



VELS FILM INTERNATIONAL LIMITED

CIN: U74999TN2019PLC132235

PAN: AAHCV1475C

06th September, 2024

To
The Listing Department,
National Stock Exchange of India Limited
Exchange plaza, Bundra complex
Bandra(East) Mumbai 400 051.

Dear Sir/madam,

SYMBOL: VELS

SUB: Notice of 05th Annual General Meeting and Annual Report for the Financial Year 2023-24

Ref: SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023; Regulation 30 and 34 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

Pursuant to Regulation 30 and 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Notice convening 05th Annual General Meeting and the Annual Report for the financial year 2023-2024. The 05th AGM will be held on Monday, 30th September, 2024 at 04.00 PM (IST) through Video Conference (VC) / Other Audio Visual Means (OAVM)

The schedule of AGM is as set out below:

PARTICULARS	DETAILS
Benpos date for Sending Notice	30 th August, 2024
Cut Off Date for e-Voting	23 rd September, 2024
Remote e-Voting Start Date	27 th September, 2024
Remote e-Voting Start Time	9:00 A.M.
Remote e-Voting End Date	29 th September, 2024
Remote e-Voting End Time	05:00 P.M.
Date of AGM	30 ^h September, 2024
AGM Start Time	04:00 PM
AGM e-voting Result Date	Within 2 working days from the conclusion of AGM

This is for your information and records. Kindly acknowledge the receipt of the same.

Thanking you,

For VELS FILM INTERNATIONAL LIMITED

**SAMPATHKUMAR SUJATHA
COMPANY SECRETARY & COMPLIANCE OFFICER
M.NO.: A32181**



ANNUAL REPORT

2023 - 2024



LEVELS

FILM INTERNATIONAL LTD

Dr. Ishari K. Ganesh

P R E S E N T S

**ANNUAL REPORT
FINANCIAL YEAR 2023 - 2024**

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PRODUCED &
RELEASED



BY VELS GROUP



VELS

FILM INTERNATIONAL LTD





RELEASED IN



2023 - 2024



JOSHUA

IMAI POL KAAKHA

VARUN

DIRECTOR : GVM
DOP : S.R KATHIR
EDITOR : ANTONY
MUSIC : KARTHIK

 **VELS**
FILM INTERNATIONAL LTD



SINGAPORE SALOON

RJ BALAJI

DIRECTOR : GOKUL
EDITOR : R.K SELVA
DOP : SUGUMAR
MUSIC : VIVEK MERVIN
GUEST ROLE :
LOKESH
ARAVINDSWAMI
JEEVA

HIPHOP TAMIZHA
ADHI

PT Sir

WRITTEN & DIRECTED BY
KARTHIK VENUGOPALAN
PRODUCED BY **DR. ISHARI K. GANESH**

MUSIC: HIP HOP TAMIZHA - JAY MADESH MANDAKAM | PRODUCTION DESIGNER: A. ANARAN | EDITOR: G.K. PRASANA | STYLING: MADESH MATHEW | COSTUME DESIGNER: SHARVANA REDDY
CAST: RISHABH N. WICKY | PRODUCTION EXECUTIVE: ARUNACHALAM | PRODUCTION COORDINATOR: SHEKAR JACOB | BOB: ELANJARI | MAKEUP: DEEPA POND
CREATIVE PRODUCER: KR. PRASHU | EXECUTIVE PRODUCER: ASHWIN KUMAR



PT SIR HIP-HOP ADHI

DIRECTOR: KARTHIK
VENUGOPAL

DOP: MADESH

EDITOR: G.K PRASANA

MUSIC: HIP HOP ADHI

 **LEVELS**
FILM INTERNATIONAL LTD



CHUTNEY SAMBAR WEB SERIES

YOGI BABU & VANI BHOJAN

DIRECTOR: RADHA MOHAN

MUSIC: AJESH ASHOK

EDITOR: JIJENDRAN

DOP: PRASANNA KUMAR

Released in 2024





PROJECTS UPCOMING

2024 - 2025



AGATHIYA

JEEVA & ARJUN

DIRECTOR: PA.VIJAY
DOP: DEEPAK PADHY
EDITOR: SHAN LOKESH
MUSIC: YUVAN



SUMO

SHIVA

DIRECTOR: S.P HOSIMIN

DOP: RAJEEV MENON

EDITOR: PRAVEEN K.L

MUSIC: NIVAS K PRASANA



**JAYAM RAVI , KRITHI SHETTY,
KALYANI PRIYADARSHAN**

DIRECTOR: ARJUNAN JR

MUSIC: AR RAHMAN

EDITOR: PRADEEP E.RAGAV

DOP: MAHES MUTHUSWAMI

VELS FILM INTERNATIONAL LIMITED

BOARD OF DIRECTORS

Dr. Ishari K. Ganesh

Promoter and Managing Director
(DIN : 00269445)

Dr. Arthi Ganesh

Promoter Group and Director
(DIN: 00568101)

Ms. Preethaa Ganesh

Promoter Group and Director
(Din: 07105539)

Mr. Thummala Gangatharan Balaji

Independent Director
(Din : 00580819)

Mrs. Sangeetha Santharam

Independent Director
(Din : 07567200)

Mr. Rangasamy Sivakumar

Independent Director
(Din : 08336763)

Key Managerial Personnel

Mr. S. Rajagopal

Chief Financial Officer

CS S. Sujatha

Company Secretary and
Compliance Officer

Corporate Identity Number (cin)

U74999TN2019PLC132235

Statutory Auditors

SRBR & Associates LLP
Romar House, Chamber D,
3rd Floor, 6/9, (Old No. 15/9),
Jaganathan Road, Nungambakkam,
Chennai – 600 034

Bankers

Bank of Baroda
R.K. Nagar Branch, Chennai

Registered office

No.521/2, Anna Salai, Nandanam,
Chennai - 600 035. Tel: 044 24315541 / 542
Website: www.velsfilminternational.com
E-mail: info@velsfilminternational.com

Secretarial Auditors

BP & Associates
Company Secretaries
New No 443 & 445, 5th Floor, Annexe 1,
Guna Complex, Anna Salai, Teynampet,
Chennai-600 018

Internal auditors

S B N and Co.
Chartered Accountants
B7, Prince Centre
No. 709 & 710, Anna Salai,
Chennai 600002

Registrar & share transfer agent

Cameo Corporate Services Limited
Subramanian Building” No.1 Club
House Road Chennai TN 600002

INVESTOR INFORMATION

CIN : U74999TN2019PLC132235
Nse Symbol : VELS
AGM Date : 30th September 2024
AGM Time : 04.00 p.m
AGM Venue : To be held via Video-Conference /other Audio Visual Means

NOTICE

NOTICE is hereby given that the 5th Annual General Meeting (AGM) of the Members of **Vels Film International Limited** ("the Company") will be held on Monday, 30th September 2024 at 04.00 P.M. through Video conferencing (VC)/Other Audio-Visual Means (OAVM) and for which purposes, Registered office situated at No.521/2, Anna Salai, Nandanam, Chennai – 600 035 shall be deemed as venue for the meeting and proceedings of the AGM shall be deemed to have taken place thereat to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended 31st March 2024, together with the Reports of the Board of Directors and the Auditors thereon.
2. To consider and if thought fit and desirable, to pass with or without modification(s) resolution under Section 152 and other applicable provision of the Companies Act, 2013, for re appointment of Mrs. Arthi Ganesh, (DIN: 00568101) to the extent she is required to retires by rotation at ensuing AGM and who being eligible, has offered herself for reappointment for further period liable to retire by rotation and such reappointment has been recommended by the nomination and remuneration committee and Board of Directors of the Company .

SPECIAL BUSINESS:

3. Regularization of Additional Independent Director, Mr. RANGASAMY SIVAKUMAR (DIN: 08336763) by appointing him as Independent Director of the Company:

To consider and, if thought fit, to pass with or without modifications, the following resolution as Ordinary Resolution:

"RESOLVED THAT, pursuant to provision of Section 149,150,152 read with Schedule IV of the Companies Act, 2013, and all other applicable provisions of the Companies Act, 2013, if any and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and upon the recommendation of Nomination and Remuneration Committee and the Board of Directors of the Company; , Mr. RANGASAMY SIVAKUMAR (DIN: 08336763 and Independent Director Reg.No: IDDB-DI-202406-060356)

who was appointed as an Additional Director of the Company in Independent Category w.e.f 8TH June, 2024 in terms of Section 161(1) of the Companies Act, 2013 and Article of Association of the Company and who holds office up to the date of this Annual General Meeting and from whom the Company has received a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, be and hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for five (5) consecutive years for the period from June 8th, 2024 to June 7th, 2029 (both dates inclusive)."

"RESOLVED FURTHER THAT the Managing Director be and are hereby authorized, on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents and returns, e-forms for the purpose of giving effect to the aforesaid resolution."

Notes:

1. Relevant details, pursuant to Regulations 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India (ICSI), in respect of a Director seeking re-appointment at this Annual General Meeting is annexed.
2. At the 2nd Annual General Meeting held on 30th September 2020 the Members approved appointment of M/s. S R B R & ASSOCIATES LLP, Chartered Accountants (Firm Registration No. 004997S) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of AGM to be held in 2025.
3. Pursuant to Section 113 of the Companies Act, 2013 representatives of Corporate Members may be appointed for the purpose of voting through remote e-voting or for participation and voting in the Meeting to be conducted through VC/OAVM. Corporate Members intending to attend the Meeting through their authorised representatives are requested to send a Certified True Copy of the Board Resolution and Power of Attorney, (PDF/ JPG Format) if any, authorizing its representative to attend and vote on their behalf at the Meeting. The said Resolution/ Authorisation shall be sent to the Company

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- by e-mail through its registered e-mail address (ie) compliance@velsfilminternational.com.
4. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 27.
 5. Notice is also given under Section 91 of the Act read with Regulation 42 of the SEBI Listing Regulations, that the Register of Members and the Share Transfer Book of the Company will remain closed from Tuesday, 24th September 2024 to Monday, 30th September 2024 (both days inclusive).
 6. Members are requested to intimate/update changes, if any, pertaining to their name, postal address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, to their Depository Participants ("DPs") in case the shares are held by them in dematerialized form and to the Registrar and Share Transfer Agents of the Company i.e. Cameo Corporate Services Limited in case the shares are held by them in physical form.
 7. Members seeking any information/desirous of asking any questions at the Meeting with regard to the accounts or any matter to be placed at the Meeting are requested to send email to the Company at compliance@velsfilminternational.com at least 10 days before the Meeting. The same will be replied by the Company suitably.
 8. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the EGM/AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing EGM/AGM through VC/OAVM.
 9. The Ministry of Corporate Affairs, ("MCA") issued General Circular Nos. 14/2020 dated 08th April, 2022, 17/2020 dated 13th April, 2020, 20/2020 05th May, 2020, and subsequent circulars issued in this regard, the latest being General Circular No. 09/2023 dated 25th September, 2023 issued by "MCA Circulars". Further, towards this, the Securities and Exchange Board of India ("SEBI), vide its Circulars dated 12th May, 2020, 15th January, 2021, 13th May, 2022, 05th January, 2023, 06th October, 2023 and 07th October, 2023 ("SEBI Circulars") allowing, inter-alia, conduct of AGMs through Video Conferencing/Other Audio-Visual Means ("VC / OAVM") facility on or before 30th June 2022, in accordance with the requirements provided in paragraphs 3 and 4 of the MCA General Circular No. 20/2020. In compliance with these Circulars, provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the deemed venue for the 05th AGM shall be the Registered Office of the Company. Electronic copy of the Annual Report of the Company for the Financial Year 2023-2024 is being sent to all the members whose e-mail addresses are registered with the Company/Depository Participant(s) for communication purposes. For members who have not registered their e-mail address, hard copies of the Annual Report of the Company for the Financial Year 2023-2024 are being sent in the permitted mode. In case any member is desirous of obtaining hard copy of the Annual Report of the Company for the Financial Year 2023-2024 and Notice of the 05th AGM of the Company, may send request to the Company's e-mail address compliance@velsfilminternational.com mentioning Foilo No./DP ID and Client ID.
 10. Pursuant to the provisions of the Companies Act, 2013 ("the act") a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend and vote on his/ her behalf and the proxy need not be a Member of the Company. However, pursuant to MCA Circulars and SEBI Circular, the AGM will be held through VC/OAVM and the physical attendance of Members in any case has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this Annual General Meeting and hence the Proxy Form is not annexed to this Notice. The attendance of the members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act. However, the Body Corporates are entitled to appoint authorised representatives to attend the EGM/AGM

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- through VC/OAVM and participate there at and cast their votes through e-voting.
11. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for all members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
 12. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
 13. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
 14. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.velsfilminternational.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e National Stock Exchange of India Limited at www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
 15. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020, MCA Circular No. 2/2021 dated January 13, 2021 and General Circular No. 09/2023 dated September 25, 2023.
 16. PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS AND THE SEBI CIRCULAR, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE, THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.
 17. Institutional Investors, who are Members of the Company, are encouraged to attend and vote at the AGM through VC/OAVM facility. Corporate Members intending to appoint their authorized representatives to attend the AGM through VC or OAVM and to vote thereat through remote e-Voting are requested to send a certified copy of the Board Resolution to the Scrutinizer by e-mail to prabakar@bpcorpadvisors.com with a copy marked to evoting@nsdl.com
 18. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
 19. Further, on account of the threat posed by COVID-19 and in terms of the MCA Circulars and the SEBI Circular, the Company is sending this AGM Notice along with the Annual Report for FY 2023-24 in electronic form only to those Members whose e-mail addresses are registered with the Company/ Depositories. The Notice convening the AGM and the Annual Report for FY 2023-24 has been uploaded on the website of the Company at www.velsfilminternational.com and may also be accessed from the relevant section of the websites of the Stock Exchange i.e. NSE Limited ("NSE") at www.nseindia.com. The AGM Notice is also available on the website of NSDL at www.evoting.nsdl.com.

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20. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 24th September, 2024 to Monday, 30th September, 2024 (both days inclusive).
21. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, registering of nomination and power of attorney, Bank Mandate details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DP in case the shares are held in electronic form and to the RTA in case the shares are held in physical form.
22. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the Company's RTA. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.
23. Members desiring inspection of statutory registers during the AGM may send their request in writing to the Company at compliance@velsfilminternational.com
24. Members who wish to inspect the relevant documents referred to in the Notice can send an e-mail to compliance@velsfilminternational.com up to the date of the AGM.
25. This AGM Notice is being sent by e-mail only to those eligible Members who have already registered their e-mail address with the Depositories/the DP/the Company's RTA/the Company.
26. For permanent registration of their e-mail address, Members are requested to register their e-mail address, in respect of electronic holdings, with their concerned DP and in respect of physical holdings, with the RTA.
27. Those Members who have already registered their e-mail addresses are requested to keep their e-mail addresses validated with their DP/RTA to enable servicing of notices/documents/Annual Reports and other communications electronically to their e-mail address in future.
28. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. 23rd

September, 2024 may obtain the login ID and password by sending a request at evoting@nsdl.com or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on 022 - 4886 7000. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. 23th September, 2024 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period commences on Friday 27th September, 2024 (9:00 am IST) and ends on Sunday 29th September, 2024 (5:00 pm IST). During this period members of the Company whose names appear in the Register of Members / Beneficial Owners, holding shares in dematerialized form, as on the cut-off date i.e. 23rd September, 2024, may cast their vote by electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on resolutions is cast by the member, the member shall not be allowed to change it subsequently. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 23rd September, 2024.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:




Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat Mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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Login method for Individual shareholders holding securities in demat mode is given below:

Type of Share holders	Login Method
Individual Share holders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>    </div>
Individual Share holders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the

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	<p>meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.</p> <p>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>						
<p>Individual Share holders holding securities in demat mode login through depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>						
<p>Important note: Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at abovementioned website.</p> <p>Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL</p> <table border="0" data-bbox="295 1113 1380 1417"> <thead> <tr> <th data-bbox="295 1113 779 1144">Login type</th> <th data-bbox="779 1113 1380 1144">Helpdesk details</th> </tr> </thead> <tbody> <tr> <td data-bbox="295 1144 779 1270">Individual Shareholders holding securities in demat mode with NSDL</td> <td data-bbox="779 1144 1380 1270">Membersfacing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022- 4886 7000</td> </tr> <tr> <td data-bbox="295 1270 779 1417">Individual Shareholders holding securities in demat mode with CSDL</td> <td data-bbox="779 1270 1380 1417">Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact toll free no.: 1800-21-09911</td> </tr> </tbody> </table> <p>B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode. <u>How to Log-in to NSDL e-Voting website?</u></p> <p><u>How to Log-in to NSDL e-Voting website?</u></p> <ol data-bbox="295 1543 1380 1743" style="list-style-type: none"> 1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. 2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. 3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen. 		Login type	Helpdesk details	Individual Shareholders holding securities in demat mode with NSDL	Membersfacing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022- 4886 7000	Individual Shareholders holding securities in demat mode with CSDL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact toll free no.: 1800-21-09911
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Individual Shareholders holding securities in demat mode with CSDL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact toll free no.: 1800-21-09911						

VELS FILM INTERNATIONAL LIMITED

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsd.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

Your User ID details are given below

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client IDFor example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary IDFor example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the companyFor example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c. How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsd.com.
 - b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsd.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

VELS FILM INTERNATIONAL LIMITED

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolutions, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to prabakar@bpcorpadvisors.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to (Name of NSDL Official) at evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. Shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to compliance@velsfilminternational.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
2. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
3. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting

VELS FILM INTERNATIONAL LIMITED

2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at compliance@velsfilminternational.com. The same will be replied by the company suitably.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES & COMPANY/RTA:

- For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
- For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-voting & joining virtual meetings through Depository.
- If you have any queries or issues regarding attending AGM & e-Voting from the NSDL e-Voting System, you can write an email to helpdesk.evoting@nsdlindia.com or contact at toll free no. 1800 22 55 33
- All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

Registered Office:

521/2, Anna Salai,
Nandanam,
Chennai – 600 042

EmailID: compliance@velsfilminternational.com

Website: www.velsfilminternational.com

Contact No: +91 81483 52197

By order of the Board of Directors,
For Vels Film International Limited

- Sd -

SAMPATH KUMAR SUJATHA

Company Secretary &
Compliance Officer

Place : Chennai

Date : 31.08.2024

ANNEXURE TO NOTICE

**Details of the Directors seeking re-appointment/ appointment at the
Forthcoming Annual General Meeting (In pursuance of Regulations 26(4) and 36(3)
of the Listing Regulations and Secretarial Standard-2 on General Meetings)**

Name of the Director	Mrs. Arthi Ganesh
Date of Birth	11 th November 1973
Age	51 years
Qualifications	Under Graduation in Computer Science from SSN College of Engineering, and Post-Graduation in Management & Political Science from London School of Economics
Experience (including expertise in specific functional area) / Brief Resume	At our company she overlooks operations & distribution of films. She has been involved in project overview, script finalization, project cost analysis.
Terms and Conditions of Re-appointment	Non - Executive & Non - Independent Director
Remuneration last drawn (including sitting fees, if any) (FY2023-24)	NIL
Remuneration proposed to be paid	NIL
Date of first appointment on the Board	
Shareholding in the Company including shareholding as a beneficial owner as on 31 st March, 2024	27,000 Equity Shares
Relationship with other Directors / Key Managerial Personnel	Yes, related to Dr. Ishari K. Ganesh, Managing Director and Other Directors of the Company
Number of meetings of the Board attended	10
Directorships of other Boards as on 31 st March, 2024	Annexure -1
Membership / Chairmanship of Committees of other Boards as on 31 st March, 2024	NIL

VELS FILM INTERNATIONAL LIMITED

Sl. No	Names of the Companies / bodies corporate/ firms/ association of individuals	Nature of interest or concern / Change in interest or concern	Share holding Percentage	Date on which interest or concern arose / changed
1.	SQUARE FOUNDATIONS LLP	Designated Partner	-	26-04-2012
2.	G N PROPERTY LLP	Designated Partner	-	17-12-2015
3.	KUSHMITHA FOUNDATIONS PRIVATE LIMITED	Director	21.11%	23-04-2002
4.	ARTHI ASSOCIATES PRIVATE LIMITED	Managing Director	28.60%	13-02-2002
5.	VG PARK BEACH RESORTS PRIVATE LIMITED	Director	29%	25-01-2008
6.	VELS AVIATION SERVICES IFSC PRIVATE LIMITED	Director	-	14-05-2021
7.	MADRAS ELEPHANT ESTATE PRIVATE LIMITED	Additional Director	-	24-08-2020
8.	VGS ESTATES PRIVATE LIMITED	Director	0.08%	16-11-2009
9.	CYBERNEXA INFOTECH PRIVATE LIMITED	Director	-	05-10-2018
10.	PRABHUDEVA STUDIOS PRIVATE LIMITED	Director	-	25-07-2019
11.	VELS STUDIOS AND ENTERTAINMENT PRIVATE LIMITED	Director	01.90%	08.02.2021
12.	VAEL'S INTERNATIONAL ACADEMY FOR EXCELLENCE PRIVATE LIMITED	Additional Director	-	28-07-2010
13.	BMMT INSTITUTE OF EDUCATION	Director	49%	26-02-2015
14.	VEL EDUCATION LIMITED (LONDON)	Shareholder	50%	06.12.2021
15.	KINDLE KIDS INTERNATIONAL SCHOOL PTE LTD (SINGAPORE)	Shareholder	24.98%	19.06.2018
16.	18 DEGREES LAB PTE LTD (SINGAPORE)	Shareholder	10.00%	20.11.2014
17.	VELS FC PRIVATE LIMITED	Director and Shareholder	50.00%	11.10.2023

ANNEXURE- I

STATEMENT IN PURSUANCE OF SECTION 102(1) OF THE COMPANIES ACT, 2013

Statement with respect to items under Special Business covered in the Notice of Meeting are given below:

3. Appointment of Shri RANGASAMY SIVAKUMAR as an Independent Director

The members are informed that on the recommendation of Nomination & Remuneration Committee at their meeting held on 08th June 2024, the Board of Directors has appointed Mr. Rangasamy Sivakumar (DIN: 08336763 and Independent Director Reg.No: IDDB-DI-202406-060356) as an Additional Director in the capacity of Non- Executive and Independent Director with effect from 08th June 2024 and he holds office up to the ensuing General Meeting of the Company. In line with the provisions of the Companies Act, 2013, the Nomination and Remuneration Committee of the Board has recommended the appointment of Mr. Rangasamy Sivakumar as Independent Director of the Board for a term of 05 (five) consecutive years. Accordingly, it is proposed to appoint Mr. Rangasamy Sivakumar, as the Independent Director of the Company for a term of 05 (five) consecutive years on the Board with effect from 08th June 2024 to 07th June 2029 and shall not liable to retire by rotation.

