



VELS FILM INTERNATIONAL LIMITED

CIN: L74999TN2019PLC132235

September 03, 2026

To

Listing Department

National Stock Exchange of India Limited ("NSE")

Exchange Plaza, Bandra Kurla Complex

Bandra East, Mumbai - 400 051.

Symbol: VELS

Sub: Annual Report for the financial year 2025-26

Re: Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

Dear Madam / Sir,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**"), we are pleased to submit the 7th (**Seventh**) Annual Report for the Financial Year 2025-26 of our Company, **Vels Film International Limited** containing, inter alia, the Notice of Annual General Meeting, Directors Report, Standalone and Consolidated Financial Statements.

The Annual Report is attached herewith and is also available on the Company's website at www.velsfilminternational.com/AnnualReport, NSE at www.nseindia.com.

The remote e-voting facility for the AGM is being provided by National Securities Depository Limited ("**NSDL**") through its e-voting platform at www.evoting.nsdl.com.

Request you to take note of the above on record.

Thanking You,

For **Vels Film International Limited**

PRAVEEN

Digitally signed by
PRAVEEN KUMAR

KUMAR

Date: 2026.09.03
16:35:57 +05'30'

Praveen Kumar

Company Secretary & Compliance Officer

ACS: 76575



VELS

FILM INTERNATIONAL LTD



ANNUAL REPORT 2025 - 2026



TABLE OF CONTENTS

Message from Chairman's Desk	4
Filmography and Releases	5
Corporate Information	21
Notice of AGM	22 - 58
Directors' Report	59 - 82
Standalone Financials	83 - 114
Consolidated Financials	115 - 140

DISCLAIMER

This Annual Report may contain certain statements concerning the future performance, prospects, plans, strategies and financial position of Vels Film International Limited ("**Company**"), which may constitute **forward looking statements**. Such statements are based on the Company's current expectations, estimates, assumptions and assessments of factors considered relevant as of the date of this Report.

Forward looking statements are inherently subject to a range of **business, economic, regulatory, operational and other risks and uncertainties**, many of which are beyond the Company's control. Consequently, there can be no assurance that the anticipated developments, projections, objectives or expectations reflected in such statements will materialise, or that actual results and events will correspond with those expressed or implied therein.

Readers are therefore advised to exercise due caution and **not to place undue reliance on these forward looking statements**. Actual outcomes may vary materially from those contemplated in such statements due to changes in the underlying assumptions and other factors, including those identified under the **MDA** forming part of this Annual Report.

The Company does not undertake any obligation to publicly revise, amend or otherwise update any forward looking statement contained herein, whether as a result of new information, future developments, changes in circumstances or otherwise, except as may be required under applicable laws and regulations. The Company shall not be responsible for any decision, action or omission undertaken by any person in reliance upon such statements.



25+ YEARS FILMS



VELS
FILM INTERNATIONAL LTD



MESSAGE FROM CHAIRMAN'S DESK



Dear Shareowners,

As I reflect on the Financial Year 2025-26, I see it as an important year in the journey of our Company, a year of consolidation, creative preparation and strategic repositioning. In the entertainment business, I firmly believe that lasting success is not measured merely by the number of films released in a year, but by the strength of the stories we choose to tell, the people we work with and the intellectual properties we build for the future.

Indian Cinema, particularly South Indian Cinema, continues to enjoy tremendous momentum. Our stories are travelling far beyond regional boundaries and finding audiences across India and international markets. The audience has also evolved significantly. Today, viewers are more discerning and are looking for stories that connect with them emotionally, characters they can relate to and experiences that stay with them long after they leave the theatre. This changing audience behaviour presents a tremendous opportunity for Content Creators who are willing to remain committed to originality, quality and conviction.

This year reminded us that the film business requires patience and resilience. We presented Sumo during the year, followed by Kara & Gatta Kusthi 2, and our production pipeline continues to move forward with great energy and purpose. Our focus has always been to create content with the potential to have a life beyond its theatrical release, and we remain committed to building a strong and diversified library of films and intellectual properties.

Looking ahead, we are particularly excited about the slate we are building. Our upcoming projects include Genie, Mookuthi Amman 2, Dayangaram, Unkill, the untitled project with director Premkumar and actor Fahadh Faasil, and Vada Chennai 2, among others. Each of these projects represents a different story, a different creative voice and a different opportunity to connect with audiences across India and Globally.

Our objective in the coming year is clear to bring this exciting slate to audiences while ensuring that every film is strategically monetised across theatrical, music, satellite and digital platforms. We believe that a strong content library, coupled with disciplined execution and prudent financial management, will enable us to strengthen our operating cash flows and in turn progressively improve our balance sheet.

