE THEREUNDER. ALL THE LEGAL REQUIREMENTS AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC., ISSUED BY BSE IN RESPECT OF LISTING OF SECURITIES HAVE BEEN DULY COMPLIED WITH.

Yours faithfully,
For and on behalf of the Board of Directors of
7SEAS TECHNOLOGIES LIMITED

L. Maruti Sanker
Managing Director
Place: Hyderabad

Date: 16.09.2010