Mr. Rangasamy Sivakumar is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act 2013 and has given his consent in writing to act as an Independent Director of the Company.

The Company has also received a declaration from him that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, he fulfills the conditions specified in the Act and Listing Regulations and he is independent of the management.

Except Mr. Rangasamy Sivakumar none of the Directors and/or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution except and to the extent they are members of the Company. The Board recommends his appointment as an Independent Director on the Board of Directors of the Company for a term of five consecutive years with effect from 08th June 2024 and not liable to retire by rotation.

**Details of the Directors seeking re-appointment /
appointment at the Forthcoming Annual General Meeting
(In pursuance of Regulations 26(4) and 36(3) of the Listing
Regulations and Secretarial Standard-2 on General Meetings**

Name of the Director	Mr. Rangasamy Sivakumar
Date of Birth	15.09.1951
Age	73 YEARS
Qualifications	M.A., Ph. D.,
Experience (including expertise in specific functional area) / Brief Resume	Retired Associate Professor of English, Presidency College, Chennai
Terms and Conditions of Re-appointment	5 years
Remuneration last drawn (including sitting fees, if any) (FY2023-24)	nil
Remuneration proposed to be paid	nil
Date of first appointment on the Board	18.01.2019
Shareholding in the Company including shareholding as a beneficial owner as on 31 st March, 2024	Nil
Relationship with other Directors / Key Managerial Personnel	Nil
Number of meetings of the Board attended	Nil
Directorships of other Boards as on 31 st March, 2024	KUMARAN SPORTS COMPLEX LLP
Membership / Chairmanship of Committees of other Boards as on 31 st March, 2024	NIL

BOARD'S REPORT

To,
The Members of

VELS FILM INTERNATIONAL LIMITED

Your Directors are pleased to present the 5TH Annual Report of your company together with Audited Financial statements for the year ended March 31, 2024.

1. FINANCIAL PERFORMANCE AND HIGHLIGHTS

Your Company's performance during the year ended March 31, 2024 as compared to the previous financial year, is summarized as below-

STANDALONE:

(Rs. In '000)

Particulars	Year ended 31 st March, 2024	Year ended 31 st March, 2023
Turnover	1,07,530.24	54,43,66.21
Other Income	34,325.14	32,512.63
Total Income (Gross)	1,41,855.38	5,76,878.84
Total Expenditure	3,12,199.60	4,88,572.17
Profit / (Loss)before Tax	(1,70,344.23)	88,306.67
Less: Tax expenses:		
1. Current Tax	-	22,500
2. Deferred tax	35,823.83	(39.73)
Profit/ (Loss) after tax	(1,34,520.40)	65,846.40

CONSOLIDATED:

(Rs. In '000)

Particulars	Year ended 31 st March, 2024	Year ended 31 st March, 2023
Turnover	3,95,383.83	5,99,212.43
Other Income	21,655.90	12,737.67
Total Income (Gross)	3,97,549.73	6,11,950.10
Total Expenditure	7,44,299.77	5,84,248.87
Profit / (Loss)before Tax	(4,65,401.67)	27,701.23
Less: Tax expenses:		
1. Current Tax	-	22,500
2. Deferred tax	35,823.83	(39733.78)
Minority's share of interest	(65,306.67)	(9121.73)
Profit/ (Loss) after tax	(36,42,71.19)	14,362.69

2. DETAILS OF REVISION OF FINANCIAL STATEMENTS OR BOARD'S REPORT

Your Company has not revised the financial statements or Boards Report during the year.

3. AMOUNT, WHICH THE BOARD PROPOSES TO CARRY ANY RESERVES

During the year, the Company has transferred the net loss of Rs. 1345.20 lakhs to Reserves. The Total reserves & surplus for the year ended 31st March 2024 stood at Rs. 3407.05 (In Lakhs)

4. DIVIDEND

During the year the Company has incurred a net loss of Rs. 1345.20 Lakhs and the Board of Directors of the Company have not recommended any dividend for the FY 2023-24.

5. PERFORMANCE REVIEW

The Company's Revenue from operation for 2023-24 was Rs.1075.30 Lakhs as compared with Rs.5443.66 Lakhs during the previous year. The Company has resulted in a net loss after tax of Rs.1345.20 lakhs compared with a net profit after tax of Rs.658.46 Lakhs during the last year.

6. STATE OF AFFAIRS AND FUTURE OUTLOOK

a) State of the company's affairs: During the year under review ended on 31st March 2024, your Company has earned Standalone loss of Rs. 1,34,520.40/- (in Thousands) and Consolidated loss of Rs.3,64,271.18/- (in Thousands) against the Standalone profit of Rs. 65,846.40/- (in Thousands) and Consolidated Profit of Rs. 52,40.96 (in Thousands) for the corresponding period ended 31st March 2023

b) The Earnings per share (basic) were at Rs. (10.42) stood as on 31st March 2024 against Rs. 6.86 for the previous year. The company got listed in NSE and shares are traded at the SME platform of a nationwide Stock Exchange.

c) Change in the nature of business: No change in the Nature of Business.

d) Material changes and commitments, if any, affecting the financial position of the company which has occurred between the end of the financial year of the company to which the Financial Statements relates and the date of the Report: Nil

7. CAPITAL STRUCTURE

The share capital of the Company as on 31st March 2024 is as mentioned below:

VELS FILM INTERNATIONAL LIMITED

Particulars	No. of Shares	Amount (in Rs.)	
Authorised Capital	Equity Shares of Rs. 10 each	2,00,00,000	20,00,00,000
Issued, Subscribed and Paid-up Capital	Equity Shares of Rs. 10 each	1,29,08,000	12,90,80,000

Increase in Authorised Share capital:

- During the reporting period, the Authorised share capital of the Company has not been increased .

Further during the Company has not issued

- Equity shares with Differential Rights
- Sweat Equity Shares
- Employee Stock options
- Shares to Trustees for Benefit of Employees
- Other securities which carries a right or option to convert into equity shares

8. MANAGEMENT DISCUSSION AND ANALYSIS

A detailed report on Management Discussion and Analysis (MDA) Report as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is included in this Report as Annexure-I.

9. STATEMENT OF UTILIZATION OF FUNDS RAISED THROUGH IPO UNDER REGULATION 32(1) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURES REQUIREMENTS) REGULATIONS, 2015

During the year under review, the Company has come up with Initial Public offer of 34,08,000 Equity Shares for cash at a price of Rs. 99/- per Equity Shares (including a premium of Rs. 89/- per Equity Shares), aggregating to Rs.33.73 Crores. Pursuant to Regulation 32(1)(a) and 32(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company hereby states that: There was no deviation(s) or variation(s) in the utilization of public issue proceeds from the objects as stated in the prospectus dated 27th February 2023.

10. ANNUAL RETURN

The details forming part of Annual Return as required under Section 92 of the Companies Act, 2013 will be made available at the website of the Company at <https://velsfilminternational.com/>

11. NUMBER OF BOARD MEETINGS

Dates for Board Meetings are well decided in advance and communicated to the Board and the intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the Listing Agreement. The information as required under Regulation 17(7) read with Schedule II Part A of the LODR is made available to the Board. The agenda and explanatory notes are sent to the Board in advance. The Board periodically reviews compliance reports of all laws applicable to the Company.

The Directors of the Company met 10 Times during the financial year 2023-2024.

S. No	Date of Meeting	No of Director entitled to attend the Meeting	No of Director present at the meeting
1.	25.5.2023	6	6
2.	07.6.2023	6	6
3.	05.7.2023	6	6
4.	20.7.2023	6	6
5.	31.7.2023	6	5
6.	31.8.2023	6	6
7.	14.11.2023	6	5
8.	04.1.2024	6	6
9.	19.01.2024	6	6
10.	08.3.2024	5	5

12. CREDIT RATING

No Credit Rating was required to be obtained by the company.

13. COMPOSITION OF AUDIT COMMITTEE

Your Company has formed an Audit Committee as per the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. All members of the Audit Committee possess strong knowledge of accounting and financial management. During the year there are 04 (Four) meeting of an Audit committee was held, i.e. on 25.05.2023, 07.06.2023, 09.09.2023 and 14.11.2023. The primary objective of the Audit Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the Management, the

VELS FILM INTERNATIONAL LIMITED

statutory auditor and notes the processes and safeguards employed by each of them. Further, the Audit Committee is also functional as per the provision of Section 177 of Companies Act, 2013 and Rules made thereunder and as per Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

14. COMPOSITION OF NOMINATION & REMUNERATION COMMITTEE

Your Company has formed a Nomination & Remuneration Committee to lay down norms for determination of remuneration of the executive as well as non-executive directors and executives at all levels of the Company. The Nomination & Remuneration committee has been assigned to approve and settle the remuneration package with optimum blending of monetary and non-monetary outlay. During the year there are 02 (Two) meeting of Nomination & Remuneration committee was held i.e. on 20.07.2023, 02.03.2024

15. DISCLOSURES PERTAINING TO CORPORATE SOCIAL RESPONSIBILITY

The Company has actively supported various initiatives in the areas of Health and Education during the Year. Details about the CSR policy and initiatives taken by the Company during the Financial Year 2023-24 is annexed to this report (Annexure III).

16. COMPOSITION OF STAKEHOLDERS RELATIONSHIP COMMITTEE

The terms of reference are in line with Section 178 of the Companies Act, 2013 and Regulation 20 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year 01 (One) meeting of a Stakeholders Relationship Committee was held, i.e. on 02.03.2024.

Following are the details and attendance of Directors during the Board Meetings as well as its Committee:

S No	Board of Directors	B.M	Audit Committee	NRC	Stake holders committee	CSR Committee
	No of Meetings	10	4	2	1	1
1	Ishari Ganesh Kadhivelan	10	4	NA	NA	NA
2	Arthi	10	NA	2	1	NA

3	Preethaa Ganesh	9	NA	NA	NA	NA
4	*Sankara Mudaliar Jagadeesan	8	3	2	NA	1
5	Thummala Gangatharan Balaji	10	4	2	1	1
6	Sangeetha Santharam	9	NA	NA	1	1

*Resigned w.e.f 08th March 2024

17. RELATED PARTY TRANSACTIONS

All contracts/ arrangements/ transactions entered by the Company during the FY 2023-24 with related parties were on an arm's length basis and in the ordinary course of business. Brief of Related Party Transaction's pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are attached in Form AOC-2 as Annexure-III.

18. CORPORATE GOVERNANCE

Your company being responsible corporate citizen provides utmost importance to best Corporate Governance practices and always works in the best interest of its stakeholders. Your company has incorporated the appropriate standards for corporate governance. Pursuant to Regulation 15 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, The Company is not obligated to comply with provisions of certain regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

19. RISK MANAGEMENT

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified are systematically addressed through mitigating actions on a continuing basis. These are discussed at the Meetings of the Audit Committee and the Board of Director of the Company.

20. DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the Provisions of Section 152 & 203 of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Following changes in composition of Board of Director as on the date of report.

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S. No	Name of the Director	Designation	Date of Appt	Date of Cessation
1	Ishari Ganesh Kadhirvelan	Managing Director	25/10/2019	-
2	Arthi	Director	25/10/2019	-
3	Preethaa Ganesh	Director	25/10/2019	-
4	Thummala Gangatharan Balaji	Independent Director	30/04/2022	-
5	Sankara Mudaliar Jagadeesan	Independent Director	30/04/2022	08/3/24
6	Sangeetha Santharam	Independent Director	30/04/2022	-
7	Sampath Kumar Sujatha	Company Secretary	30/04/2022	-
8	Srinivasan Rajagopal	Chief Financial Officer	20/7/2023	-
9	Vadasiruvelur Rajavelu Arasu	Chief Executive Officer	31/07/2024	21/06/24
10	Rangasamy Sivakumar	Independent Director (Addl. Dire)	08/06/24	-

However, the composition of the Board of Directors and Key Managerial Personnel remains same, with the exception of Mr. Sankara Mudaliar Jagadeesan, who has resigned from his role as Director with effect from 08th March, 2024.

Mr. Rangasamy Sivakumar was appointed as an Additional Director (Nonexecutive and Independent) w.e.f 08th June 2024 for a period of 5(five) years and who shall hold office till the date of the ensuing annual general meeting.

21. STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS

All Independent Directors have given declarations that they comply the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 and as per SEBI (LODR) Regulations, 2015.

22. BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 the Nomination and Remuneration Committee has carried out an Annual Performance Evaluation of the Board and of the Individual Directors has been made. During the year, the Evaluation cycle was completed by the Company internally which included the evaluation of the Board as a whole, Board Committees and Directors. The Evaluation process focused on various aspects of the Board and Committees functioning such as composition of

the Board and Committees, experience, performance of duties and governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors on parameters such as contribution, independent judgment and guidance and support provided to the Management.

The results of the evaluation were shared with the Board, Chairman of respective Committees and individual Directors.

23. REMUNERATION POLICY

The Board of Directors on the recommendation of the Nomination & Remuneration Committee has framed a Policy for Directors, Key Managerial Personnel and other Senior Managerial Personnel of the Company, in accordance with the requirements of the provisions of Section 178 of the Companies Act, 2013 and Listing Regulations. The website link for the policy is –

<https://velsfilminternational.com/nomination-and-remuneration-policy-2/>

24. DISCLOSURE REGARDING FRAUDS

There are no frauds reported during 2023-2024.

25. DETAILS OF VALUATION MADE WHILE TAKING LOAN FROM BANK OR FINANCIAL INSTITUTION :

The requirement to disclose details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the banks or financial institution along with the reasons thereof is not applicable

26. DETAILS OF APPLICATION MADE OR PROCEEDING PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE 2016

No application has been made under the insolvency and bankruptcy code: hence the requirement to disclose the details of application made or any proceeding pending under the insolvency and bankruptcy code 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable

27. LOAN FROM DIRECTORS AND RELATIVES :

The Company has outstanding loan as on 31st March 2024 from the directors as follows;

Name of Director	Director Relative	Amount Outstanding (Rs.)
Ishari Ganesh Kadhirvelan	Managing Director	26,60,66,600
Vels Film International (Proprietor)	Proprietor concern of Director	4,83,28,474

28. AUDITORS

Statutory Auditor:

The Company's Statutory Auditor M/s. S R B R & Associates LLP , Chartered Accountants, Chennai (Firm Registration No.004997S/S200051) was appointed in the Annual General Meeting held on 31ST December 2020 for a term of 5 years to hold office till the conclusion of AGM of the Company to be held in the year 2025. Pursuant to provisions of Section 143(12) of the Companies Act, 2013, as amended from time to time, the Statutory Auditors have not reported any incident of fraud to the Audit Committee during the year under review.

Secretarial Auditor:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. BP and Associates Practicing Company Secretaries to undertake the Secretarial Audit for F.Y 2023-24. Otherwise except as mentioned in the secretarial audit report, does not contain any qualifications, reservations, or adverse remarks or disclaimer. The Management has taken on record the remarks and it will duly comply it. The Board will adhere to all others Rules and Regulations has stipulated. The said report is attached to this report Annexure-IV.

Internal Auditor:

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014, the Board based on the Recommendation of Audit Committee, appointed M/s. S B N & Co., Chartered Accountants, Chennai as Internal Auditor of the Company for conducting internal audit of the Company for F.Y 2023-24.

29. DISCLOSURE UNDER SCHEDULE V (F) OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Your Company does not have any unclaimed shares issued in physical form pursuant to public issue/ Right issue.

30. SUBSIDIARY AND ASSOCIATE COMPANY

- Subsidiary Company- Vels Studios and Entertainment Private Limited
- Associate Company- Nil
- A statement containing salient features of the financial statements of Company's Subsidiary is given in the prescribed Form AOC-1 as an Annexure-V.

31. MATERIAL ORDERS OF REGULATORS

No such orders/event took place during the period under review.

32. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. The Company has implemented a vigil mechanism to provide a framework for the Company's employees and Directors to promote responsible and secure whistle blowing. It protects employees who raise a concern about serious irregularities within the Company.

33. DETAILS OF REMUNERATION OF EMPLOYEES

None of the Employees come under the Rule 5(2) of the companies (Appointment and remuneration of Managerial personnel) Rules 2014.

The Statement containing such particulars of employees as required in terms of provision of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies of Section 197(12) of the Act read with rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of the Annual Report. Pursuant to the provision of the Section 136(1) of the Companies Act, 2013, the reports and accounts, as set out therein, are being sent to all the members of the Company, excluding the aforesaid information and the same is open for inspection at the registered office of the Company during working hours upto the date of the Annual General Meeting and if any members are interested in obtaining such information, may write to the Director at the Registered Office of the Company in this regard.

34. DEPOSITS

During the period under review, the Company had not accepted any fixed deposits with the meaning of Section 73 to 76 of the Companies Act, 2013.

35. LOANS, GUARANTEES OR INVESTMENTS

During the Year under review the Company has not given any loan or provided any guarantee or security in favour of other parties and has also not made any investment of its fund with any other party under Section 186 of Companies Act, 2013. However, the Company has an outstanding balance of Loans and advances given towards its subsidiary Company M/s. Vels Studios and Entertainment Private Limited of Rs. 53,05,35,588/

36. MATERIAL CHANGES AND COMMITMENTS BETWEEN THE DATE OF THE BALANCE SHEET AND THE DATE OF REPORT

There have no material changes and commitments affecting the financial position of the Company which have occurred between the date of the Balance Sheet and the date of this Report.

There are no any significant and material orders passed by the Regulators/ Courts which would impact the going concern status of the Company and its future operations.

37. ENERGY CONSERVATION, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

(a) Conservation of Energy:

We continue to strengthen our energy conservation efforts. We are always in lookout for energy efficient measures for operation, and value conservation of energy through usage of latest technologies for quality of services. Although the equipment's used by the Company are not energy sensitive by their very nature, still the Company is making best possible efforts for conservation of energy, which assures that the computers and all other equipment's purchased by the Company strictly adhere to environmental standards, and they make optimum utilization of energy.

(b) Absorption of Technology:

In this era of competition, in order to maintain and increase the clients and customers, we need to provide best quality services to our clients and customers at minimum cost, which is not possible without innovation, and adapting to the latest technology available in the market for providing the services.

(c) Foreign Exchange Earnings and Outgo:

Foreign Exchange Earnings 163.12 Lakhs and Foreign Exchange Outgo Nil during the F.Y 2023-24.

(d) Research & Development:

The Company believes that in order to improve the quality and standards of services, the Company should have a progressive Research and Development Process, which should keep on increasing along with the scale of operations of the Company.

38. STATEMENT PURSUANT TO SECTION 197(2) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in this Report as Annexure-VI which forms a part of this Report.

39. DETAILS OF SICKNESS OF THE COMPANY

Not Applicable to the company

40. FAILURE TO COMPLETE BUY BACK

Not Applicable to the company

41. COST AUDITOR AND COST AUDIT REPORT

Your company does not come under the ambit of section 148 of the Companies Act, 2013. Hence appointment of cost auditor and cost audit report does not apply to the company.

42. EXPLANATIONS IN RESPONSE TO AUDITORS' QUALIFICATIONS

The Auditors' Report on the Balance Sheet and Profit and Loss Account for the Year ending 31st March 2024 is self-explanatory and contains no qualification, reservations, adverse remarks and disclaimer.

43. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices, the website link is available at – www.velsfilminternational.com.

44. INTERNAL FINANCIAL CONTROLS

The Company has put in place an adequate system of internal financial controls with respect to the Financial Statement and commensurate with its size and nature of business which helps in ensuring the orderly and efficient conduct of business. No reportable material weakness in the operation was observed.

45. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees including directors of the Company to report genuine concerns. The provisions of this policy are in line with the provisions of the Section

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177(9) of the Act and as per SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

46. OBLIGATION OF YOUR COMPANY UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

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 in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. The below table provides details of complaints received/disposed during financial year 2022-23:

Number of complaints at the beginning of the financial year: Nil

No. of complaints filed during the financial year: Nil

No. of complaints disposed during the financial year: Nil

No. of complaints pending at the end of the financial year: Nil

47. DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to the requirement clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- ii. They 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 the Company at the end of the financial year and of the profit and loss of the Company for that period;
- iii. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. They have prepared the annual accounts on a going concern basis;
- v. They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively ; and
- vi. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

48. COMPLIANCE OF SECRETARIAL STANDARDS 1 AND 2

Your Directors confirms that pursuant to Section 118(10) of the Companies Act, 2013, applicable Secretarial Standards, i.e. SS-1 and SS- 2, pertaining to Meeting of Board of Directors and General Meetings, respectively specified by the Institute of Company Secretaries of India (ICSI) have been duly complied by the Company. The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

49. CFO CERTIFICATION

The Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17 (8) of the Listing Obligations. The Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations. The Annual Certificate given by the Chief Financial Officer is attached in Annexure-6.

50. ACKNOWLEDGEMENT

Your company wishes to place this on record with appreciation to all Employees, Investors, vendors and Bankers for their continued support during the year. We are grateful to the various authorities like Tax Departments of Central and State Departments, Tax authorities, Ministry of Corporate Affairs, NSDL, CDSL and the National Stock Exchange of India Limited for their continued cooperation. We place on record our appreciation of the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

For and Behalf of
The Board of Directors of
Vels Film International Limited

-sd-
Dr. Ishari K Ganesh
Managing Director
(Din: 00269445)

-sd-
Dr. Arthi Ganesh
Director
(Din:00568101)

Place : Chennai
Date : 31.08.2024

ANNEXURE - I

MANAGEMENT DISCUSSION ANALYSIS REPORT

INDIAN ECONOMY INSIGHTS

- **India's economy – steady as she goes**
 - The **Economic Survey** conservatively projects a real GDP growth of 6.5–7 per cent, with risks evenly balanced.
 - India's **real GDP** grew by 8.2 per cent in FY24, exceeding 8 per cent mark in three out of four quarters of FY24.
 - On supply side, **Gross value added (GVA)** grew by 7.2 per cent in FY24 (at 2011-12 prices) and net taxes at constant prices grew by 19.1 per cent in FY24.
 - The **retail inflation** reduced from 6.7 per cent in FY23 to 5.4 per cent in FY24.
 - Current Account Deficit (CAD) stood at 0.7 per cent of the GDP during FY24, an improvement from the deficit of 2.0 per cent of GDP in FY23.
 - 55% of tax collected accrued from direct taxes and remaining 45% from indirect taxes.
 - Government has been able to ensure free food grains to 81.4 Crore people. Total expenditure allotted to capital spending have progressively enhanced.
- **Monetary Management and Financial Intermediation- Stability is the Watchword**
 - **Credit disbursement by Scheduled Commercial Banks (SCBs)** stood at ¹ 164.3 lakh crore, growing by 20.2 per cent at the end of March 2024.
 - **Agriculture and allied activities** witnessed double digits growth in credit during FY24.
 - **Industrial credit growth** was 8.5 per cent compared to 5.2 per cent a year ago.
 - Primary capital markets facilitated **capital formation** of ¹ 10.9 lakh crore during FY24 (approximately 29 per cent of the gross fixed capital formation of private and public corporates during FY23).
 - **Financial inclusion** is not just a goal but also an enabler for sustainable economic growth, reduction of inequality and elimination of poverty.
- The next big challenge is Digital Financial Inclusion (DFI).
 - India poised to emerge as one of the fastest-growing insurance markets in the coming decade.
 - Indian microfinance sector emerges as the second largest in the world after China.
- **Prices and Inflation- Under Control**
 - The survey highlights that the inflation rate was stable, reflecting effective monetary policy management.
 - Central Government announced price cuts for LPG, petrol, and diesel. As a result, retail fuel inflation stayed low in FY24.
 - In August 2023, the price of domestic LPG cylinders was reduced by ¹ 200 per cylinder across all markets in India. Since then, LPG inflation has been in the deflationary zone.
 - Core services inflation eased to a nine-year low in FY24; at the same time, core goods inflation also declined to a four-year low.
 - In FY24, core consumer durables inflation declined due to an improved supply of key input materials to industries.
 - Agriculture sector faced challenges due to extreme weather events, depleted reservoirs, and crop damage, which impacted farm output and food prices.
- Food inflation stood at 6.6 per cent in FY23 and increased to 7.5 per cent in FY24.
- Government took appropriate administrative actions, including dynamic stock management, open market operations, subsidised provision of essential food items and trade policy measures, which helping to mitigate food inflation.
 - The survey emphasizes the need for targeted interventions to manage food prices effectively.
 - It makes a case for changing the inflation targeting framework of the central bank by excluding food inflation.
- **External Sector - Stability Amid Plenty**
 - India's external sector remained strong amidst on-going geopolitical headwinds accompanied by sticky inflation.
 - India's rank in the **World Bank's Logistics Performance Index** improved by six places, from 44th in 2018 to 38th in 2023, out of 139 countries.
 - The moderation in merchandise imports and rising services exports have improved

India's current account deficit which narrowed 0.7 per cent in FY24.

- o India is gaining market share in global exports of goods and services.
- Its share in global goods exports was 1.8 per cent in FY24, against an average of 1.7 per cent during FY16-FY20.
- India's services exports grew by 4.9 per cent to USD 341.1 billion in FY24, with growth largely driven by IT/software services and 'other' business services.
 - o India is the top remittance recipient country globally, with remittances reaching a milestone of USD 120 billion in 2023.
 - o **India's external debt** has been sustainable over the years, with the external debt to GDP ratio standing at 18.7 per cent at the end of March 2024.
- **Medium-Term Outlook – A Growth Strategy for New India**
- Key areas of policy focus in the short to medium term:
 - o job and skill creation,
 - o tapping the full potential of the agriculture sector,
 - o addressing MSME bottlenecks,
 - o managing India's green transition,
 - o deftly dealing with the Chinese conundrum,
 - o deepening the corporate bond market,
 - o tackling inequality and improving our young population's quality of health.
- Amrit Kaal's growth strategy based on six key areas:
 - o boosting private investment,
 - o expansion of MSMEs,
 - o agriculture as growth engine,
 - o financing green transition,
 - o bridging education-employment gap, and
 - o building capacity of States.

For Indian economy to grow at 7 per cent plus, a tripartite compact between the Union Government, State Governments and the private sector is required.

Outlook: 2023-24

Ten years ago, India was the 10th largest economy in the world, with a GDP of USD 1.9 trillion at current market prices. Today, it is the 5th largest with a GDP of USD 3.7 trillion (est. FY24), despite

the pandemic and despite inheriting an economy with macro imbalances and a broken financial sector. This ten-year journey is marked by several reforms, both substantive and incremental, which have significantly contributed to the country's economic progress. These reforms have also delivered an economic resilience that the country will need to deal with unanticipated global shocks in the future.

In the next three years, India is expected to become the third-largest economy in the world, with a GDP of USD 5 trillion. The government has, however, set a higher goal of becoming a 'developed country' by 2047. With the journey of reforms continuing, this goal is achievable. The reforms will be more purposeful and fruitful with the full participation of the state governments. The participation of the states will be fuller when reforms encompass changes in governance at the district, block, and village levels, making them citizen-friendly and small business-friendly and in areas such as health, education, land and labour in which states have a big role to play.

The strength of the domestic demand has driven the economy to a 7 per cent plus growth rate in the last three years. As discussed in the previous sections, the robustness seen in domestic demand, namely, private consumption and investment, traces its origin to the reforms and measures implemented by the government over the last ten years. The supply side has also been strengthened with investment in infrastructure – physical and digital – and measures that aim to boost manufacturing. These have combined to provide an impetus to economic activity in the country. Accordingly, in FY25, real GDP growth will likely be closer to 7 per cent.

There is, however, considerable scope for the growth rate to rise well above 7 per cent by 2030. The speed with which physical infrastructure is being built will allow the ICOR to decline, translating private investments into output quickly. The IBC has strengthened balance sheets and, in the process, has freed up economic capital that was otherwise rendered unproductive. The rapidly expanding digital infrastructure is continuously improving institutional efficiency. Technological progress is picking up pace with rising collaboration with foreign partners in the production of goods and services. Decisive steps have been taken to speed up human capital formation. Finally, the overall investment climate is increasingly becoming more favourable with sustained enhancement in the ease of doing business.

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The unification of the domestic markets brought in by the adoption of the GST incentivises production on a larger scale while reducing logistics costs. The expansion of the tax base that the GST facilitates will strengthen the finances of the Union and state governments, enabling growth-enhancing public expenditures. The rising credibility of the RBI in restraining inflation will anchor inflationary expectations, providing a stable interest rate environment for businesses and the public to make long-term investment and spending decisions, respectively.

According to the IMF, between 2012 and 2019, after the global economic crisis and the waning of the impact of the immediate stimulus measures taken by the affected countries in its wake, global economic growth at constant prices averaged 3.4 per cent. The growth rate was similar in the five-year period between 2014 and 2019. Between 2023 and 2028, the Fund's projected growth for the world economy is around 3.1 per cent. Further, data from the World Trade Organisation (WTO) show that, in value terms, world trade barely grew in either period (2012-19 or 2014-19). In volume terms, the growth rate averaged 2.4 per cent. Despite this insipid backdrop for global economic growth and trade growth, between 2014 and 2019, the compounded annual growth rate of the Indian economy at constant price was 7.4%. In other words, these data demonstrate the internal strengths of the Indian economy, which bestow on it the ability to grow notwithstanding unfavourable global economic conditions. Therefore, it is eminently possible for the Indian economy to grow in the coming years at a rate above 7 per cent on the strength of the financial sector and other recent and future structural reforms. Only the elevated risk of geopolitical conflicts is an area of concern. Priority areas for future reforms include skilling, learning outcomes, health, energy security, reduction in compliance burden for MSMEs, and gender balancing in the labour force. Furthermore, under a reasonable set of assumptions with respect to the inflation differentials and the exchange rate, India can aspire to become a USD 7 trillion economy in the next six to seven years (by 2030). This will be a significant milestone in the journey to delivering a quality of life and standard of living that match and exceed the aspirations of the Indian people.

Source : The Indian Economy – A Review Jan 2024

INDUSTRY REVIEW

The Indian Media and Entertainment Sector - Outlook

The growth rate in the Media and Entertainment ('M&E') sectors outperformed that of India's GDP growth rate. What makes this interesting is that the consumer spending in this sector is discretionary. With the per capita outlook for the Indian economy looking to increase several notches in the coming years, the consequent overall consumer spend outlook in the sector remains positive. In addition, favorable FDI policy in telecom and digital channels would impact investments trends positively across all segments. FICCI-EY Media & Entertainment (M&E) Report 2024, the Indian M&E sector will grow by INR 763 billion over 3 years to reach INR 3.1 trillion in 2026 registering a growth rate of 10% p.a. All Segments are expected to grow as long as GDP registers a growth of over 5%. Digital Media and Gaming are expected to contribute to 61% of this growth followed by VFX (9%) and Television (9%). As per the EY's M&E sector report of March 2024, #Reinvent, the film segment will continue to grow, driven by theatrical revenues as Hindi movies go mass market in their storytelling, incorporate more VFX to enhance the movie-going experience and expand more aggressively into tier-II and III cities. The report expects high-end cinemas to evolve into "experience zones" to cater to top-end multiplex audiences who watch movies for their spectacular experience and to enjoy an evening out with friends and family – a market they estimate at around over 100 million customers / 50 million households today. Additionally, the report expects a set of lower-priced "cinema products" will emerge for the next 100 to 150 million audiences across the top 50 to 75 cities of India, which will also require a change to the type of content being produced for these audiences, and which could even see regional OTT products releasing in a windowed manner.

India has less than 10,000 screens, and the highest deficit is in Hindi speaking markets and less than 100 million Indians visited a cinema hall in 2023. This points to the size of the opportunity that lies ahead of us.

1,796 films were released in theatres during 2023, 11% higher than in 2022. 339 Indian films released across 38 countries, up from 33 countries in the previous year. They generated a gross box office collection of INR19 billion, 19% more than 2022. The highest number of films were released in Telugu (317), Tamil (271), Kannada (241), Malayalam and Hindi (218 each).

VELS FILM INTERNATIONAL LIMITED

OUR BUSINESS

Our Company was incorporated in Chennai as “VELS Film International Limited” on 25th October, 2019 under the Companies Act, 2013 vide certificate of incorporation issued by the Registrar of Companies, Chennai, Tamil Nadu. The Corporate Identity Number of our Company is U74999TN2019PLC132235.

Our Company is primarily in the business of production of films and sale of film rights. Vels Film International Limited is the result of the vision of Dr. Ishari K Ganesh to produce feature films in various languages.

Our company is a member of South Indian Film Chamber of Commerce. The company's contribution to the South Indian Film Industry is growing in fast pace particularly to the Tamil Film Industry which is the third biggest in India. Dr. Ishari K. Ganesh's late father Shri Ishari Velan was a renowned comedian in Tamil Cinema of yesteryears and that inspired him to act in several films as well. Being born to a great actor and comedian, entering the film industry was a natural progression for Dr. Ishari K. Ganesh. Our promoter is involved in film industry since the movie 'Vaaku Moolam' in the year 1991. He has acted in multiple movies and the last movie in which he acted was S. Shankar's '2.0' which released in 2018.

Later our promoter started working in the education sector. With a modest beginning as a humble educationist, our Promoter, Dr. Ishari K. Ganesh, started the Vael's Educational Trust in the year 1992 with 36 students. In 2017, the Vels Group celebrated its 25 years of commitment to excellence in education with more than 25,000 students, 25 institutions and 5,000 staff with centers in Singapore and United Kingdom. His efforts to provide quality education to all sections of the society are renewed every year. Our promoter is an educationist, philanthropist and a business magnate.

After successfully setting up various schools, medical colleges and university in the year 2016 our promoter drifted his attention to film production in Tamil film industry in the memory of his actor father. He associated himself with Mr. Prabhu Deva, known for his choreography, and alongside him co-produced the film 'Devi' in 2016 along with other films. Later in 2019, 'LKG' was produced by M/s Vels Film International (sole proprietorship of our promoter). After producing few more films, we decided to corporatize our film production business and therefore formed Vels Film International Limited.

Following are the completed Projects under our production banner by our company since our incorporation in 2019:-

Mookuthi Amman , Kutty Story , Sumo , Joshua Imai Pol Kaakha , Vendhu Thanindhathu Kaadu , Singapore Saloon, Joshua, PT Sir , Chutney Sambar

1. The various ongoing projects are:

- a. Ahathiya (earlier named as Black & White)
- b. Corana Kumar
- c. Genie

SWOT ANALYSIS

a. Strengths:

- Achieved phenomenon growth in short timeframe.
- Highly task-oriented team.
- The growing middle class with higher disposable income.
- Multiplexes with prime locations with average ticket price & spread of OTT trend.

A. Weakness:

- The Entertainment sector in India is highly fragmented.
- Lack of familiarity in other regional language films segment.

B. Opportunities:

- Growing market conditions.
- Opening in other regional languages market.
- Avenues available in OTT and other digital platforms.
- Increase in no. of multiplexes.

C. Threats:

- Competition from established production houses.
- Change in government policies.
- Piracy, violation of intellectual property rights.
- Frequent changes in technology at high cost

INFORMATION SECURITY

We manage sensitive and confidential data for our clients. Maintaining the confidentiality, integrity and security of such data is of paramount importance to us. We have installed CCTV cameras, Biometric access, Password sensitive central storage for protection of classified data and intellectual property.

SALES AND MARKETING

A strong and robust sales and marketing team ensures pitching for prime projects at the

VELS FILM INTERNATIONAL LIMITED

appropriate time. The team ensures compatibility and reliability with the clients servicing their needs and requirements efficiently. This is the reason major clients continue to associate with our Company year on year. We have appointed a full-time public relation officer to facilitate the marketing goals.

COMPETITION

The competitive landscape within the Indian film industry is rapidly changing. The language in which we primarily produce the movies is 'Tamil'. We face competition from the regional players such as Sun Pictures, AGS Entertainment, Lyca Productions, etc. Our Company also faces competition from large players in the films and content streaming segments. Some of the companies that have entered this sector in past few years are Reliance, UTV, Eros and other players. Further, on digital platforms (OTT) we face competition from these players as well as the other local and international players. We compete with these companies to enter directly into deals with talent, such as actors and directors.

COLLABORATIONS / JOINT VENTURES

As on the date of the Annual Report, our Company has not entered into any technical or other collaboration or Joint venture.

HUMAN RESOURCE

We believe that our employees are the key to the success of our business. As on March 31st, 2024, we have the total strength of 13 full-time employees in various departments.

Our company does not enter into long term contracts with contractual based manpower. Company enters into short term (project based) contracts only with the 'key persons' involved in a film project such as Director(s), Actors, etc.

Our company pays to the manpower such as background artists, dance artists, spot boys, etc. involved in every film project on daily basis. From our past experience we believe that such manpower (excluding key persons) may vary from 60 to 120 personnel per film.

FINANCIAL REVIEW

In FY 24, the Company's total consolidated income stood at Rs.3953.84 lakhs as against Rs. 5992.12 Lakhs in FY 23. The company registered an EBIT loss of Rs. (3467.50)lakhs during the year as compared to a profit of Rs.277.01 lakhs in the previous year. The consolidated loss for the year stood at Rs.(4295.78) lakhs as compared to Rs.52.41 lakhs in FY 23.

RISK MANAGEMENT

The Risk Management framework includes Risk Management Policy and identification of risks at Company Level, Strategic Level and Operational level. The risk mitigation procedures associated with the business and prioritization of risks include scanning the business environment and having periodic risk review.

The risks associated with the Company's businesses are broadly classified in following categories:

- Economic Risk: Due to adverse political situations or downturn which may negatively impact the Company's organizational objectives. External events and factors beyond the control of the Company, such as politics, laws and regulations, can impact its business operations.
- Regulatory Risk: Due to government regulations or any other statutory violations and amendments, which may lead to litigations and loss of reputation.
- Operational Risk: Ability to attract and retain clients.

INTERNAL CONTROL SYSTEMS

The Company has adequate internal controls required in the nature of its business and operations. The company can safeguard its assets and financial transactions with adequate checks and balances, while adhering to accounting policies. Systems are reviewed and improved regularly. With the Company's budgetary control system, it monitors revenue and expenditure with actual vs. approved budget. The Company has its own corporate internal audit function which monitors and assesses the adequacy and effectiveness of the Internal Controls and Systems. Deviations from standard operating procedures are periodically reviewed and compliance is ensured.

Cautionary Statements

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations 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 influence the Company's operations include economic developments in India or globally, demand and supply conditions in the industry, changes in Government regulations, tax laws, litigations, employee relations and others.

ANNEXURE II

Annual Report on Corporate Social Responsibilities (CSR) Activities**1. Outline of the CSR Policy:**

Vels Film International Limited's Corporate Social Responsibility (CSR) policy is aimed at demonstrating care for the community through its focus on education & skill development. The CSR Policy includes the overview of projects or programs, contribution and adoption of the projects in the areas defined in the Schedule VII of the Companies Act 2013.

2. The Composition of the CSR Committee.

Name of Director	Designation/ Nature of Directorship	Number of of CSR meetings committee held during the year	Number of meetings of CSR committee attended during the year
Ishari Ganesh Kadhivelan	Managing Director	1	1
Mr. Sankara Mudaliar Jagadeesan	Independent Director	1	1
Thummala Gangatharan Balaji	Independent Director	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

<https://velsfilminternational.com/csr-policy-2/>

4. The Executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable – Not applicable to the company.

5. Average net profit of the company as per section 135(5) – Rs. 7,74,86,003/-

6.

- Two percent of average net profit of the company as per section 135(5) – Rs. 15,49,720/-
- Surplus arising out of the CSR projects or programmes or activities of the previous financial years – Nil
- Amount required to be set off for the financial year, if any- Nil
- Total CSR obligation for the financial year (6a+6b-6c) - Rs. 15,49,720/-

7. (a) CSR amount spent or unspent for the financial year: (In INR).

Total Amount Spent for for the Financial Year	Total Amount transferred to to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount (in Lakhs)	Date of transfer	Name of the Fund	Amount.	Date of transfer
Rs. 15,63,000	Nil	Nil	Nil	Nil	Nil

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b. Details of CSR amount spent against ongoing projects for the financial year:

SI No.	CSR Project or Program Name	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location	Amount allocated for the Project	Amount transferred to Unspent CSR Account for the project as per section 135(6).	Amount spent directly or through external agency	Mode of Implementation– Through Implementing Agency Name & CSR Registration Number
NIL								

c. Details of CSR amount spent against other than ongoing projects for the financial year:

SI No.	CSR Project or Program Name	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Amount Spent on the Project or Programme	Location of project or Programme	Amount spent directly or through external agency	Mode of Implementation– Through Implementing Agency Name & CSR Registration Number
	Education	Education	Yes	Rs. 15,63,000/-	Chennai	Through External Agency	Vaels Educational Trust (CSR 00026001)

(d) Amount spent in Administrative Overheads: Nil

(e) Amount Spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Nil

(g) Excess amount for set off, if any: Nil

8.

a. Details of Unspent CSR amount for the preceding three financial years: Nil

b. Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil

9. Whether any capital assets have been created or acquired through CSR amount spent in the Financial Year- No

10. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) – Not Applicable.

S/d

ISHARI GANESH KADHIRVELAN

DIN: 00269445

Managing Director

S/d

THUMMALA GANGATHARAN BALAJI

Chairman of CSR Committee

Place: Chennai

Date: 31.08.2024

VELS FILM INTERNATIONAL LIMITED**ANNEXURE – III
Form No. AOC -2
FOR THE FINANCIAL YEAR 2023-24**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain Arm's Length Transactions under third provision thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Slient terms of the contracts or arrangements including the value if any (Amt. in Rs.)	Justification for entering into such contracts or arrangements or transactions	Date of Approval by the Board	Amount as paid advances, if any	Date on which the special resolution was passed in General Meeting as required under first proviso to section 188
NIL							

2. Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party and nature of of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements including the value, if any (Amount in Rs.)	Date of Approval by the Board	Amount paid as advances, if any
Ms. Preethaa Ganesh	Rent paid	2023-24	60,000	25/05/2023	NA
Ms. Kushmitha Ganesh	Rent Paid	2023-24	60,000	25/05/2023	NA

On behalf of the Board of Directors
FOR VELS FILM INTERNATIONAL LIMITED

- Sd -

Dr. Ishari K. Ganesh
Managing Director
DIN : 00269445

- Sd -

Dr. Arthi Ganesh
Director
DIN : 00568101

Place: Chennai
Date: 31.08.2024

ANNEXURE - IV

Form No. MR-3

Secretarial Audit Report

For the Financial Year Ended 31st March 2023

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

To,

The Members,

VELS FILM INTERNATIONAL LIMITED

No.521/2, Anna Salai, Nandanam,

Chennai 600035.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by VELS FILM INTERNATIONAL LIMITED (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the VELS FILM INTERNATIONAL LIMITED's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit,

We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2024 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 made available to us and maintained by Vels Film International Limited for the financial year ended on 31st March, 2024 according to the applicable provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. 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;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
 - d. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulation 2021 (Not applicable to the Company during the audit period)
 - e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - f. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- vi. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;

VELS FILM INTERNATIONAL LIMITED

vii. All Cinematograph Acts and Rules as applicable to the Company and other laws applicable to the company as per the representations made by the Management;

With respect to Fiscal laws such as Income Tax and Goods and Service Tax we have reviewed the systems and mechanisms established by the Company for ensuring compliances under various acts and based on the information and explanation provided to us by the management and officers of the company and also on verification of compliance reports taken on record by the Board of Directors of the Company, we report that adequate systems are in place to monitor and ensure compliance of fiscal laws as mentioned above.

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

- i. Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively, issued by The Institute of Company Secretaries of India have been generally complied with.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

During the period under review there were no events which required specific compliance of the provisions of

- i. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- iii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We further report that

The Board of Directors of the Company is duly constituted with the 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.

Adequate notice has been given to all directors to schedule the board meetings, agenda and detailed notes on the 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.

We have relied on the representation made by the Company, its officers and Reports of the Statutory Auditor for relating to maintenance of account as required under rule 3(1) of the Companies (Accounts) rule 2014, statutory payment due, systems and mechanism framed by the Company for the compliance under other Acts, Laws And Regulations applicable to the Company.

We report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, however the Company has not disclosed certain disclosures with respect to appointment and resignation of KMP and certain forms have been filed beyond due date under Companies Act 2013 and SEBI (LODR), 2015.

We further report that during the audit period, the following significant events have taken place:

1. Resignation of Mr. G Thiagarajan from the post of Chief Financial Officer of the Company.

Mr. G Thiagarajan has resigned as chief financial officer of the Company with effect from 05th July, 2023.

2. Appointment of Mr. S Rajagopal as a Chief Financial Officer of the Company.

Mr. S Rajagopal was appointed as Chief Financial Officer of the Company with effect from 20th July, 2023.

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3. Appointment of Mr. V R Arasu as a Chief Executive Officer of the Company.

Mr. V R Arasu was appointed as a Chief Executive Officer of the Company with effect from 31st July, 2023.

4. Resignation of Mr. Sankara Mudaliar Jagadeesan from the post of Independent Director of the Company.

Mr. Sankara Mudaliar Jagadeesan has resigned from his role as the company's Independent Director with effect from 08th March, 2024.

Date: 31.8.2024
Place: Chennai

For BP & Associates
Company Secretaries
C. Prabhakar

Partner

M.NO:F11722| CP NO: 11033

UDIN: F011722E000904614

Peer Review No: P2015TN040200

ANNEXURE A

To
The Members,
VELS FILM INTERNATIONAL LIMITED
No.521/2, Anna Salai, Nandanam,
Chennai 600035.

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

1. Maintenance of secretarial record 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 contents 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 not verified the correctness and appropriateness of financial records and Books of Account of the company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For BP & Associates
Company Secretaries
C. Prabhakar

Partner

Date: 31.8.2024

Place: Chennai

M.NO: F11722| CP NO: 11033

UDIN: F011722E000904614

Peer Review No: P2015TN040200

ANEEXURE - V**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	VELS STUDIOS AND ENTERTAINMENT PRIVATE LIMITED
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	4th October 2021
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	01-04-2023 - 31-03-2024
4.	Share capital	24,51,50,000
5.	Reserves & surplus	(34,59,75,530)
6.	Total assets	1,27,49,37,960
7.	Total Liabilities	1,27,49,37,960
8.	Investments	NIL
9.	Turnover	28,78,53,590
10.	Profit/(Loss) before taxation	(28,64,32,760)
11.	Provision for taxation	20,21,510
12.	Profit after taxation	(28,84,54,270)
13.	Proposed Dividend	NA
14.	% of shareholding	77.20%

Notes : The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations – Nil
- Names of subsidiaries which have been liquidated or sold during the year – Nil

Part "B"**Associates and Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures – NOT APPLICABLE

ANNEXURE VI**Disclosures in terms of Section 197(12) read with Rule 5(1) of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014**

The ratio of the remuneration of each director to the median remuneration of employees of the Company for the financial year is as follows:

(Rs. in Lakhs)

Name	Designation	Remuneration Paid FY 2023 - 2024	Remuneration Paid FY 2022 - 2023	Increase in remuneration from Previous year	Ratio of Remuneration
Dr. Ishari K Ganesh	Managing Director	22,00,000	22,00,000	-	5.75%
Dr. Arthi Ganesh	Director	Nil	Nil	-	-
Ms. Preethaa Ganesh	Director	Nil	Nil	-	-
Mr. Srinivasan Rajagopal	Chief Financial Officer	Rs.6,97,500/-	Nil	-	-
Mr. V.R.Arasu	Chief Executive Officer	Rs.20,00,000/-	NIL	-	-
Mrs. Sampath Kumar Sujatha	Company Secretary	Rs.12,00,000/-	Rs.5,00,000/-	-	-

During the year under review there was no increase in remuneration to director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year.

During the year under review there was no increase in the median remuneration of the employees of your Company in the financial year.

As on 31st March 2024, there were 13 employees on the roles of your Company.

Average percentiles increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: NA

The ratio of the remuneration of each director to the median employee's remuneration for the financial year and such other details: Except Dr. Ishari K. Ganesh, Managing Director, no director is in receipt of remuneration except sitting fees.

Affirmation that the remuneration paid during the year ended 31st March, 2024, is as per the Remuneration Policy of the Company: Yes

**ANNEXURE - VII
CFO CERTIFICATION**

To,
The Members,
Vels Film International Limited

- A. We have reviewed financial statements and the cash flow statement of Vels Film International Limited for the year ended 31st March 2024 and that to the best of their knowledge and belief:
- i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of their knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of company's internal control systems pertaining to financial reporting and we have not come across any reportable deficiencies in the design or operation of such internal controls.
- D. We have indicated to the auditors and the Audit committee: i. There are no significant changes in internal control over financial reporting during the year; ii. There are no Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- iii. There are no instances of significant fraud of which we have become aware.

Place: Chennai
Date: 31.08.2024

For and on Behalf
of the Board of Directors of
VELS FILM INTERNATIONAL LIMITED

-Sd-
Srinivasan Rajagopal
Chief Financial Officer

Independent Auditor's Report

To the Members of M/s. Vels Film International Limited
Report on the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of M/s. Vels Film International Limited ("the Company") which comprise the Balance Sheet as March 31, 2024, the Statement of Profit and Loss, and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the State of affairs of the Company as at March 31, 2024, its Profit and its Cash Flows for the period ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the

Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	Audit Procedures
<p>Revenue Recognition: (Refer Note 20 to the Standalone Financial Statements)</p> <p>The Company recognizes income from license fees, when control of the underlying products have been transferred along with satisfaction of performance obligation.</p>	<p>Our audit procedures to assess the appropriateness of revenue recognized included the following:</p> <ul style="list-style-type: none"> • Obtaining an understanding of and assessing the design, implementation and operating effectiveness of the Company's key internal controls over the revenue recognition process. • Examination of significant contracts entered into, during the year.
<p>Investment in Subsidiary: (Refer Note 12 to the Standalone Financial Statements)</p> <p>The Company has an investment in a Subsidiary named 'Vels Studios and Entertainments Private Limited' amounting to Rs.24.39 Crores, whose shares were acquired through NCLT order.</p> <p>The subsidiary is in the process of renovation of shooting floors and improvising of theme park. In connection with this, further Loans were given to the subsidiary carrying an interest rate of 6% to the extent of Rs 1.84 crores during the year 31 March 2024.</p> <p>As at 31 March 2024 balance of above loan is Rs.53.05 crores.</p> <p>To assess if any impairment provision is required.</p>	<p>The following audit procedures were performed to assess the requirement of impairment provision:</p> <ul style="list-style-type: none"> • Examination and analysis of the Financial Statements of the Subsidiary for year ended March 31, 2024 • Analyzing the physical verification report of the Assets of the subsidiary. • Assessing Management's business plans, assumptions and analyzing the projected cash subsidiary.

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<p>Valuation of Work-in-Progress (Refer Note 15 to the Standalone Financial Statements) The balance of work-in-progress represented by movies under production, stands at Rs 67.61 crores on 31st March 2024. This was identified as a Key Audit Matter as it forms a significant portion of the financial statements.</p>	<p>The following audit procedures were performed:</p> <ul style="list-style-type: none"> • Evaluating the Design of Internal Controls relating to recording of costs incurred with respect to the movies under production. • Analytical procedures for increase in cost of inventories in comparison with the previous years. • Verification of contractual payments incurred for films under production with the agreements entered with third parties. • Verification of recognition of expenses to the Profit and Loss Account in case of movies sold and the corresponding income recognition. • Consistency of accounting policy followed over the years for valuation of work in progress.
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Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy

and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

That Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

VELS FILM INTERNATIONAL LIMITED

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e. On the basis of the written representations received from the directors as on 31st March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

- f. With respect to the Report on adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 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, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i) The Company does not have any pending litigations which would impact its financial position.

- 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 required to be transferred to the Investor Education and Protection Fund by the Company.

- iv) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- (iii) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations

VELS FILM INTERNATIONAL LIMITED

under sub-clause (i) and (ii) contain any material mis-statement.

v) The Company had not declared or paid dividend during the year as stated in rule 11 clause (f) of Companies (Audit and Auditors) Rules, 2014

vi) Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated from 25th September 2023 for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules 2014 is applicable for the company only with effect from 1st April 2023, reporting under Rule 11(g)

of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

h. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid during the year by the Company to its directors is in accordance with the provisions of Section 197 read with Schedule V of the Act.

R. Sundararajan
Partner
M. No. 029814

For S R B R & Associates LLP
Chartered Accountants
FRN: 0049975/S200051

Date: 29th May 2024

Place: Chennai

UDIN : 24029814BKGSYJ2963

"Annexure A" to the Independent Auditors' Report on the Standalone Financial Statements of Vels Film International Limited for the year ended 31st March 2023

As Referred in 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2024:

(i) (a) (A) the company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) the Company does not hold any intangible assets, hence reporting under this clause is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its property, plant and equipment by which all Property, plant and equipment are verified in a phased manner. In accordance with this programme, certain Property, plant and equipment were verified during the period. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) the Company does not hold any immovable properties, hence reporting under this clause is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment during the period.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii)(a) The inventory has been physically verified by the management during the period. In our opinion, the

frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification.

(b) The company was not sanctioned any working capital loans during the period, from banks or financial institutions, hence reporting under this clause is not applicable.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the period except loan to its subsidiary.

(a) The Company has not granted any loans, secured or unsecured, to firms, limited liability partnerships or any other entity during the period.

(A) The aggregate amount during the period, and balance outstanding at the balance sheet date with respect to such loans or advances to subsidiary:

	Loans (in thousands)
Aggregate amount granted during the period	
- Subsidiary	
M/s Vels Entertainment and Studios Private Limited	18,350.00
Balance outstanding as at balance sheet date in respect of above	
- Subsidiary	
M/s Vels Entertainment and Studios Private Limited	5,28.035.59

VELS FILM INTERNATIONAL LIMITED

- (B) No loans or advances or guarantees or securities to parties other than subsidiaries, joint ventures, and associates were provided during the period.
- (b) The terms and conditions of the grant of the loans are not prejudicial to the company's interest, as these loans were provided to its subsidiary whose objects and line of business are similar to that of the Company.
- (c) In respect of loans to subsidiary, the payment of interest is regular as per the terms of the agreement. As regards repayment of principal, the agreement does not specify a schedule of repayment and hence the question of commenting on regularity in repayment of principal does not arise.
- (d) There are no amounts overdue with regard to interest payment. As stated above, as the agreement does not specify a schedule of repayment, the question of amounts overdue does not arise.
- (e) In respect of loans and advances, no loans/ advances have been renewed or extended or no fresh loans were granted to settle the overdue of existing loans given to the subsidiary.
- (f) The company has granted loans without specifying any terms and conditions or period of repayment only to its subsidiary amounting to Rs 18,350.00 thousand [PY: 4,08,400 thousand]. This constitutes 100% of the total loans. However, interest is charged on the said loan.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to loans given and investments made.
- (v) the Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products manufactured by it and/ or services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, undisputed statutory dues including Incometax, Goods and Services tax, cess and other statutory dues have been regularly deposited during the period by the Company with the appropriate authorities though there has been slight delay in few cases. Provident Fund, Employees State Insurance, Service Tax, Value Added Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income-tax, Goods and Services tax, cess and other statutory dues were in arrears as at 31st March 2023, for a period of more than six months from the date they became payable. Provident Fund, Employees State Insurance, Service Tax, Value Added Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise are not applicable to the Company.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year. Accordingly, reporting under clause 3(viii) is not applicable.
- (ix) (a) In our opinion, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us, the company has utilized the money obtained by way of term loans during the period for the purposes for which it was obtained.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds were raised on short-term basis during the year. Hence, reporting under this clause is not applicable.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken funds from any entities and persons on account of or to meet the obligations of its subsidiaries, associates, or joint venture, except the following:

Nature of Fund taken	Name of lender	Amount involved	Name of the subsidiary, associate, joint venture	Relation	Nature of Transaction for which funds utilized
Loan	Director	Rs.18,350 thousand	M/s Vels Studios and Entertainment Private Limited	Subsidiary	Project of the Subsidiary

- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.

VELS FILM INTERNATIONAL LIMITED

- (x) (a) According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments during the year). Hence, reporting under clause (x)(a) is not applicable.
- (b) the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially, or optionally convertible) during the period. Hence, reporting under this sub - clause is not applicable.
- (xi) (a) According to the explanations and information given to us, no fraud by the company or fraud on the company has been noticed or reported during the period.
- (b) no report was required to be filed under sub-section (12) of section 143 of the Companies Act by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistleblower complaints received by the company during the period.
- (xii) The company is not a Nidhi Company as defined under Section 406 of the Act. Hence reporting under sub - clauses (a) to (c) of this clause is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Accounting Standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) According to the information and explanations given to us, in our opinion during the period the company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company.
- (xvi) (a) the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934), hence reporting under this sub-clause is not applicable.
- (b) the company has not conducted any Non-Banking Financial or Housing Finance activities as per the Reserve Bank of India Act, 1934, hence reporting under this sub-clause is not applicable
- (c) the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, hence reporting under this sub-clause is not applicable.
- (d) the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, hence reporting under this sub-clause is not applicable.
- (xvii) the company has not incurred cash losses during the audit period and in the immediately preceding financial year.
- (xviii) There has not been any resignation of the statutory auditors during the period and accordingly this clause is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) the company does not have any unspent amount as per the provisions of Section 135 of the Companies Act 2013, hence reporting under sub-clause (a) and (b) of this clause is not applicable.

For S R B R & Associates LLP
Chartered Accountants
FRN: 004997S/S200051

Date: 29th May 2024
Place: Chennai
UDIN:23029814BGYMTF5447

-Sd-
R. Sundararajan
Partner
M. No. 029814

**“Annexure B” to the Independent Auditor’s Report on the Standalone Financial Statements
of Vels Film International Limited for the year ended 31st March 2024**

As referred in clause (f) under ‘Report on other legal and regulatory requirements’ section of our report to the Members of Vels Film International Limited of even date.

Report on the Internal Financial Controls Over Financial Reporting 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 Vels Film International Limited as at March 31, 2024, in conjunction with our audit of the financial statements of the Company for the period ended on that date.

Management’s responsibility for Internal Financial Controls

The board of directors of the Company 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, 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 internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit

opinion on the Company’s Internal Financial Control 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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 (iii) 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.

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 of 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 and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, 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 S R B R & Associates LLP

Date: 29th May 2024
Place: Chennai
UDIN:23029814BGYMTF5447

Chartered Accountants
FRN: 0049975/S200051

-Sd-
R. Sundararajan
Partner
M. No. 029814

VELS FILM INTERNATIONAL LIMITED

VELS FILM INTERNATIONAL LIMITED

Corporate Identity Number (CIN) U74999TN2019PLC132235
Registered Office : No.521/2, Anna Salai, Nandanam, Chennai 600035

STANDALONE BALANCE SHEET AS AT 31st March, 2024 (Rupees in Thousands)

Particulars	Note No.	As at 31 March, 2024	As at 31 March 2023
I. Equity and Liabilities			
(1) Shareholders' funds			
(a) Share capital	4	1,29,080.00	1,29,080.00
(b) Reserves and surplus	5	3,40,704.79	4,75,225.19
(2) Non-current liabilities			
(a) Long-term borrowings	6	4,05,093.95	4,14,942.29
(b) Other Long term liabilities	7	40,000.00	0.00
(3) Current liabilities			
(a) Short-term borrowings	8	3,17,790.07	3,60,289.88
(b) Trade payables	9		
(A) total outstanding dues of micro enterprises and small enterprises		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		1,06,226.08	1,15,088.66
(c) Other current liabilities	10	5,82,997.11	1,43,363.55
TOTAL		19,21,892.01	16,37,989.57
II. Assets			
(1) Non-current assets			
(a) Property, Plant and Equipment and Intangible Assets	11		
(i) Property, Plant and Equipment		2,602.19	2,989.96
(b) Non-current investments	12	2,43,959.00	2,43,959.00
(c) Deferred tax assets (net)		35,876.59	52.77
(d) Long-term loans and advances	13	5,30,535.59	5,51,504.55
(e) Other non-current assets	14	43,618.92	3,738.92
(2) Current assets			
(a) Inventories	15	6,76,140.76	4,21,257.53
(b) Trade receivables	16	65,702.67	38,284.07
(c) Cash and bank balances	17	56,361.41	74,612.64
(d) Short-term loans and advances	18	6,189.72	1,098.64
(e) Other current assets	19	2,60,905.15	3,00,491.49
TOTAL		19,21,892.01	16,37,989.57

As per our report of even date attached

For S R B R & Associates LLP

Chartered Accountants

FRN: 004997S/S200051

For and on behalf of the Board of Directors

-Sd-	-Sd-	-Sd-	-Sd-	-Sd-
R. Sundararajan	Ishari Ganesh Kadhivelan	Arthi	Sampath Kumar Sujatha	Rajagopal Srinivasan
Partner/Managing Director	Director	Director	Company Secretary	Chief Financial Officer
M.No. 029814	DIN : 00269445	DIN : 00568101	A32181	

Place : Chennai
Date : 29th May 2024

VELS FILM INTERNATIONAL LIMITED

Corporate Identity Number (CIN) U74999TN2019PLC132235
Registered Office : No.521/2, Anna Salai, Nandanam, Chennai 600035

STANDALONE PROFIT & LOSS FOR THE YEAR ENDED AS AT 31st March, 2024

(Rupees in Thousands)

Particulars	Note No.	As at 31 March, 2023	As at 31 March 2022
I. Revenue from operations	20	1,07,530.24	5,44,366.21
II. Other income	21	34,325.14	32,512.63
III. Total Income (I+II)		1,41,855.38	5,76,878.84
IV. Expenses			
Direct Costs	22	4,75,613.37	5,81,451.23
Changes in inventories of work-in-progress	23	(2,54,883.23)	(1,75,405.66)
Employee benefit expenses	24	9,442.66	6,569.61
Finance costs	25	48,732.29	44,666.43
Depreciation and amortization expense	11	1,362.98	687.05
Other expenses	26	31,931.54	30,603.52
Total Expenses		3,12,199.60	4,88,572.17
V. Profit before exceptional and extraordinary items and tax (III - IV)		(1,70,344.23)	88,306.67
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		(1,70,344.23)	88,306.67
		-	-
IX. Profit before tax (VII- VIII)		(1,70,344.23)	88,306.67
X. Tax expense:			
(a) Current Tax Expense for the year		-	22,500.00
(b) Deferred Tax		35,823.83	(39.73)
(c) Excess/ Short provision of tax relating to earlier years		-	-
XI. Profit (Loss) for the period from continuing operations (IX-X)		(1,34,520.40)	65,846.40
XII. Profit/(loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV. Profit (Loss) for the period (XI + XIV)		(1,34,520.40)	65,846.40
XVI. Earnings per equity share:			
(1) Basic		(10.42)	6.86
(2) Diluted		(10.42)	6.86

Refer accompanying notes to the Consolidated Financial Statements 1 to 3

As per our report of even date attached

For S R B R & Associates LLP

Chartered Accountants

FRN: 004997S/S200051

For and on behalf of the Board of Directors

-Sd-	-Sd-	-Sd-	-Sd-	-Sd-
R. Sundararajan	Ishari Ganesh Kadhivelan	Arthi	Sampath Kumar Sujatha	Rajagopal Srinivasan
Partner/Managing Director	Director	Director	Company Secretary	Chief Financial Officer
M.No. 029814	DIN : 00269445	DIN : 00568101	A32181	

Place : Chennai
Date : 29th May 2024

VELS FILM INTERNATIONAL LIMITED

Corporate Identity Number (CIN) U74999TN2019PLC132235
Registered Office : No.521/2, Anna Salai, Nandanam, Chennai 600035

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

(Rupees in Thousands)

Particulars	For the year ended 31 March 2024		For the year ended 31 March 2023	
CashFlow From Operating Activities				
Net Profit before Tax and Extra-ordinary Items		(1,70,344.23)		88,306.67
Adjustments for:				
Depreciation	1,362.98		687.05	
Interest and Finance Charges	48,732.29		44,666.43	
Interest Income	(34,268.34)		(24,684.89)	
		15,826.93		20,668.59
Operating Profit Before Working Capital Change		(1,54,517.30)		1,08,975.26
Adjustments For				
(Increase) / Decrease in Inventory	(2,54,883.23)		(1,75,251.15)	
(Increase) / Decrease in Trade Receivables	(27,418.61)		1,62,571.74	
(Increase)/Decrease in short term loans and advances	(5,091.08)		(15.87)	
(Increase) / Decrease in Non-Current Assets	(39,880.00)		-	
(Increase) / Decrease in Current Assets	39,586.34		(1,22,028.55)	
Increase / (Decrease) in Trade Payables	(8,862.59)		16,010.65	
Increase / (Decrease) in other Current Liabilities	4,39,633.57		(55,755.38))	
Increase/(Decrease) in short term borrowings/ provisions	(42,499.80)		1,38,094.88	
Increase/(Decrease) in non Current Liabilities	40,000.00		-	
		1,40,584.61		(36,373.68)
Income Tax paid/ provision		-		(22,500.00)
Net Cash Used in/ from operating Activities (A)		(13,932.69)		50,101.58
Cash Flow From Investing Activities				
Purchase of Property, Plant and Equipment and Intangible Assets	(975.21)		(3,407.79)	
Receipts from the repayment of Loss and Advances	20,968.97		(3,53,396.72)	
Interest received	34,268.34		24,684.91	
Net Cashflow from Investing Activities (B)	54,262.10		(3,32,119.60)	
Cash Flow from Financing Activities				
Proceeds from fresh issue	-		3,37,392.00	
Repayment of borrowings	(9,848.34)		57,733.09	
Finance Charges paid	(48,732.29)		(44,666.43)	
Net cashflow from Financing Activities (C)		(58,580.63)		3,50,458.67
Net Increase/(Decrease) in Cash & Cash Equivalents (A)+(B)+(C)		(18,251.22)		68,440.65
Cash and Cash Equivalents at the Beginning of the year		74,612.64		6,171.99
Cash and Cash Equivalents at the end of the year		56,361.41		74,612.64
Note : Cash and Cash Equivalents				
Cash and cash Equivalents as above		56,361.41		74,612.64
Cash and Bank Balances as per Note 15		56,361.41		74,612.64

Note: The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in AS 3. Refer accompanying notes to the Standalone Financial Statements 1 to 3

As per our report of even date attached

For S R B R & Associates LLP

Chartered Accountants

FRN: 004997S/S200051

For and on behalf of the Board of Directors

-Sd-
R. Sundararajan
Partner/Managing Director
M.No. 029814
Place : Chennai
Date : 29th May 2024

-Sd-
Ishari Ganesh Kadhivelan
Director
DIN : 00269445

-Sd-
Arthi
Director
DIN : 00568101

-Sd-
Sampath Kumar Sujatha
Company Secretary
A32181

-Sd-
Rajagopal Srinivasan
Chief Financial Officer

VELS FILM INTERNATIONAL LIMITED

VELS FILM INTERNATIONAL LIMITED

Notes forming part of the Standalone financial statements for the year ended 31 March 2024
(All Amounts are in Rs. in Thousands unless otherwise stated)

Note 4 : Share capital

Particulars	As s at 31st March 2024	As at 31st March 2023
(a) Authorized Capital		
No. of shares (in numbers)	2,00,00,000	2,00,00,000
Authorized Equity Capital (in thousands)	2,00,000	2,00,000
(b) Issued, subscribed and fully paid-up		
No. of shares (in numbers)	1,29,08,000	1,29,08,000
Issued, subscribed and fully paid-up capital (in thousands)	1,29,080	12,90,80,000
(c) Par value per equity share	10	10
(d) Reconciliation of shares		
Shares at the beginning of the reporting period	1,29,08,000	95,00,000
Number of shares issued during the period	-	3,408,000
Shares at the end of the reporting period	1,29,08,000	1,29,08,000

(e) the rights, preferences and restrictions attaching to shares :

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

The dividend if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

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

(f) Shares held by holding company or ultimate holding company including subsidiaries or associates of the holding company
NIL

(g) List of shareholders holding more than 5% of shares	31st March 2024	31st March 2023
<u>1. Ishari Ganesh Kadhivelan</u>		
No. of shares	94,36,000	94,36,000
% of shares held	73.10 %	73.10 %
<u>2. Udaya Sankar</u>		
No. of shares	7,83,600	7,83,600 %
of shares held	6.07 %	6.07 %

(h) Shareholding of promoters:

Promoter Name	31st March 2024		31st March 2023		% change during the year
	No of shares	% of shares	No of shares	% of shares	
Ishari Ganesh Kadhivelan	94,36,000	73.10%	94,36,000	73.10%	0.00%
31st March 2022 31st March 2021					
Promoter Name	No of shares	% of shares	No of shares	% of shares	% change during the year
Ishari Ganesh Kadhivelan	94,36,000	73.10%	94,36,000	99.30 %	26.20%

VELS FILM INTERNATIONAL LIMITED

VELS FILM INTERNATIONAL LIMITED

Notes forming part of the Standalone financial statements for the year ended 31 March 2024
(All Amounts are in Rs. in Thousands unless otherwise stated)

Particulars	As at 31st March 2024	As at 31st March 2023
Note 5 : Reserves and surplus		
(a) Surplus/ (Debit) balance in Statement of Profit and Loss		
Opening balance	1,71,913.19	106,066.79
Add: Profit / (Loss) for the year	(1,34,520.40)	65,846.40
	37,392.79	1,71,913.19
Add: Securities Premium	3,03,312.00	
	3,03,312.00	
	3,40,704.79	4,75,225.19
Note 6 : Long-term borrowings		
<u>Secured Loan :</u>		
(a) Term Loans		
(i) From Banks	944.76	1,593.09
<u>Unsecured Loan :</u>		
(i) Loans and advances from related parties	4,04,149.20	4,13,349.20
	4,05,093.95	4,14,942.29
The details of long term borrowings are as under:	Closing balance as at 31st March 2024	Closing balance as at 31st March 2023
- Bank of Baroda Car Loan borrowed - Rs 20,00,000; Interest @ 7.80% per annum and repayable in 35 instalments beginning from August 2022. ; Hypothecated by the Vehicle (Refer note 3(K) for pending Regulatory Compliance)	944.76	1,593.09
- Arthi Associates Private Limited Amount borrowed - Rs 11,50,00,000; Interest @ 12% per annum and repayable on demand without any specified repayment schedule	2,05,327.79	2,05,327.79
- Kushmitha Foundations Private Limited Amount borrowed - Rs 10,60,00,000; Interest @ 12% per annum and repayable on demand without any specified repayment schedule	78,160.09	78,160.09
- VG Park beach Resorts Private Limited Amount borrowed - Rs 14,96,00,000; Interest @ 12% per annum and repayable on demand without any specified repayment schedule	1,20,661.31	1,20,661.31
- Prabhudeva Studios Private Limited Amount borrowed Rs 95,70,000; No interest charged, repayable on demand without any specified repayment schedule	-	9,200.00
Total	4,05,093.95	4,14,942.29

VELS FILM INTERNATIONAL LIMITED

VELS FILM INTERNATIONAL LIMITED

Notes forming part of the Standalone financial statements for the year ended 31 March 2024
(All Amounts are in Rs. in Thousands unless otherwise stated)

Note 7 : Other Long Term liabilities										
(a) Sublease Deposit			40,000.00							-
			40,000.00							-
Note 8 : Short Term borrowings										
(a) Short term Loans and advances from related parties			3,17,790.07							3,60,289.88
			3,17,790.07							3,60,289.88
The details of short term borrowings are as :			Closing balance as at 31st March 2024		Closing balance as at 31st March 2023					
- Vels film International Repayable on demand without any specified repayment schedule			48,328.47		45,978.28					
- Dr. Ishari K Ganesh Repayable on demand without any specified repayment schedule			2,66,066.60		3,10,916.60					
- Arthi Associates Private Limited Repayable on demand without any specified repayment schedule			3,395.00		3,395.00					
TOTAL			3,17,790.07		3,60,289.88					
Note 9 : Trade payables										
(a) total outstanding dues of micro enterprises and small enterprises			-		-					
(b) total outstanding dues of creditors other than micro enterprises and small enterprises			1,06,226.08		1,15,088.66					
			1,06,226.08		1,15,088.66					
Refer Note 3(a) for ageing analysis of Trade Payables and Note 3(J) for disclosure relating to Micro, Small and Medium Enterprises										
Note 10 : Other current liabilities										
(a) Statutory Remittances			3,003.06		3,625.40					
(b) Project Receipts			1,20,000.00		79,000.00					
(c) Trade advances			1,000.00		1,000.00					
(d) Expenses Payable			88,847.04		47,059.84					
(e) Advance received from customer			10,147.01		12,678.31					
(f) Income received advance			3,60,000.00		-					
			5,82,997.11		1,43,363.55					
Note 11: Property Plant and Equipment Assets for current year										
Depreciation	GROSS BLOCK				DEPRECIATION					
	As at 31st year	Additions during the Mar23	Deletions during the year	As at 31st year	As at 31st Mar24	Additions during the Mar23	Deletions during the year	As at 31st year	WDVAs at 31st March Mar24	WDVAs at 31st March 2024
(a) Plant and Equipment	239.34	-	-	239.34	82.42	28.49	-	110.91	128.43	156.92
(b) Computer and Data Processing	258.53	453.49	-	712.01	109.68	309.75	-	419.43	292.58	148.87
(c) Office Equipment	376.84	48.31	-	425.15	80.71	147.87	-	228.58	196.57	296.13
(d) Furniture and Fixtures	556.22	290.14	-	846.36	46.78	191.50	-	238.28	608.09	509.44
(e) Vehicles	2,359.00	-	-	2,359.00	480.38	584.21	-	1,064.59	1,294.41	1,878.62
(f) Building	-	183.27	-	183.27	-	101.16	-	101.16	82.10	-
TOTAL	3,789.93	975.21	-	4,765.14	799.97	1,362.98	-	2,162.94	2,602.19	2,989.98

VELS FILM INTERNATIONAL LIMITED

Notes forming part of the Standalone financial statements for the year ended 31 March 2024
(All Amounts are in Rs. in Thousands unless otherwise stated)

Note 11 : Property Plant and Equipment Assets for previous year										
Depreciation	GROSS BLOCK				DEPRECIATION				WDVAs at 31st March 2024	WDVAs at 31st March 2024
	As at 31st year	Additions during the Mar23	Deletions during the year	As at 31st year	As at 31st Mar24	Additions during the Mar23	Deletions during the year	As at 31st year		
(a) Plant and Equipment	239.34	-	-	239.34	42.99	39.43	-	82.42	156.92	196.35
(b) Computer and Data Processing	91.67	166.86	-	258.53	39.76	69.92	-	109.68	148.85	-12.00
(c) Office Equipment	51.15	325.69	-	376.84	30.17	50.54	-	80.71	296.13	84.89
(d) Furniture and Fixtures	-	556.22	-	556.22	-	46.78	-	46.78	509.44	-
(e) Vehicles	-	2,359.00	-	2,359.00	-	480.38	-	480.38	1,878.62	-
(f) Building	-	-	-	-	-	-	-	-	-	-
TOTAL	382.16	3,407.77	-	3,789.93	112.92	687.05	-	799.97	2,989.96	269.24
Note 12 : Non-current investments										
(a) Investments in Equity shares						4,059.00			4,059.00	
(b) Investments in preference shares						2,39,900.00			2,39,900.00	
						2,43,959.00			2,43,959.00	
Refer Note 3(B) for details of investments made										
Note 13 : Long-term loans and advances										
<u>Unsecured, considered good</u>										
Loans and advances to related parties										
(a) Other loans and advances						5,30,535.59			5,51,504.55	
						5,30,535.59			5,51,504.55	
Loans provided to the subsidiary M/s Vels Studios and Entertainment Private Limited at an interest rate of 6% per annum, where terms of repayment of interest and principal is not specified.										
Note 14 : Other Non-current assests										
(a) Lease Deposit						40,000.00			-	
(b) Adances paid						3,618.92			3,738.92	
						43,618.92			3,738.92	
Note 15 : Inventories										
(a) Work-in-progress						6,76,140.76			4,21,257.53	
- Films under production										
						6,76,140.76			4,21,257.53	
Note 16 : Trade receivables										
<u>Unsecured, considered good</u>										
Trade Receivables						65,702.67			38,284.07	
						65,702.67			38,284.07	
Refer Note No 3(H) for ageing analysis of Trade Receivables.										
Note 17 : Cash and bank balances										
(a) Balances with banks						55,863.49			73,621.07	
(b) Cash on hand						497.92			991.56	
						56,361.41			74,612.64	

VELS FILM INTERNATIONAL LIMITED

Notes forming part of the Standalone financial statements for the year ended 31 March 2024
(All Amounts are in Rs. in Thousands unless otherwise stated)

Note 18 : Short-term loans and advances		
Unsecured, considered Goods		
(a) Other short tem loans and advances	322.98	373.87
(b) Advance to Suppliers	5,866.74	724.78
	6,189.72	1,098.64
Note 19 : Other current assets		
(a) Prepaid Taxes (net of provisions)	47,103.08	19,150.30
(b) Income Accured but bill not booked	1,00,000.00	1,00,000.00
(c) Others	1,12,054.27	1,66,574.23
(d) Balance with revenue authorities	1,747.80	14,766.96
	2,60,905.15	3,00,491.49
Note 20 : Revenue from operations		
(a) Sale of services	1,07,530.24	5,44,366.21
	1,07,530.24	5,44,366.21
Note 21 : Other income		
Interest income	34,268.34	24,684.89
Forex Gain or Loss	11.58	42.94
Sponsorship Income	7.33	4,793.01
Others	37.89	2,991.80
	34,325.14	32,512.63
Note 22 : Direct Costs		
Direct Cost	4,75,613.37	5,81,451.23
Art Dept	55,147.03	-
Artists related Expenses	93,103.81	40,630.37
Technician Exps	49,694.56	1,443.65
Bata Expenses	37,089.36	9.10
Shooting Exp	18,622.61	16.00
Production Dept	202.11	-
Others	1,72,386.88	5,38,546.61
Office Related Expenses	24.13	594.11
Music director Expenses	200.00	-
Equipment Hire & Related Exp	25,077.12	-
Post Production Works	4,184.20	-
Location Expenses	3,458.25	5.71
Boarding and lodging	7,672.02	151.55
Insurance	1,871.16	-
Catering expenses	6,607.84	54.13
camera Man	272.29	-
	4,75,613.37	5,81,451.23
Note 23 : Changes in inventories of work-in-progress		
Closing balance of:		
work-in-progress	6,76,140.76	4,21,257.53
Opening balance of:		
work-in-progress	4,21,257.53	2,45,851.87
	(2,54,883.23)	(1,75,405.66)

VELS FILM INTERNATIONAL LIMITED**VELS FILM INTERNATIONAL LIMITED**

Notes forming part of the Standalone financial statements for the year ended 31 March 2024
(All Amounts are in Rs. in Thousands unless otherwise stated)

Note 24 : Employee benefit expenses		
Salaries and wages	9,309.30	6,567.53
Staff welfare expenses	133.36	2.08
	9,442.66	6,569.61
Note 25 : Finance costs		
Interest expense	48,732.29	44,666.43
	48,732.29	44,666.43
Note 24 : Other expenses		
Payments to the auditors as:		
(i) auditor	350.00	3.50
(ii) for taxation matters	100.00	75.00
(iii) for other services	105.00	125.00
Project Expenses	13,389.19	4,176.09
Professional charges	8,233.57	5,092.53
Office Expenses	1,819.41	4,895.06
Expenditure incurred on CSR activities	1,563.00	950.00
Donation	1,500.00	-
Rent	1,140.00	1,225.00
Refreshment expenses	936.55	493.68
IPO exp	790.38	1,838.95
Repairs and Maintenance	741.83	1,225.62
Distribution Expenses	558.00	2,353.65
Business promotion	330.42	76.67
Power and fuel	244.95	230.72
Rates and taxes, excluding, taxes on income	59.15	5,732.13
Bank Charges	50.30	54.40
Miscellaneous expenses	19.77	709.01
Sponsorship Expenses	-	1,000.00
	31,931.54	30,603.52

As per our report of even date attached

For S R B R & Associates LLP

Chartered Accountants

FRN: 0049975/S200051

For and on behalf of the Board of Directors

-Sd-	-Sd-	-Sd-	-Sd-	-Sd-
R. Sundararajan	Ishari Ganesh Kadhivelan	Arthi	Sampath Kumar Sujatha	Rajagopal Srinivasan
Partner/Managing Director	Director	Director	Company Secretary	Chief Financial Officer
M.No.029814	DIN : 00269445	DIN : 00568101	A32181	

Place : Chennai

Date : 29th May 2024

VELS FILM INTERNATIONAL LIMITED LIMITED

521/2, Anna Salai, Nandanam, Chennai - 600 035

CIN: U74999TN2019PLC132235

1. Corporate Information

Vels Film International Limited, ("the Company") was incorporated on 25th October 2019 as a closely held Public Limited Company under the Provisions of Companies Act, 2013.

The Company listed its shares on 22nd March 2023 on the SME Platform of the National Stock Exchange.

The Company is in the business of production, distribution and/ or exhibition of films and motion pictures.

2. Significant Accounting Policies

A) Basis of preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2021 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

B) Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

C) Inventories

The inventories are valued at cost or NRV whichever is lower. The company holds work in progress of movie projects which are in the process of production. All the expenses incurred directly in connection to the specified movie is added to the cost of the inventory of the

corresponding movie till such date of sale or release.

D) Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

E) Cash Flow Statement

The statement of cash flows has been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals. The cash flows from operating, investing and financing activities of the Company are segregated.

F) Revenue Recognition

Revenue from sale or licensing of film is recognized when:

- a) Persuasive evidence of a sale or licensing agreement with a customer exists and
- b) Film is certified by authorities for release in case of own exhibition of films produced and
- c) The film is complete and has been delivered or is available for immediate and unconditional delivery (in accordance with the terms of the arrangement) and
- d) The customer can begin its exploitation, exhibition, or sale and
- e) The fee is fixed or determinable and
- f) Collection of the fee is reasonably assured.

All other revenue, including but not limited to, the following, is recognised on the basis of sale or licensing agreements.

Nature of Income

- (i) Revenue from Theatrical rights (Domestic & Overseas)
- (ii) Revenue from Dubbing Rights (Domestic & Overseas)
- (iii) Revenue from Satellite Rights (Domestic & Overseas)

VELS FILM INTERNATIONAL LIMITED

- (iv) Revenue from Music Rights (Domestic & Overseas)
- (v) Revenue from Sale of Transfer of Rights (Domestic & Overseas)
- (vi) Revenue from Sale of Digital Rights (Domestic & Overseas)

Other Income :

Interest on loans given is recognised as per the terms of agreement and accounted on time proportionate basis in the books of accounts. All other income is recognised based on the terms of contract with third parties and corresponding billings made.

Subsidies received from the Government are recognised in the profit & loss account where there are no conditions attached to the subsidy.

G) Costs and Expenses

Film costs include all direct costs incurred in the physical production of a film, such as the costs of story; compensation of cast, directors, producers, and extras; costs of set construction, operations, and wardrobe; costs of sound synchronization; costs of rental facilities on location; and postproduction costs (music, special effects, and editing).

Production overhead consists of the costs of the individuals and departments that have a significant (or exclusive) responsibility for the production of the film. These costs do not include administrative and general expenses.

H) Property, Plant and Equipment

Property, plant and equipment are stated at cost comprising of purchase price, including non-refundable taxes and duties and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation and impairment loss, if any.

Depreciation is provided for property, plant, and equipment on written down value basis to expense the cost less residual value over their estimated useful lives. The estimated useful lives and residual values are reviewed at the end of each reporting period. Useful life of assets are as prescribed under Schedule II of the Companies Act, 2013.

I) Foreign currency transactions and translations

Initial recognition and treatment of exchange differences

Transactions in foreign currencies entered by the Company are accounted at the exchange rates

prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction. They are re-translated at the exchange rate prevailing at the Balance sheet date. The unrealised gains or losses are recognised as income or expense in the Statement of Profit and Loss on restatement at the end of reporting period.

J) Investments

The cost of an investment includes acquisition charges such as brokerage, fees, and duties.

Any receivables from these investments are recognised as income in the Statement of Profit and Loss.

On disposal of an investment, the difference between the carrying amount and the disposal proceeds, net of expenses, is recognised in the profit and loss statement.

K) Employee Benefits

The provisions of gratuity, provident fund and employee state insurance do not apply to the Company; hence no provision is made.

The company does not have the policy of compensating absences and encashment of leave.

L) Borrowing cost:

The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised to the asset.

To the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation on that asset is determined as the actual borrowing costs incurred on that borrowing during the period less any income on the temporary investment of those borrowings.

In case of other borrowing costs, the interest is recognised as expenses as per terms of the borrowing, as and when they become payable and on time proportionate basis.

M) Segment reporting

Business Segment:

A business segment is a distinguishable component of an enterprise that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments.

The Company is engaged in only one single activity of Production of films and sale of film rights.

VELS FILM INTERNATIONAL LIMITED

Hence, there are no different business segments to be reported separately.

Geographical Segment:

A geographical segment is a distinguishable component of an enterprise that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

The Company operates from only one geographical/ economic environment and hence there are no separate reportable segments.

N) Earnings per share

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during year. Diluted EPS is computed by dividing profit or loss attributable to equity shareholders by weighted average number of additional equity shares that would have been outstanding assuming conversion of all dilutive potential equity shares.

O) Taxes on Income

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in statement of profit and loss.

Current Income Taxes

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets and liabilities are reviewed at each Balance Sheet date for their realisability.

P) Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the 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.

For the year ended 31st March, 2024 there are no contingencies.

3) Notes on Accounts

A) Inventories:

The Company holds work in progress of movie projects amounting to Rs 6,76,140.76 (PY: 4,21,257.53) at the end of the reporting period. Opening balance of work-in-progress includes the costs of the films sold during the current financial year, which have been recognised in the Statement of Profit and Loss.

B) Investments

The Company has invested in Unquoted Equity shares and unquoted compulsorily convertible preference shares of its **subsidiary** M/s Vels Studios and Entertainment Private Limited (Previously known as M/s Innovative Studio Private Limited) on various dates, the details of which are below:

Type of instrument	As at 31 st March 2024		As at 31 st March 2023	
	No of shares	Value of Shares (in thousands)	No of shares	Value of Shares (in thousands)
Unquoted Equity Shares	4,05,300	4,059	4,05,300	4,059
Unquoted compulsorily convertible preference shares	2,39,90,000	2,39,900	2,39,90,000	2,39,900
TOTAL	2,43,95,300	2,43,959	2,43,95,300	2,43,959

VELS FILM INTERNATIONAL LIMITED

During the period, the Company did not earn any income from the investment which needs to be recognised in the Statement of Profit and Loss.

There are no significant restrictions on the right of ownership, realisability of investments or the remittance of income and proceeds of disposal.

C) Foreign Currency translations and transactions

Earnings in Foreign Exchange:

- I. Earnings from export of services by selling of theatrical, satellite and digital rights overseas:

Type of service	For the year ended 31 st March 2024 (in thousands)	For the year ended 31 st March 2023 (in thousands)
Sale of rights	6,000.00	16,312.70

II. Expenditure in Foreign Exchange:

Type of service	For the year ended 31 st March 2024 (in thousands)	For the year ended 31 st March 2023 (in thousands)
Import of professional charges of stunt master	6,234.54	NIL

D) Earnings per share

Type of service	For the year ended 31 st March 2024 (in thousands)	For the year ended 31 st March 2023 (in thousands)
Profit for the year (in thousands)	(1,34,302.25)	65,846.40
Weighted average number of equity shares (in numbers)	(1,29,08,000)	96,40,055
Basic and Diluted EPS	(10.40)	6.86
Face value per equity share	10	10

The Company did not have any potentially dilutive securities in any of the years presented.

E) Deferred Tax

	As at 31 st March 2024	As at 31 st March 2023
Opening Deferred tax Asset (A)	52.77	13.03
Tax effect of items constituting Deferred tax liability:	NIL	NIL
Tax effect of items constituting deferred tax assets:		
(i) On difference in written down value of fixed assets	837.56	209.66
(ii) Rule 9A disallowance	1,41,699.57	-
Closing balance of Deferred Tax Asset (B)	35,876.594	52.76
Net deferred tax Asset/ (Liability) provided (A)-(B)	35,823.83	39.73

F) Related party transactions:

The Company's principal related party transactions are with its directors, and entities in which the Directors have controlling interest.

The details of Related Parties are as follows:

VELS FILM INTERNATIONAL LIMITED

Nature of Relationship	Name of Related Parties
Key Management Personnel (KMP) / Director	<ul style="list-style-type: none"> • Ishari Ganesh Kadhivelan, Managing Director • Arthi, Director, Preethaa Ganesh, Director • Ganesan Thiagarajan, Chief Financial Officer • Sampath Kumar Sujatha, Company Secretary
Company in which KMP / Relatives of KMP can exercise significant influence	<ul style="list-style-type: none"> • Kushmitha Ganesh • Kushmitha Foundations Private Limited • Arthi Associates Private Limited • VGS Estates Private Limited • VG Park Beach Resorts Private Limited • Prabhudeva Studios Private Limited • GV Studio City Limited • Vel Ganesh Foundations Private Limited • Vels Film International (Proprietor) • BMMT Institute of Education • Vel Chennai Warriors LLP • Vels Aviation Services IFSC Private Limited • Vels Studios and Entertainment Private Limited • Kindle Kids International School Pte Limited, Singapore • Vels Education Limited, England • Higglo Private Limited

TRANSACTION WITH RELATED PARTIES

As per Accounting Standard 18, the disclosures of transactions with the related party as defined in the Accounting Standard are given below:

Particulars	As at 31st March 2024 (Rs in thousands)	As at 31st March 2023 (Rs in thousands)
Name of the related Party	Nature of Relationship	
1. Mr. Ishari Ganesh Kadhivelan	Managing Director and Promoter	
LOANS BORROWED		
Volume of Transactions (during the year)		
Amount Received	1,83,950.00	9,07,920.00
Amount Paid	2,28,800.00	6,91,305.90
Amount Payable (for the period end)		
Closing balance	2,60,666.00	3,10,916.60
REMUNERATION		
Volume of Transactions (during the year)		
Remuneration during the year	2,400.00	2,200.00
Amount Payable (for the period end)		
Closing balance	1,651.20	713.6

VELS FILM INTERNATIONAL LIMITED

2. Vels Film International (Proprietor)		Entities in which KMP have significant influence.	
LOANS BORROWED			
Volume of Transactions (during the year)			
Amount Received	4,500.00		6,438.68
Amount Paid	2,149.80		18,767.04
Amount Payable (for the period end)			
Closing balance	48,328.47		45,978.28
SERVICES RECEIVED			
Volume of Transactions (during the year)			
Receipts of Services	-		-
Amount Paid	-		1577.82
Amount Payable (for the period end)			
Closing balance	-		76,202.18
3. Mr. Ganesan Thiagarajan		Chief Financial Officer for the FY 2022 - 23	
REMUNERATION			
Volume of Transactions (during the year)			
Salary for the year	-		1,000.00
Amount Payable (for the period end)			
Closing balance	-		100.00
4. Mr. Rajagopal Srinivasan		Chief Financial Officer	
REMUNERATION			
Volume of Transactions (during the year)			
Salary for the year	697.50		-
Amount Payable (for the period end)			
Closing balance	75.00		-
5. Ms. Sampath Kumar Sujatha		Company Secretary	
REMUNERATION			
Volume of Transactions (during the year)			
Salary for the year	1,180.00		575.00
Amount Payable (for the period end)			
Closing balance	100.00		100.00
6. Vels Studios and Entertainment Private Limited		Subsidiary	
LOANS GIVEN			
Volume of Transactions (during the year)			
Loan given	-		4,08,400.00
Loan repayment received during the year	-		57,503.53
Amount Receivable (for the period end)			
Closing balance	5,28,035.32		5,49,004.31
INTEREST ON LOAN			
Volume of Transactions (during the year)			
Interest Income recognized	-		24,444.77
Amount received	-		37,161.45
Amount Receivable (for the period end)			
Closing balance	-		568.56

VELS FILM INTERNATIONAL LIMITED

INVESTMENTS		
Volume of Transactions (during the year)		
Amount Invested	-	
Amount Received	-	
Amount Receivable (for the period end)		
Closing balance	2,43,959.00	2,43,959.00
7. Prabhudeva Studios Private Limited	Entities in which KMP/relatives of KMP have significant influence.	
LOANS BORROWED		
Volume of Transactions (during the year)		
Amount Received	-	-
Amount repaid	9,200.00	370.00
Amount Payable (for the period end)		
Closing balance	-	9,200.00
8. Arthi Associates Private Limited	Entities in which KMP/relatives of KMP have significant influence.	
LOANS BORROWED		
Volume of Transactions (during the year)		
Amount Received	-	21,200.00
Amount Paid	-	2,40,000.00
Amount Payable (for the period end)		
Closing balance	3,395.00	3,395.00
Arthi Associates Private Limited	Entities in which KMP/relatives of KMP have significant influence.	
LOANS BORROWED		
Volume of Transactions (during the year)		
Loan Received	-	94,600.00
Loan Repaid	-	-
Amount Payable (for the period end)		
Closing balance	2,05,327.79	2,05,327.79
INTEREST PAYABLE		
Volume of Transactions (during the year)		
Interest Expense	22,236.16	16,871.80
Interest Paid	-	-
Amount Payable (for the period end)		
Closing balance	3,91,82.55	16,946.39
9. Kushmitha Foundations Private Limited	Entities in which KMP/relatives of KMP have significant influence.	
LOANS BORROWED		
Volume of Transactions (during the year)		
Loan Received	-	-
Loan Repaid	-	23,600.00
Amount Payable (for the period end)		
Closing balance	78,160.09	78,160.09
INTERST PAYABLE		
Volume of Transactions (during the year)		
Interest Expense payable	8,464.40	9,021.29

VELS FILM INTERNATIONAL LIMITED

Interest Paid	-	
Amount Payable (for the period end)		
Closing balance	17,517.91	9,053.50
9. VG Park and Beach Resorts Private Limited	Entities in which KMP/relatives of KMP have significant influence.	
LOANS BORROWED		
Volume of Transactions (during the year)		
Loan Received	-	400.00
Loan Repaid	-	24,460.00
Amount Payable (for the period end)		
Closing balance	12,06,613.12	12,06,613.12
INTERST PAYABLE		
Volume of Transactions (during the year)		
Interest Expense payable	13,067.13	14,222.98
Interest Paid		
Amount Payable (for the period end)		
Closing balance	27,486.99	14,419.86
11. Ms. Preetha Ganesh	Relative of KMP	
RENT EXPENSE		
Volume of Transactions (during the year)		
Rent Expense	60.00	60.00
Amount Payable (for the period end)		
Closing balance	1,20.00	60.00
11. Ms. Kushmitha Ganesh	Relative of KMP	
RENT EXPENSE		
Volume of Transactions (during the year)		
Rent Expense	60.00	60.00
Amount Payable (for the period end)		
Closing balance	1,20.00	60.00

G) Trade Payables ageing:

This ageing is with reference to Note 8 of the Standalone Balance Sheet as at **31st March 2024**

(in thousands)

Ageing of Trade Payables for the year ended 31st March 2024					
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro, Small and Medium Enterprises	-	-	-	-	-
(ii) Others	27,787.97	14,963.98	63,474.13	-	1,06,226.08
(iii) Disputed dues - Micro, Small and Medium Enterprises	-	-	-	-	-
(iii) Disputed dues – Others	-	-	-	-	-

VELS FILM INTERNATIONAL LIMITED

Ageing of Trade Payables for the year ended 31st March 2023					
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro, Small and Medium Enterprises	-	-	-	-	-
(ii) Others	49,229.18		65,859.48		1,15,088.66
(iii) Disputed dues - Micro, Small and Medium Enterprises	-	-	-	-	-
(iii) Disputed dues – Others	-	-	-	-	-

H) Trade Receivables ageing:

This ageing is with reference to Note: 14 of the Standalone Balance Sheet as at **31st March 2024**

Ageing of Trade Receivables for the year ended 31st March 2024						
Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	29,998.607	1,716.119	33,727.86	260.07	-	65,702.67
(ii) Undisputed Trade receivables - considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

Ageing of Trade Receivables for the year ended 31st March 2023						
Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	(10,096.27)	1,714.08	46,666.26	-	-	38,284.07
(ii) Undisputed Trade receivables - considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

VELS FILM INTERNATIONAL LIMITED**I) Disclosure for Corporate Social Responsibility:**

As per the Companies Act, 2013, the Company is required to spend at least 2% of the average net profits of the three immediately preceding financial years on CSR.

The head wise amounts spent during the year are as follows: (in thousands)

Corporate Social Responsibility	For the year ended 31 st March 2024	For the year ended 31 st March 2023
(a) amount required to be spent	1,549.72	948.16
(b) amount of expenditure incurred,	1,563.00	950.00
(c) shortfall at the end of the year,	0.00	0.00
(d) total of previous years shortfall,	0.00	0.00
(e) reason for shortfall,	NA	NA
(f) nature of CSR activities,	Education and Skill Development	Education and Skill Development
(g) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	Not Applicable	Not Applicable
(h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	Not Applicable	Not Applicable

J) Others :

Dues to small enterprises and micro enterprises have been determined to the extent such parties have been identified based on information collected by the Company.

Particulars	As at 31 st March 2024	As at 31 st March 2023
(a) Principal amount & the interest due thereon unpaid at end of	Nil	Nil
(b) (i) payments made to supplier beyond appointed date	Nil	Nil
(ii) interest u/s16 of MSME Act paid to suppliers	Nil	Nil
(c) amount of interest payable for delay (for which payments were made in the year but beyond the appointed date)	Nil	Nil
(d) amount of interest accrued and remaining unpaid	Nil	Nil
(e) amount of further interest remaining payable in subsequent years until payment is made	Nil	Nil

B) Additional Regulatory Information:

The clauses (i) to (xiv) under Additional Regulatory Information are not applicable to the Company. Hence, only those clauses applicable {(iii) – Loans and Advances, (x) – Registration of Charges and (xii) – Ratios} are disclosed.

VELS FILM INTERNATIONAL LIMITED**a) Loans and Advances :**

Type of Borrower	Amount of Loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	Nil	Nil
Directors	Nil	Nil
Related Parties		
Subsidiary		
- M/s. Vels Studios and Entertainment Private Limited	Rs. 4,08,000 thousand	100 %

b) The hypothecation of the Vehicle purchased with loan financed by Bank of Baroda of Rs 20 lakhs has been registered with the Transport Authority as per the Motor Vehicles Act. In view of the hypothecation endorsement of the Registration Certificate and the non-insistence of the bank, a charge on the Vehicle has not been created under the Companies Act, 2013.

L) Contingent Liabilities

i. Vels Film International Limited is a co-applicant for a loan obtained by its subsidiary, Vels Studios and Entertainment Private Limited. The details of the contingent liability are as follows:

The Subsidiary has obtained a secured loan of Rs. 15,00,00,000 from Hinduja Leyland Finance Limited. The Loan is repayable within a period of 120 months on a monthly installments basis from the month of January 2022, chargeable with a floating interest rate of 11.50% p.a (till Jan -23 - 11.00%) and is secured by plot No.24 & 26, KIADB Industrial Area, Bidadi-562109 of subsidiary.

As at 31 March 2024, Loan shows the outstanding balance of Rs.13.94 Crores.

ii. The Company filed a petition seeking relief of Rs 4.50 crores with interest at 24% per annum from a film artist in connection with a project in progress along with damages of Rs 10 crores for not performing his part of obligations before the Hon'ble Sole Arbitrator on 18th August 2023. The respondent filed a counter claim to dismiss the claim and to direct the Company to pay a claim amount of Rs 8.5 Crores towards compensatory damages.

The Company (claimant) withdrew the petition as per the order dated 8th April 2024 of the Hon'ble Tribunal. The respondent has also correspondingly withdrew the counter-petition. Hence, the case is dismissed on the date of approval of financial statements.

M) Previous year figures have been regrouped and amended wherever necessary.

As per our report of even date attached

For S R B R & Associates LLP

Chartered Accountants

FRN: 0049975/S200051

For and on behalf of the Board of Directors

-Sd- R. Sundararajan Partner/Managing Director M.No.029814	-Sd- Ishari Ganesh Kadhirvelan Director DIN : 00269445	-Sd- Arthi Director DIN : 00568101	-Sd- Sampath Kumar Sujatha Company Secretary A32181	-Sd- Rajagopal Srinivasan Chief Financial Officer
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Place : Chennai
Date : 29th May 2024

Independent Auditor's Report

To the Members of M/s. Vels Film International Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated financial statements of M/s. Vels Film International Limited (referred to as "the Holding Company") and its subsidiary (Holding Company and its subsidiary referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss, and the Consolidated Statement of Cash Flows for the year then ended, and Notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Company as at March 31, 2024, of its Consolidated Profit and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules

thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of Rs 12,74,937.96 thousands (PY: 10,71,244.20 thousands) as at 31st March, 2024, total revenues of Rs. 2,88,224.96 thousand (PY: 59,516.04 thousand) and net cash flows amounting to Rs. 4,400.62 thousand (PY: cash flow Rs 1,499.13 thousands) for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports with modified opinion have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

VELS FILM INTERNATIONAL LIMITED

Key Audit Matters	Audit Procedures
<p>Revenue Recognition: (Refer Note 20 to the Standalone Financial Statements)</p> <p>The Company recognizes income from license fees, when control of the underlying products have been transferred along with satisfaction of performance obligation. Valuation of Work-in-Progress (Refer Note 15 to the Standalone Financial Statements)</p> <p>The balance of work-in-progress represented b movies under production, stands at Rs 67.61 crores on 31st March 2024. This was identified as a Key Audit Matter as it forms a significant portion of the financial statements.</p>	<p>Our audit procedures to assess the appropriateness of revenue recognized included the following:</p> <ul style="list-style-type: none"> • Obtaining an understanding of and assessing the design, implementation and operating effectiveness of the Company's key internal controls over the revenue recognition process. • Examination of significant contracts entered into, during the year. <p>The following audit procedures were performed:</p> <ul style="list-style-type: none"> • Evaluating the Design of Internal Controls relating to recording of costs incurred with respect to the movies under production. • Analytical procedures for increase in cost of inventories in comparison with the previous years. • Verification of contractual payments incurred for films under production with the agreements entered with third parties. • Verification of recognition of expenses to the Profit and Loss Account in case of movies sold and the corresponding income recognition. • Consistency of accounting policy followed over the years for valuation of work in progress.

Information other than the consolidated financial statements and auditors' report thereon

The Holding Company's board of directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and those Charged with Governance for the Standalone

Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

VELS FILM INTERNATIONAL LIMITED

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

That Board of Directors are also responsible for overseeing the group's financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our

conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, a statement on the matters specified in paragraphs 3 and 4 of the Order is applicable to the extent of consolidated financial statements, annexed in Annexure A.

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on 31st March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the Report on adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure B.

VELS FILM INTERNATIONAL LIMITED

- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigations on its financial position in Note no 26 to the financial statements.
 - ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts required to be transferred to the Investor Education and Protection Fund by the Group.
 - iv) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (iii) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
- v) The Group had not declared or paid dividend during the year as stated in rule 11clause (f) of Companies (Audit and Auditors) Rules, 2014
- vi) Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated from 25th September 2023 for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.
- As proviso to Rule 3(1) of the Companies (Accounts) Rules 2014 is applicable for the company only with effect from 1st April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- h. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us, the remuneration paid during the year by the Holding Company to its directors is in accordance with the provisions of Section 197 read with Schedule V of the Act. The Subsidiary Company has not paid any remuneration to the Directors, hence it is not applicable.

For S R B R & Associates
LLP
Chartered
Accountants FRN:
004997S/S200051

Date: 29th May 2024
Place: Chennai
UDIN: 24029814BKGSYK8318

-Sd-
R. Sundararajan
Partner
M. No. 029814

VELS FILM INTERNATIONAL LIMITED

**“Annexure A” to the Independent Auditor’s Report
on the Consolidated Financial Statements of Vels Film International Limited
for the year ended 31st March 2024**

As Referred in ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2024:

(xxi) According to the information and explanations given to us, in respect of the following company incorporated in India and included in the consolidated financial statements, the CARO report relating to them has been issued by their auditors and the following are the qualifications in the reports:

S. No	Name	CIN	Holding / Company / subsidiary/ Associate/ Joint Venture	Clause number of the CARO report which is qualified or adverse
1	M/s Vels Film International Limited	24029814BKGSYJ2963	Holding	Clause (iii)
1	M/s Vels Film International Limited	24029814BKGSYJ2963	Holding	Clause (ix)
1	M/s Vels Studios and Entertainment Private Limited	24225441BKAHYL3711	Subsidiary	Clause (vii)
2	M/s Vels Studios and Entertainment Private Limited	24225441BKAHYL3711	Subsidiary	Clause (ix)

For S R B R & Associates LLP
Chartered
Accountants FRN:
004997S/S200051

Date: 29th May 2024
Place: Chennai
UDIN: 24029814BKGSYK8318

-Sd-
R. Sundararajan
Partner
M. No. 029814

**“Annexure B” to the Independent Auditor’s Report on the Consolidated Financial Statements
of Vels Film International Limited for the year ended 31st March 2024**

As referred in clause (f) under ‘Report on other legal and regulatory requirements’ section of our report to the Members of Vels Film International Limited of even date.

Report on the Internal Financial Controls Over Financial Reporting 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 with reference to Consolidated financial statements of Vels Film International Limited as at March 31, 2024.

Management’s responsibility for Internal Financial Controls

The board of directors of the Group is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting with reference to Consolidated financial statements criteria established by the Group 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 with reference to Consolidated financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, 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 internal financial controls over financial reporting with reference to Consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the standards on

VELS FILM INTERNATIONAL LIMITED

auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 with reference to Consolidated financial statements 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 with reference to Consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to Consolidated financial statements, 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 judgement, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Internal Financial Control system over financial reporting with reference to Consolidated financial statements.

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 Consolidated 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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 (iii) 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 consolidated financial statements.

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 of 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 and according to the information and explanations given to us and in conjunction with our audit of the consolidated financial statements of Vels Film International Limited, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting with reference to Consolidated financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company and its subsidiary 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 S R B R & Associates
LLP

Date: 29th May 2024
Place: Chennai
UDIN: 24029814BKGSYK8318

Chartered
Accountants FRN:
004997S/S200051

-Sd-
R. Sundararajan
Partner
M. No. 029814

VELS FILM INTERNATIONAL LIMITED

VELS FILM INTERNATIONAL LIMITED

Corporate Identity Number (CIN) U74999TN2019PLC132235
Registered Office : No.521/2, Anna Salai, Nandanam, Chennai 600035

CONSOLIDATED BALANCE SHEET AS AT 31st March, 2024 (Rupees in Thousands)

Particulars	Note No.	As at 31 March, 2024	As at 31 March 2023
I. Equity and Liabilities			
(1) Shareholders' funds			
(a) Share capital	4	1,29,080.00	1,29,080.00
(b) Reserves and surplus	5	46,345.31	4,10,616.49
(2) Minority Interest	6	(76,312.51)	(11,005.85)
(2) Share application money pending allotment		-	-
(3) Non-current liabilities			
(a) Long-term borrowings	7	5,23,738.07	5,43,965.68
(b) Deferred tax liabilities (Net)	8	40,000.00	-
(4) Current liabilities			
(a) Short-term borrowings	9	9,40,183.47	5,44,203.24
(b) Trade payables	10		
(A) total outstanding dues of micro enterprises and small enterprises		495.00	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		1,33,199.78	1,22,813.33
(c) Other current liabilities	11	6,55,979.17	1,35,728.02
TOTAL		23,92,708.29	18,75,400.91
II. Assets			
(1) Non-current assets			
(a) Property, Plant and Equipment and Intangible Assets	12	11,60,943.14	7,60,721.39
(b) Non-Current Investements		-	-
(c) Long Term Loans and advances		2,500.27	-
(d) Deferred tax assets (net)		35,876.59	52.77
(e) Other non-current assets	13	49,626.57	45,053.04
(2) Current assets			
(a) Inventories	14	6,85,887.27	5,39,886.74
(b) Trade receivables	15	73,517.71	25,706.76
(c) Cash and bank balances	16	62,775.28	76,625.88
(d) Short-term loans and advances	17	8,931.95	373.87
(e) Other current assets	18	3,12,649.51	4,26,980.47
TOTAL		23,92,708.30	18,75,400.92

As per our report of even date attached
For S R B R & Associates LLP
Chartered Accountants
FRN: 004997S/S200051

For and on behalf of the Board of Directors

-Sd-
R. Sundararajan
Partner/Managing Director
M.No. 029814

-Sd-
Ishari Ganesh Kadhivelan
Director
DIN : 00269445

-Sd-
Arthi
Director
DIN : 00568101

-Sd-
Sampath Kumar Sujatha
Company Secretary
A32181

-Sd-
Rajagopal Srinivasan
Chief Financial Officer

Place : Chennai
Date : 29th May 2024

VELS FILM INTERNATIONAL LIMITED

Corporate Identity Number (CIN) U74999TN2019PLC132235
Registered Office : No.521/2, Anna Salai, Nandanam, Chennai 600035

CONSOLIDATED PROFIT & LOSS FOR THE YEAR ENDED AS AT 31st March, 2024

(Rupees in Thousands)

Particulars	Note No.	As at 31 March, 2024	As at 31 March 2023
I. Revenue from operations	19	3,95,383.83	5,99,212.43
II. Other income	20	2,165.90	12,737.67
III. Total Income (I+II)		3,97,549.73	6,11,950.10
IV. Expenses			
Cost of materials consumed	21	50,664.37	-
Purchases of stock in trade	22	14,852.55	-
Direct Costs	23	4,75,613.37	5,81,451.23
Changes in inventories of work-in-progress	24	(2,60,868.51)	(1,75,405.66)
Employee benefit expenses	25	87,425.08	22,455.51
Finance costs	26	68,558.55	44,666.43
Depreciation and amortization expense	12	1,31,644.94	21,905.95
Other expenses	28	1,76,409.43	89,175.41
Total Expenses		7,44,299.78	5,84,248.87
V. Profit before exceptional and extraordinary items and tax (III - IV)		(3,46,750.05)	27,701.23
VI. Exceptional items		1,18,651.63	-
VII. Profit before extraordinary items and tax (V - VI)		(4,65,401.68)	27,701.23
VIII. Extraordinary items		-	-
IX. Profit before tax (VII- VIII)		(4,65,401.68)	27,701.23
X. Tax expense:			
(a) Current Tax Expense for the year		-	22,500.00
(b) Deferred Tax		35,823.83	(39,733.78)
XI. Profit (Loss) for the period from continuing operations (IX-X)		(4,29,577.85)	5,240.96
XII. Profit/(loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV. Profit (Loss) for the period before Minority Interest (XI + XIV)		(4,29,577.85)	5,240.96
Minority's share of interest		(65,306.67)	(9,121.73)
XVI. Profit/ (Loss) for the period after Minority Interest		(3,64,271.19)	14,362.69
XVI. Earnings per equity share:			
(1) Basic		(2.82)	1.50
(2) Diluted		(2.82)	1.50

Refer accompanying notes to the Consolidated Financial Statements 1 to 3

As per our report of even date attached

For S R B R & Associates LLP

Chartered Accountants

FRN: 004997S/S200051

For and on behalf of the Board of Directors

Sd-
R. Sundararajan
Partner/Managing Director
M.No. 029814

-Sd-
Ishari Ganesh Kadhirvelan
Director
DIN : 00269445

-Sd-
Arthi
Director
DIN : 00568101

-Sd-
Sampath Kumar Sujatha
Company Secretary
A32181

-Sd-
Rajagopal Srinivasan
Chief Financial Officer

Place : Chennai
Date : 29th May 2024

VELS FILM INTERNATIONAL LIMITED

Corporate Identity Number (CIN) U74999TN2019PLC132235
Registered Office : No.521/2, Anna Salai, Nandanam, Chennai 600035

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

(Rupees in Thousands)

Particulars	For the year ended 31 March 2024		For the year ended 31 March 2023	
	CashFlow From Operating Activities			
Net Profit before Tax and Extra-ordinary Items				
Adjustments for:		(4,65,401.68)		92.94
Depreciation	1,31,644.94		507.61	
Interest and Finance Charges	68,558.55		33.22	
		2,00,203.49		540.82
Operating Profit Before Working Capital Change		(2,65,198.19)		633.76
Adjustments For				
(Increase) / Decrease in Inventory	(1,46,000.53)		(5,39,886.74)	
(Increase) / Decrease in Trade Receivables	(47,810.96)		(25,706.76)	
(Increase) / Decrease in short term loans and advances	(8,558.08)		(373.87)	
(Increase) / Decrease in Non-Current Assets	(4,573.52)		(24.15)	
(Increase) / Decrease in Current Assets	1,14,330.96		(4,26,980.47)	
Increase / (Decrease) in Trade Payables	10,881.45		1,22,813.33	
Increase / (Decrease) in Other Current Liabilities	5,20,251.15		1,35,728.02	
Increase / (Decrease) in short term provisions	-		11.40	
Increase / (Decrease) in Other Non Current Liabilities	40,000.00		-	
		4,78,520.46		(7,34,419.23)
Tax paid/ provision				-
Net Cash Used in/ from operating Activities (A)		2,13,322.27		(7,33,785.46)
Cash Flow From Investing Activities				
Purchase of Property, Plant and Equipment and Intangible Assets	(5,31,866.69)		(873.73)	
Loan provided to Third Parties	(2,500.27)		3,868.90	
Investment in securities -				
Net Cashflow from Investing Activities (B)		(5,34,366.96)		(873.73)
Cash Flow from Financing Activities				
Proceeds from issue of shares			95.00	-
Proceeds from borrowings	3,75,752.63		510.58	
Minority Interest			(1.88)	
Financing Charges paid	(68,558.55)		(33.22)	
Net cashflow from Financing Activities (C)		3,07,194.08		570.48
Net Increase/(Decrease) in Cash & Cash Equivalents (A)+(B)+(C)		(13,850.61)		(7,34,088.72)
Cash and Cash Equivalents at the Beginning of the year		76,625.88		8107.15
Cash and Cash Equivalents at the end of the year		62,775.27		76,625.88
Note : Cash and Cash Equivalents				
Cash and cash Equivalents as above		62,775.27		76,625.88
Cash and Bank Balances as per Note 16		62,775.28		76,625.88

Note: The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in AS 3.

Refer accompanying notes to the Consolidated Financial Statements 1 to 3

As per our report of even date attached

For S R B R & Associates LLP

Chartered Accountants

FRN: 004997S/S200051

For and on behalf of the Board of Directors

Sd-
R. Sundararajan
Partner/Managing Director
M.No. 029814

-Sd-
Ishari Ganesh Kadhivelan
Director
DIN : 00269445

-Sd-
Arthi
Director
DIN : 00568101

-Sd-
Sampath Kumar Sujatha
Company Secretary
A32181

-Sd-
Rajagopal Srinivasan
Chief Financial Officer

Place : Chennai

Date : 29th May 2024

VELS FILM INTERNATIONAL LIMITED

Notes forming part of the consolidated financial statements for the year ended 31 March 2024

(All Amounts are in Rs. in Thousands unless otherwise stated)

Note 4 : Share capital

Particulars	As s at 31st March 2024	As at 31st March 2023
(a) Authorized Capital		
No. of shares (in numbers)	2,00,00,000	2,00,00,000
Authorized Equity Capital (in thousands)	2,00,000	2,00,000
(b) Issued, subscribed and fully paid-up		
No. of shares (in numbers)	1,29,08,000	1,29,08,000
Issued, subscribed and fully paid-up capital (in thousands)	1,29,080	1,29,080
(c) Par value per equity share	10	10
(d) Reconciliation of shares		
Shares at the beginning of the reporting period	1,29,08,000	95,00,000
Number of shares issued during the period	-	34,08,000
Shares at the end of the reporting period	1,29,08,000	1,29,08,000

(e) the rights, preferences and restrictions attaching to shares :

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

The dividend if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

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

(f) Shares held by holding company or ultimate holding company including subsidiaries or associates of the holding company NIL

(g) List of shareholders holding more than 5% of shares **31st March 2024** **31st March 2023**

1. Ishari Ganesh Kadhivelan

No. of shares	94,36,000	94,36,000
% of shares held	73.10 %	73.10 %

2. Udaya Sankar

No. of shares	7,83,600	7,83,600
% of shares held	6.07 %	6.07 %

(h) Shareholding of promoters:	31st March 2024		31st March 2023	
Promoter Name	No of shares	% of shares	No of shares	% of shares
Ishari Ganesh Kadhivelan	94,36,000	73.10%	94,36,000	99.30 %
	31st March 2024		31st March 2023	
Promoter Name	No of shares	% of shares	No of shares	% of shares
Ishari Ganesh Kadhivelan	94,36,000	99.30 %	94,36,000	99.30 % -

VELS FILM INTERNATIONAL LIMITED**Notes forming part of the consolidated financial statements for the year ended 31 March 2024***(All Amounts are in Rs. in Thousands unless otherwise stated)*

Particulars	As at 31st March 2024	As at 31st March 2023
Note 5 : Reserves and surplus		
(a) Securities Premium	3,03,312.00	3,03,312.00
(b) Surplus/ (Debit) balance in Statement of Profit and Loss		
Opening balance	1,07,304.49	92,941.80
Add: Profit / (Loss) for the year	(1,34,302.25)	65,846.40
Add: Post-acquisition reserves of subsidiary	(2,29,968.93)	(51,483.71)
	46,345.31	4,10,616.49
Note 6 : Minority Interest		
Paid up value	-	-
Share of pre-acquisition profits and reserves		
Share of post-acquisition profits and reserves		
- Opening Balance	(11,005.85)	(1,884.11)
- Current year share	(65,306.67)	(9,121.73)
	(76,312.51)	(11,005.85)
Note 7 : Long-term borrowings		
<u>Unsecured Loan :</u>		
(a) Term Loans		
(i) From Banks	1,19,588.88	1,30,616.48
(ii) Loans and advances from related parties	4,04,149.20	4,13,349.20
	5,23,738.07	5,43,965.68
The details of long term borrowings are as under:	Closing balance as at 31st March 2024	Closing balance as at 31st March 2023
- Bank of Baroda Car Loan borrowed - Rs 20,00,000; Interest @ 7.80% per annum and repayable in 35 instalments beginning from August 2022. ; Hypothecated by the Vehicle (Refer note 3(M) for pending Regulatory Compliance)	944.76	1,593.09
- Arthi Associates Private Limited Amount borrowed - Rs 11,50,00,000; Interest @ 12% per annum and repayable on demand without any specified repayment schedule	2,05,327.79	2,05,327.79
- Kushmitha Foundations Private Limited Amount borrowed - Rs 10,60,00,000; Interest @ 12% per annum and repayable on demand without any specified repayment schedule	78,160.09	78,160.09
- VG Park beach Resorts Private Limited Amount borrowed - Rs 14,96,00,000; Interest @ 12% per annum and repayable on demand without any specified repayment schedule	1,20,661.31	1,20,661.31

VELS FILM INTERNATIONAL LIMITED

VELS FILM INTERNATIONAL LIMITED

Notes forming part of the consolidated financial statements for the year ended 31 March 2024

(All Amounts are in Rs. in Lakhs unless otherwise stated)

- Prabhudeva Studios Private Limited Amount borrowed Rs 95,70,000; No interest charged, repayable on demand without any specified repayment schedule	-	9,200.00
- Hinduja Leyland Finance Limited Amount borrowe Rs 15,00,00,000; Interest @ 11.60%, repayable in 120 monthly instalments from January 2022; secured by plot No.24 & 26, KIADB Industrial Area, Bidadi-562109	1,18,644.12	1,29,023.39
Note 8 : Other Long term liabilities		
(a) Sublease deposit	40,000.00	-
TOTAL	40,000.00	
Note 9 : Short Term borrowings		
<u>Unsecured</u>		
(a) Short term Loans and advances from related parties	9,29,786.04	5,34,287.88
(b) Current maturities of Long term borrowings	10,397.43	9,915.36
	9,40,183.47	5,44,203.24
The details of short term borrowings are as under:	Closing balance as at 31st March 2024	Closing balance as at 31st March 2023
- Vels film International Repayable on demand without any specified repayment schedule	48,328.47	45,978.28
- Dr. Ishari K Ganesh Repayable on demand without any specified repayment schedule	7,05,190.60	3,10,920.87
- Arthi Associates Private Limited Repayable on demand without any specified repayment schedule	3,395.00	3,395.00
- Mrs. Arthi Repayable on demand without any specified repayment schedule	824.00	0.82
- VGS Estates Private Limited Repayable on demand without any specified repayment schedule	1,47,047.97	0.36
- Gopi Pallini Prakash Repayable on demand without any specified repayment schedule	25,000.00	9.92
	9,29,786.04	3,60,305.25

VELS FILM INTERNATIONAL LIMITED

VELS FILM INTERNATIONAL LIMITED

Notes forming part of the consolidated financial statements for the year ended 31 March 2024

(All Amounts are in Rs. in Thousands unless otherwise stated)

Note 10 : Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises	495.00	0.00
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	1,33,199.78	1,22,813.33
	1,33,694.78	1,22,813.33

Refer Note 3(F) for ageing analysis of Trade Payables and Note 3(L) for disclosure relating to Micro, Small and Medium Enterprises

Note 11 : Other current liabilities

(a) Statutory Remittances	4,728.85	4,616.49
(b) Project Receipts	1,20,000.00	84,003.35
(c) Trade advances	1,000.00	1,000.00
(d) Rental Advance	72.00	72.00
(e) Creditors for Fixed Assets	6,516.94	-
(f) Expenses Payable	1,53,328.19	46,036.18
(g) Advance received from customer	3,70,333.19	-
	6,55,979.17	1,35,728.02

Note 12 : Property, Plant and Equipment and Intangible Assets for current year

(i) Property, Plant and Equipment

Description	GROSS BLOCK			DEPRECIATION						
	As at 31st March 2023	Additions during the Yr	Deletions during the Yr	As at 31st March 2024	As at 31st March 2023	Additions during the Year	Deletions during the year	As at 31st March 2024	WDV as at 31st March 2024	WDV as at 31st March 2023
(i) Property, Plant and Equipment										
(a) Plant and Equipment	239.34	2,42,469.15	-	2,42,708.49	82.42	60,223.04	-	60,305.46	1,82,403.03	156.92
(b) Computer and Data Processing	9,745.89	4,56,463.81	-	4,66,209.70	8,653.39	3,11,442.94	-	3,20,096.33	1,46,113.36	1,092.49
(c) Office Equipment	1,28,452.05	58,104.45	-	1,86,556.50	1,24,761.07	1,53,301.60	-	2,78,062.67	(91,506.17)	3,690.98
(d) Land	90,517.06	-	-	90,517.06	-	-	-	-	90,517.06	90,517.06
(e) Building	5,27,420.55	7,07,174.02	-	12,34,594.57	3,62,723.69	1,43,765.31	-	5,06,489.00	7,28,105.57	1,64,696.86
(f) Furniture & fittings	39,810.19	4,12,155.81	-	4,51,966.00	30,785.84	2,14,577.16	-	2,45,363.01	2,06,602.99	9,024.35
(g) Vehicles	6,726.32	2,295.48	-	9,021.80	1,771.18	5,85,600.79	-	5,87,371.96	(5,78,350.16)	4,955.15
(h) Live stock	422.49	-	-	422.49	-	-	-	-	422.49	422.49
(i) Electrical Installations and Equipment	-	1,24,345.17	-	1,24,345.17	-	-	-	-	1,24,345.17	2,74,556.29
(f) Plantation	-	4,964.04	-	4,964.04	-	-	-	-	4,964.04	-
Total	8,03,333.89	18,78,662.72	-	26,81,996.61	5,28,777.59	14,68,910.84	-	19,97,688.43	6,84,308.18	2,74,556.29
(ii) Intangible Assets										
(a) others	898.30	227.20	-	1,125.49	734.48	63.38	-	797.86	327.63	163.82
(b) Goodwill	6,052.42	1,816.14	-	7,868.57	-	667.65	-	667.65	7,200.92	6,052.42
	6,950.72	227.20	-	8,994.06	734.48	63.38	-	797.86	7,528.55	6,216.24
(ii) Expenditure duing construction pending allotment	88,261.79	-	-	88,261.79	-	-	-	-	88,261.79	88,261.79
TOTAL	8,98,546.40	18,78,889.92	-	27,79,252.46	5,29,512.07	14,68,974.22	-	19,98,486.29	7,80,098.52	3,69,034.32

VELS FILM INTERNATIONAL LIMITED**Notes forming part of the consolidated financial statements for the year ended 31 March 2024***(All Amounts are in Rs. in Thousands unless otherwise stated)***Note 12 : Property, Plant and Equipment and Intangible Assets for previous year**

Description	As at 31st March 2023	Additions during the Year	Deletions during the Year	As at 31st March 2024	As at 31st March 2023	Additions during the Year	Deletions during the year	As at 31st March 2024	WDV as at 31st March 2023	WDV as at 31st March 2024
(i) Property, Plant and Equipment										
(a) Plant and Equipment	239.34	-	-	239.34	42.99	39.43	-	82.42	156.92	196.35
(b) Computer and Data Processing	9,202.71	543.18	-	9,745.89	8,459.71	193.69	-	8,653.39	1,092.49	743.00
(c) Office Equipment	1,27,628.56	823.48	-	1,28,452.05	1,24,206.70	554.37	-	1,24,761.07	3,690.98	3,421.87
(e) Building	5,17,903.83	9,516.73	-	5,27,420.55	3,44,133.16	18,590.54	-	3,62,723.69	1,64,696.86	1,73,770.67
(f) Furniture & fittings	31,456.04	8,354.15	-	39,810.19	29,421.74	1,364.11	-	30,785.84	9,024.35	2,034.31
(h) Live stock	422.49	-	-	422.49	-	-	-	-	422.49	422.49
	7,78,748.41	24,585.47	-	8,03,333.89	5,06,935.02	21,842.57	-	5,28,777.59	2,74,556.29	2,71,813.39
(ii) Intangible Assets										
(a) others	671.10	227.20	-	898.30	671.10	63.38	-	734.48	163.82	0.00
(b) Goodwill	6,052.42	-	-	6,052.42	-	-	-	-	6,052.42	6,052.42
	6,723.52	227.20	-	6,950.72	671.10	63.38	-	734.48	6,216.24	6,052.43
(ii) Expenditure duing construction pending allotment	88,261.79	-	-	88,261.79	-	-	-	-	88,261.79	88,261.79
TOTAL	8,73,733.73	24,812.67	-	8,98,546.40	5,07,606.12	21,905.95	-	5,29,512.07	3,69,034.32	3,66,127.61

- * a) Towards reconstruction of Innovative Studios Private Limited post acquisition of the change in shareholders.
- b) Interest on borrowings of Rs. 1,34,77,846 (PY: Rs.80,36,007/-) has been capitalised during the year w.r.t to the loans taken from Hinduja Leyland Finance Limited.
- c) The interest debited w.r.t loans obtained by Vels Studios and Entertainment Private Limited from Vels Film International Limited has been removed from the Capital Work-in progress for the purpose of consolidation. Correspondingly, the Consolidated Income is also removed.
- d) The Goodwill under Intangible Assets is the difference between the cost of acquisition (purchase consideration) of control in the subsidiary by the Holding Company and the pre-acquisition reserves.

Refer Note 3(H) for Ageing analysis of Capital Work-in-progress

Note 13 : Other non-current assets			
(a) Lease Deposit		40,000.00	45,053.04
(b) Advanced Paid		3,618.92	-
		46,626.57	45,053.04
Note 14 : Inventories			
(a) Work-in-progress		6,76,140.75	4,21,257.53
(b) Retail shops Land & Building		7,321.33	1,18,629.21
(c) Bar Stock		2,425.19	41.97
Less: Provision towards impairment of Bar Stock		-	(41.97)
		6,85,887.27	5,39,886.74
Note 15 : Trade receivables			
<u>Unsecured, considered good</u>			
Trade Receivables		73,517.71	25,706.76
		73,517.71	25,706.76

Refer Note No 3(G) for ageing analysis of Trade Receivables.

VELS FILM INTERNATIONAL LIMITED**Notes forming part of the consolidated financial statements for the year ended 31 March 2024***(All Amounts are in Rs. in Thousands unless otherwise stated)*

Note 16 : Cash and bank balances		
(a) Balances with banks	61,450.02	75,540.84
(b) Cash on hand	1,268.07	1,034.39
(c) Deposits with Banks	57.19	50.65
	62,775.28	76,625.88
Note 17 : Short-term loans and advances		
(a) Other short tem loans and advances	569.44	373.87
(b) Advance to Suppliers	8,362.51	-
	8,931.95	373.87
Note 18 : Other current assets		
(a) Balance with Revenue Authorities	44,084.35	56,412.63
(b) Advances Paid	-	43,937.30
(c) Security Deposits	7,816.82	11,195.18
(c) Income Accured but bill not booked	1,00,000.00	1,00,000.00
(c) Other Current asset	1,13,645.26	1,96,285.06
(f) Prepaid Taxes	47,103.08	19,150.30
	3,12,649.51	4,26,980.47
Note 19 : Revenue from operations		
(a) Sale of products	72,162.48	13,384.15
(a) Sale of services	3,23,221.35	5,85,828.28
	3,95,383.83	5,99,212.43
Note 20 : Other income		
(a) Interest Income	1,741.45	247.43
(b) Balances written off	30.01	4,662.49
(c) Foerx Gain or Loss	11.58	42.94
(d) Micelleneous Income	90.71	7,784.81
(d) Rental Income	292.14	-
	2,165.90	12,737.67
Note 21 : Cost of materials consumed		
Inventories at the beginning of the year	-	-
Purchases	54,425.60	-
Inventories at the end of the year	3,761.23	-
	50,664.37	-
Note 22 : Purchases of stock in trade		
Purchases of traded goods	14,852.55	-
	14,852.55	-
Note 23 : Direct Costs		
Direct Costs		
Art Dept	55,147.03	-
Artists related Expenses	93,103.81	40,630.37
Technician Exps	49,694.56	1,443.65
Bata Expenses	37,089.36	9.10

VELS FILM INTERNATIONAL LIMITED**Notes forming part of the consolidated financial statements for the year ended 31 March 2024***(All Amounts are in Rs. in Thousands unless otherwise stated)*

Shooting Exp	18,622.61	16.00
Advertisement	0.00	0.00
Production Dept	202.11	0.00
Others	1,72,386.88	5,38,546.61
Office Related Expenses	24.13	594.11
Music director Expenses	200.00	0.00
Equipment Hire & Related Exp	25,077.12	0.00
Post Production Works	4,184.20	0.00
Location Expenses	3,458.25	5.71
Salary	0.00	0.00
Boarding and lodging	7,672.02	151.55
Insurance	1871161	0
Catering expenses	6607842	54130
Stunt /Fighters payment	0	0
camera Man	272293	0
	47,56,13,373	58,14,51,228
Note 24 : Changes in inventories of work-in-progress		
Closing balance of:		
work-in-progress	6,76,140.75	4,21,257.53
finished goods	5,985.29	1,18,629.21
Opening balance of:		
work-in-progress	4,21,257.53	2,45,851.87
finished goods	1,18,629.21	1,18,629.21
Less : Inventory Capitalised / Expensed	1,18,629.21	-
	(2,60,868.51)	(1,75,405.66)
Note 25 : Employee benefit expenses		
salaries and wages	16,698.30	21,910.26
staff welfare expenses	7,407.75	545.26
Subcontract expenses	63,319.03	-
	87,425.08	22,455.51
Note 26 : Finance costs		
Interest expense	68,335.23	44,666.43
EDC/POS Charges	223.32	-
	68,558.55	44,666.43
Note 28 : Other expenses		
Payments to the auditors as:		
(i) auditor	700.00	350.00
(ii) for taxation matters	200.00	75.00
(iii) for other services	205.00	125.00
Expenditure incurred on CSR activities	1,563.00	950.00
Power and fuel	16,502.78	9,271.52
Rent	1,140.00	1,225.00
Repairs to buildings	17,213.61	649.88

VELS FILM INTERNATIONAL LIMITED**VELS FILM INTERNATIONAL LIMITED****Notes forming part of the consolidated financial statements for the year ended 31 March 2024***(All Amounts are in Rs. in Thousands unless otherwise stated)*

Repairs to machinery	6,633.51	6,914.89
Rates and taxes, excluding, taxes on income	15,013.89	10,141.91
Bank Charges	145.56	125.01
Distribution Expenses	558.00	2,353.65
Refreshment expenses	936.55	493.68
Professional charges	25,302.26	10,980.23
Donation	1,500.00	-
Office Expenses	1,819.41	4,895.06
Business promotion	29,531.16	98.32
Sponsorship Expenses	-	1,000.00
IPO Expenses	790.38	1,838.95
Project expenses	13,389.19	4,176.09
Provision towards doubtful debts and advances	10,713.25	13,433.70
Travelling and Conveyance	2,028.28	1,330.02
Transportation charges	440.10	245.48
Subcontracting charges	18,184.07	3,650.27
Printing & Stationary	3,793.73	94.13
Canteen Expenses	-	10,527.97
Communication Expenses	-	193.51
Revenue sharing fees	4,283.93	-
Miscellaneous expenses	3,821.75	34,799.23
	1,76,409.43	89,175.41

As per our report of even date attached

For S R B R & Associates LLP

Chartered Accountants

FRN: 004997S/S200051

For and on behalf of the Board of Directors

-Sd- R. Sundararajan Partner/Managing Director M.No. 029814	-Sd- Ishari Ganesh Kadhivelan Director DIN : 00269445	-Sd- Arthi Director DIN : 00568101	-Sd- Sampath Kumar Sujatha Company Secretary A32181	-Sd- Rajagopal Srinivasan Chief Financial Officer
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Place : Chennai

Date : 29th May 2024

VELS FILM INTERNATIONAL LIMITED

521/2, Anna Salai, Nandanam, Chennai - 600 035

CIN: U74999TN2019PLC132235

Notes forming part of the consolidated financial statements.

1. Corporate Information

Vels Film International Limited, (“the Holding Company”) was incorporated on 25th October 2019 as a closely held Public Limited Company under the Provisions of Companies Act, 2013.

The Company listed its shares on 22nd March 2023 on the SME Platform of the National Stock Exchange.

The Company is in the business of production, distribution or exhibition of films and motion pictures.

Vels Film International Limited holds 77.20% of M/s Vels Studios and Entertainment Private Limited (Previously known as Innovative Studio Private Limited), (VSEPL or the “Subsidiary”), which was incorporated on September 16, 2003. The Company is in the business of amusement park and Film city.

The registered office of the subsidiary is situated in Bengaluru, Karnataka.

Vels Film International along with its subsidiary M/s Vels Studios and Entertainment Private Limited (Previously known as Innovative Studio Private Limited) is the “Group” for consolidation purpose.

2. Significant Accounting Policies

A) Basis of preparation of Financial Statements

The consolidated financial statements of the Group have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2021 (as amended) and the relevant provisions of the Companies Act, 2013. The consolidated financial statements have been prepared on accrual basis under the historical cost convention.

B) Use of estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent

liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

C) Inventories

The company holds work in progress of movie projects which are in the process of production. All the expenses incurred directly in connection to the specified movie is added to the cost of the inventory of the corresponding movie till such date of sale or release.

Inventories of Vels Studios and Entertainment Private Limited comprising of retail shop are valued at the lower of cost or net realizable value. Cost of inventories comprises of all costs of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

D) Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

E) Cash Flow Statement

The statement of cash flows has been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals. The cash flows from operating, investing, and financing activities of the Company are segregated.

F) Revenue Recognition

- Revenue from sale or licensing of film is recognized when:
 - a) Persuasive evidence of a sale or licensing agreement with a customer exists and

VELS FILM INTERNATIONAL LIMITED

- b) Film is certified by authorities for release in case of own exhibition of films produced and
- c) The film is complete and has been delivered or is available for immediate and unconditional delivery (in accordance with the terms of the arrangement) and
- d) The customer can begin its exploitation, exhibition, or sale and
- e) The fee is fixed or determinable and
- f) Collection of the fee is reasonably assured.

All other revenue relating to film production, including but not limited to, the following, is recognised on the basis of sale or licensing agreements.

Notes forming part of the financial statements

Nature of Income

(i) Revenue from Theatrical rights (Domestic & Overseas)
(ii) Revenue from Dubbing Rights (Domestic & Overseas)
(iii) Revenue from Satellite Rights (Domestic & Overseas)
(iv) Revenue from Music Rights (Domestic & Overseas)
(v) Revenue from Sale of Transfer of Rights (Domestic & Overseas)
(vi) Revenue from Sale of Digital Rights (Domestic & Overseas)

Other income:

All other income is recognised based on the terms of contract with third parties and corresponding billings made. Subsidies received from the Government are recognised in the profit & loss account where there are no conditions attached to the subsidy.

- Entry charges are recognized at the time when entry tickets are issued to visitors for entry into the park.
- Revenue from food court, Collection from conference halls, Fashion café and parties and events are recognised on accrual basis.
- Share of revenue from is recognized as per the terms of the agreement with the respective parties.
- Revenue from sale of services is recognised at the time of rendering of services and there

is no significant uncertainty in the ultimate collection of the revenue.

G) Costs and Expenses

Film costs include all direct costs incurred in the physical production of a film, such as the costs of story; compensation of cast, directors, producers, and extras; costs of set construction, operations, and wardrobe; costs of sound synchronization; costs of rental facilities on location; and postproduction costs (music, special effects, and editing).

Production overhead consists of the costs of the individuals and departments that have a significant (or exclusive) responsibility for the production of the film. These costs do not include administrative and general expenses.

H) Property, Plant and Equipment

1. Property, Plant and Equipment

Property, plant, and equipment are stated at cost comprising of purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation and impairment loss, if any.

2. Intangible Assets

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss.

3. Capital Work in Progress

The cost of asset not put to use before such date are disclosed under "Capital Work in Progress".

4. Depreciation

Depreciation is provided for property, plant, and equipment on written down value basis to expense the cost less residual value over their estimated useful lives. Residual value being 5% of original cost of asset. The estimated useful lives and residual values are reviewed at the end of each reporting period. Useful life of assets is as prescribed under Schedule II of the Companies Act, 2013.

I) Foreign currency transactions and translations

Initial recognition and treatment of exchange differences

Transactions in foreign currencies entered by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date

of the transaction. They are re-translated at the exchange rate prevailing at the Balance sheet date. The unrealised gains or losses are recognised as income or expense in the Statement of Profit and Loss on restatement at the end of reporting period.

J) Investments

The cost of an investment includes acquisition charges such as brokerage, fees, and duties.

Any receivables from these investments are recognised as income in the Statement of Profit and Loss.

On disposal of an investment, the difference between the carrying amount and the disposal proceeds, net of expenses, is recognised in the profit and loss statement.

K) Employee Benefits

The provisions of gratuity, provident fund and employee state insurance do not apply to the Company; hence no provision is made.

The company does not have the policy of compensating absences and encashment of leave.

L) Borrowing cost:

The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised to the asset.

To the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation on that asset is determined as the actual borrowing costs incurred on that borrowing during the period less any income on the temporary investment of those borrowings.

In case of other borrowing costs, the interest is recognised as expenses as per terms of the borrowing, as and when they become payable and on time proportionate basis.

M) Segment reporting**Business Segment:**

A business segment is a distinguishable component of an enterprise that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments.

The Company is engaged in only one single activity of Production of films and sale of film rights. Hence, there are no different business segments to be reported separately.

Geographical Segment:

A geographical segment is a distinguishable component of an enterprise that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

The Company operates from only one geographical/ economic environment and hence there are no separate reportable segments.

N) Earnings per share

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during year. Diluted EPS is computed by dividing profit or loss attributable to equity shareholders by weighted average number of additional equity shares that would have been outstanding assuming conversion of all dilutive potential equity shares.

O) Taxes on Income

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in statement of profit and loss.

Current Income Taxes

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if

VELS FILM INTERNATIONAL LIMITED

such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets and liabilities are reviewed at each Balance Sheet date for their realisability.

P) Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the 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. For the year ended 31st March, 2024 there are no contingencies.

3) Notes on Accounts

A) Inventories:

The Company holds work in progress of movie projects amounting to Rs 6,76,140.75 (PY: 4,21,257.53) at the end of the reporting period. Opening balance of work-in-progress includes the costs of the films sold during the current financial year, which have been recognised in the Statement of Profit and Loss.

The subsidiary company holds inventories of Rs.5,985.29 (in thousands) (PY: Rs. 1,18,629.21) at the end of reporting period.

B) Foreign Currency translations and transactions

I. Earnings in Foreign Exchange:

Earnings from export of services by selling of theatrical, satellite and digital rights overseas:

Type of service	For the year ended 31 st March 2024 (in thousands)	For the year ended 31 st March 2023 (in thousands)
Sale of rights	60,000	16,312.70

Expenditure in Foreign Exchange:

Type of service	For the year ended 31 st March 2024 (in thousands)	For the year ended 31 st March 2023 (in thousands)
Import of Professional Charges for Stunt Master	6,234.54	Nil

C) Earnings per share

Type of service	For the year ended 31 st March 2023 (in thousands)	For the year ended 31 st March 2022 (in thousands)
Profit for the year (in thousands)	(3,64,271.18)	14,362.69
Weighted average number of equity shares	1,29,08,000	96,40,055
Basic and Diluted EPS	(2.82)	1.50
Face value per equity share	10	10

The Company did not have any potentially dilutive securities in any of the years presented.

VELS FILM INTERNATIONAL LIMITED

D) Deferred Tax

Type of service	As at 31 st March 2024	As at 31 st March 2023
Opening Deferred tax Asset (A)	52.77	13.03
Tax effect of items constituting Deferred tax liability:	NIL	NIL
Tax effect of items constituting deferred tax assets:		
(i) On difference in written down value of fixed assets	837.56	209.66
(ii) Rule 9A disallowance	1,41,699.57	-
Closing balance of Deferred Tax Asset (B)	35,876.594	52.76
Net deferred tax Asset/(Liability) provided (A)-(B)	35,823.83	39.73

E) Related party transactions:

The Company's principal related party transactions are with its directors, and entities in which the Directors have controlling interest.

The details of Related Parties are as follows:

Nature of Relationship	Name of Related Parties
Key Management Personnel (KMP) / Director	<ul style="list-style-type: none"> • Ishari Ganesh Kadhivelan, Managing Director • Arthi, Director, Preethaa Ganesh, Director • Ganesan Thiagarajan, Chief Financial Officer for FY 2022 - 2023 • Rajagopal Srinivasan, Chief Financial Officer • Sampath Kumar Sujatha, Company Secretary
Company in which KMP / Relatives of KMP can exercise significant influence	<ul style="list-style-type: none"> • Kushmitha Ganesh • Kushmitha Foundations Private Limited • Arthi Associates Private Limited • VGS Estates Private Limited • VG Park Beach Resorts Private Limited • Prabhudeva Studios Private Limited • GV Studio City Limited • Vel Ganesh Foundations Private Limited • Cybernexa Infotech Private Limited, • MDIS - Vels Education Private Limited, • Vels Film International (Proprietor) • BMMT Institute of Education • Vel Chennai Warriors LLP • Madras Elephant Estate Private Limited • Vels Aviation Services IFSC Private Limited • Kindle Kids International School Pte Limited, Singapore • Vels Education Limited, England

VELS FILM INTERNATIONAL LIMITED

TRANSACTION WITH RELATED PARTIES		
As per Accounting Standard 18, the disclosures of transactions with the related party as defined in the Accounting Standard are given below:		
Particulars	As at 31st March 2024 (Rs in thousands)	As at 31st March 2023 (Rs in thousands)
Name of the related Party	Nature of Relationship	
1. Mr. Ishari Ganesh Kadhivelan	Managing Director and Promoter	
LOANS BORROWED		
Volume of Transactions (during the year)		
Amount Received	1,83,950.00	10,76,820.00
Amount Paid	2,28,800.00	6,91,305.90
Amount Payable (for the period end)		
Closing balance	2,60,666.00	3,10,916.60
REMUNERATION		
Volume of Transactions (during the year)		
Remuneration during the year	2,400.00	2,200.00
Amount Payable (for the period end)		
Closing balance	1,651.20	713.6
2. Vels Film International (Proprietor)	Entities in which KMP have significant influence	
LOANS BORROWED		
Volume of Transactions (during the year)		
Amount Received	4,500.00	6,438.68
Amount Paid	2,149.80	18,767.04
Amount Payable (for the period end)		
Closing balance	48,328.47	45,978.28
SERVICES RECEIVED		
Volume of Transactions (during the year)		
Receipts of Services -	-	-
Amount Paid	1,890.00	1577.82
Amount Payable (for the period end)		
Closing balance	74,312.18	76,202.18
3. Mr. Ganesan Thiagarajan	Chief Financial Officer for Fy. 2022 - 23	
REMUNERATION		
Volume of Transactions (during the year)		
Salary for the year	-	1,000.00
Amount Payable (for the period end)		
Closing balance	-	100.00
4. Mr. Rajagopalan Srinivasan	Chief Financial Officer	
REMUNERATION		
Volume of Transactions (during the year)		
Salary for the year	697.50	-
Amount Payable (for the period end)		
Closing balance	75.00	-

VELS FILM INTERNATIONAL LIMITED

5. Ms. Sampath Kumar Sujatha REMUNERATION Volume of Transactions (during the year) Salary for the year Amount Payable (for the period end) Closing balance	Company Secretary	
	1,180	575.00
	100.00	100.00
6. Prabhudeva Studios Private Limited LOANS BORROWED Volume of Transactions (during the year) Amount Received Amount repaid Amount Payable (for the period end) Closing balance	Entities in which KMP/ relatives of KMP have significant influence	
	9,200	370.00
	-	9,200
7. Arthi Associates Private Limited Volume of Transactions (during the year) Amount Received Amount Paid Amount Payable (for the period end) Closing balance	Entities in which KMP/ relatives of KMP have significant influence	
	-	21,200.00
	-	2,40,000.00
	3,395.00	3,395.00
Arthi Associates Private Limited		
Entities in which KMP/ relatives of KMP have significant influence		
LOANS BORROWED Volume of Transactions (during the year) Loan Received Loan Repaid Amount Payable (for the period end) Closing balance	-	94,600.00
	-	-
	2,05,327.79	1,10,727.79
INTEREST PAYABLE Volume of Transactions (during the year) Interest Expense Interest Paid Amount Payable (for the period end) Closing balance	22,336.16	16,871.80
	-	-
	3,91,82.55	16,946.39
8. VG Park and Beach Resorts Private Ltd.		
Entities in which KMP/ relatives of KMP have significant influence		
LOANS BORROWED Volume of Transactions (during the year) Loan Received Loan Repaid Amount Payable (for the period end) Closing balance	-	400.00
	-	24,460.00
	12,06,613.12	12,06,613.12

VELS FILM INTERNATIONAL LIMITED

INTERST PAYABLE					
Volume of Transactions (during the year)					
Interest Expense payable	13,067.13		14,222.98		
Interest Paid	-		-		
Amount Payable (for the period end)					
Closing balance	27,486.99		14,419.86		
9. Ms. Preetha Ganesh		Relative of KMP			
RENT EXPENSE					
Volume of Transactions (during the year)					
Rent Expense	60.00		60.00		
Amount Payable (for the period end)					
Closing balance	120.00		60.00		
10. Ms. Kushmitha Ganesh		Relative of KMP			
RENT EXPENSE					
Volume of Transactions (during the year)					
Rent Expense	60.00		60.00		
Amount Payable (for the period end)					
Closing balance	120.00		60.00		
F) Trade Payables ageing:					
Ageing of Trade Payables for the year ended 31st March 2024					
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro, Small and Medium Enterprises	495	-	-	-	495
(ii) Others	54,761.67	14,963.98	63,474.13	-	1,33,199.78
(iii) Disputed dues - Micro, Small and Medium Enterprises	-	-	-	-	-
(iii) Disputed dues – Others	-	-	-	-	-
Ageing of Trade Payables for the year ended 31st March 2023					
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro, Small and Medium Enterprises	-	-	-	-	-
(ii) Others	56,559.23	394.62	65,859.48	-	1,22,813.33
(iii) Disputed dues - Micro, Small and Medium Enterprises	-	-	-	-	-
(iii) Disputed dues – Others	-	-	-	-	-

VELS FILM INTERNATIONAL LIMITED**G) Trade Receivable ageing:**

This ageing is with reference to Note: 14 of the Standalone Balance Sheet as at **31st March 2024**

Ageing of Trade Receivables for the year ended 31st March 2024

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	37,813.65	1,716.12	33,727.87	260.08	-	73,517.71
(ii) Undisputed Trade receivables - considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

Ageing of Trade Receivables for the year ended 31st March 2023

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	(9,995.27)	1,714.08	33,987.95	-	-	25,706.76
(ii) Undisputed Trade receivables - considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

H) CWIP Ageing :

Capital work in Progress Under construction	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
31st March 2024	14,930	-	-	-	-
31 March 2023	4,12,294.94	97,000.66	-	-	5,09,285.60

L) Contingent Liabilities

i. Vels Film International Limited is a co-applicant for a loan obtained by its subsidiary, Vels Studios and Entertainment Private Limited. The details of the contingent liability are as follows:

The Subsidiary has obtained a secured loan of Rs. 15,00,00,000 from Hinduja Leyland Finance Limited. The Loan is repayable within a period of 120 months on a monthly installments basis from the month of January 2022, chargeable with a floating interest rate of 11.50% p.a (till Jan -23 - 11.00%) and is secured by plot No.24 & 26, KIADB Industrial Area, Bidadi-562109 of subsidiary.

VELS FILM INTERNATIONAL LIMITED

As at 31 March 2024, Loan shows the outstanding balance of Rs.13.94 Crores.

ii. The Company filed a petition seeking relief of Rs 4.50 crores with interest at 24% per annum from a film artist in connection with a project in progress along with damages of Rs 10 crores for not performing his part of obligations before the Hon'ble Sole Arbitrator on 18th August 2023. The respondent filed a counter claim to dismiss the claim and to direct the Company to pay a claim amount of Rs 8.5 Crores towards compensatory damages.

The Company (claimant) withdrew the petition as per the order dated 8th April 2024 of the Hon'ble Tribunal. The respondent has also correspondingly withdrew the counter-petition. Hence, the case is dismissed on the date of approval of financial statements.

iii. Income Tax assessments

Assessment year	Amount demanded(in Rs. 000's)
2010-11	41,586.14
2011-12	-
2012-13	6,513.30
Total Amount	48,099.44

The dues have been settled under the order of the National Company Law Tribunal (NCLT) Bengaluru delivered on 08 Jan 2021. However, the same still appears as outstanding dues in the tax portal.

Company has filed writ petition on 19/03/2024 in the Hon'ble High court of Karnataka for quashing the demands on the same grounds.

J) Segment Reporting :

S.no	Particulars	Film Production		Sale of Products Food,Beverages,Merchandise and others		Sale of services- Rental, event, Shooting,parking and utility income		Unallocated		Total	
		31-03-2024	31-03-2023	31-03-2024	31-03-2023	31-03-2024	31-03-2023	31-03-2024	31-03-2023	31-03-2024	31-03-2023
1	Segment Revenue	1,07,530.24	5,44,366.21	72,162.48	13,384.15	2,15,983.25	41,462.08	34,404.37	37,182.44	4,30,080.34	6,36,394.87
	Percentage	25%	86%	17%	2%	50%	7%	8%	6%	100%	100%
2	Segment Results	(1,13,199.91)	1,38,320.64	(73,332.86)	(11,869.65)	(40,882.41)	(1,489.72)	(1,10,710.18)	(76,662.18)	(3,38,125.36)	48,299.08
	Percentage	33%	NA	22%	NA	12%	NA	33%	NA	100%	NA
3	Segment Assets	8,47,914.97	5,60,516.37	2,80,155.80	1,91,056.34	6,06,209.27	5,50,314.26	14,62,550.63	14,07,246.51	31,96,830.68	27,09,133.48
	Percentage	27%	21%	9%	7%	19%	20%	46%	52%	100%	100%
4	Segment Liabilities	13,19,269.16	9,81,346.65	4,05,643.04	3,12,540.60	8,88,212.38	3,18,229.61	6,78,509.42	6,66,902.82	32,91,633.99	22,79,019.68
	Percentage	40%	43%	12%	14%	27%	14%	21%	29%	100%	100%

A) Disclosure for Corporate Social Responsibility:

As per the Companies Act, 2013, the Company is required to spend at least 2% of the average net profits of the three immediately preceding financial years on CSR.

The head wise amounts spent during the year are as follows:

(in thousands)

Corporate Social Responsibility	For the year ended 31 st March 2024	For the year ended 31 st March 2023
(a) amount required to be spent	1,549.72	948.16
(b) amount of expenditure incurred,	1,563.00	950.00
(c) shortfall at the end of the year,	0.00	0.00
(d) total of previous years shortfall,	0.00	0.00
(e) reason for shortfall,	NA	NA

VELS FILM INTERNATIONAL LIMITED

(f) nature of CSR activities,	Education and Skill Development	Education and Skill Development
(g) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	Not Applicable	Not Applicable
(h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	Not Applicable	Not Applicable

L) Statement of net assets, profit or loss

Name of the entity in the	Net Assets, i.e., total assets minus total liabilities		Share in Profit or Loss	
	As a % of consolidated net assets	Amount (in thousands)	As a % of consolidated profit or loss (post-acquisition)	Amount (in thousands)
Parent Subsidiaries Indian: M/s Vels Studios and Entertainment Private Limited				
31 st March 2024	77.20%	(79,230.76)	77.20%	(2,12,715.69)
31 st March 2023	77.20%	1,47,937.39	77.20%	(30,885.86)

J) Others:

Dues to small enterprises and micro enterprises have been determined to the extent such parties have been identified based on information collected by the Company.

Particulars	As at 31st March 2024	As at 31st March 2023
(a) principal amount & the interest due thereon unpaid at end of	495	Nil
(b) (i) payments made to supplier beyond appointed date	Nil	Nil
(ii) interest u/s16 of MSME Act paid to suppliers	Nil	Nil
(c) amount of interest payable for delay (for which payments were made in the year but beyond the appointed date)	Nil	Nil
(d) amount of interest accrued and remaining unpaid	Nil	Nil
(e) amount of further interest remaining payable in subsequent years until payment is made	Nil	Nil

N) The hypothecation of the Vehicle purchased with loan financed by Bank of Baroda of Rs 20 lakhs has been registered with the Transport Authority as per the Motor Vehicles Act. In view of the hypothecation endorsement of the Registration Certificate and the non-insistence of the bank, a charge on the Vehicle has not been created under the Companies Act, 2013.

O) Previous year figures have been regrouped and amended wherever necessary.

As per our report of even date attached

For S R B R & Associates LLP

Chartered Accountants

FRN: 004997S/S200051

For and on behalf of the Board of Directors

-Sd- R. Sundararajan Partner/Managing Director M.No. 029814 Place : Chennai Date : 29 th May 2024	-Sd- Ishari Ganesh Kadhivelan Director DIN : 00269445	-Sd- Arthi Director DIN : 00568101	-Sd- Sampath Kumar Sujatha Company Secretary A32181	-Sd- Rajagopal Srinivasan Chief Financial Officer
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THANK YOU



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