For us, cinema has never been merely a business. It is a shared passion. Behind every film are hundreds of talented individuals including Directors, Actors, Writers, Musicians, Technicians and Crew Members who put their creativity, time and personal commitment into bringing a story to life. I am deeply grateful to each one of them for their valuable contribution and belief in our vision.

I would also like to express my sincere appreciation to our Financial Partners, Business Associates and Regulatory Authorities for their continued support and cooperation. Most importantly, I thank our shareholders for their patience, confidence and continued trust in our Company.

We have always believed in thinking beyond the immediate and building for the long term. The road ahead is exciting, and while the journey of cinema will always have its uncertainties, our commitment to creating meaningful entertainment and building a stronger institution remains unwavering.

I look forward to sharing the next chapter of this journey with all of you.

With warm regards,



Dr. Ishari K. Ganesh

Managing Director

Vels Film International Limited

VELS

FILM INTERNATIONAL LTD

RELEASES TO DATE

FILMOGRAPHY



FILMOGRAPHY



VELS

FILM INTERNATIONAL LTD

**RELEASE
DURING
THE YEAR**



VELS
FILM INTERNATIONAL

DR. ISHARI K GANESH
PRESENTS



SHIVA IN

SUMO

DIRECTION: S P HOSIMIN | CINEMATOGRAPHY : RAJEEV MENON
MUSIC : NIVAS K PRASANNA | SCREENPLAY AND DIALOGUES : SHIVA

VELS

FILM INTERNATIONAL LTD

CURRENT RELEASES



DR. ISHARI K GANESH
PRESENTS



think
STUDIOS

APRIL 30
IN CINEMAS
WORLDWIDE



D H A N U S H

KARA

DIRECTED BY
VIGNESH RAJA

A G V PRAKASH KUMAR MUSICAL
WRITERS ALFRED PRAKASH & VIGNESH RAJA
THENI ESWAR IYE SREEJITH SARANG MAYAPANDI
SYNC CINEMA M.R. RAJAKRISHNAN
CO PRODUCED BY KUSHMITHA GANESH
PRODUCED BY DR. ISHARI K. GANESH



NETFLIX

VISHNUU VISHAL
STUDIO



VELS
FILM INTERNATIONAL LTD

DR. ISHARI K GANESH
PRESENTS



★ VISHNUU VISHAL ★



IN CINEMAS
03
JULY
2026
WORLDWIDE

WRITER - DIRECTOR
CHELLA AYYAVU
PRODUCERS
ISHARI K GANESH
VISHNUU VISHAL

CO-PRODUCED BY **SHUBHRA & ARYAN RAMESH**

A **SEAN ROLDAN** MUSICAL

DOP **BHASKARAN KM** EDITOR **BARATH VIKRAMAN** ART DIRECTOR **JAYACHANDRAN S**
ACTION **SUPREME SUNDAR** COSTUME DESIGNER **RUCHI MUNOTH** LYRICIST **MOHAN RAJAN, MUTHAMIL**
CHOREOGRAPHY **BABA BASKAR** PUBLICITY DESIGNS **VIYAKI** STILLS **AMIR, NIRMAL VEDHACHELAM**
MARKETING & PROMOTIONS **SIDDARTH SRINIVAS** PRO **AIM SATISH**
PRODUCTION EXECUTIVE **B JAI GANESH & A R CHANDRAMOHAN**
EXECUTIVE PRODUCER **SEETHARAM & T NAREN**
CREATIVE PRODUCER **SHRAVANTHI SAINATH**

NETFLIX

VELS

FILM INTERNATIONAL LTD

UPCOMING FLAGSHIP RELEASES



VELS
FILM INTERNATIONAL LTD

VELS FILM INTERNATIONAL LTD
PRESENTS IN ASSOCIATION WITH
MILLION DOLLAR STUDIOS

**MILLION
DOLLAR**
STUDIOS



ASHOK SELVAN & NIMISHA SAJAYAN IN

UNTITLED PROJECT

WRITER & DIRECTION
MANIKANDAN ANANTHAN

A **DHIBU NINAN THOMAS** MUSICAL

PRODUCED BY
DR. ISHARI K GANESH & YUVARAJ GANESAN

JAYAM RAVI
GENIE

AN AR RAHMAN MUSICAL
AN ARJUNAN Jr. MAGICAL

PRODUCER **DR.ISHARI K.GANESH**

MAHESH MUTHUSWAMI | PRADEEP E RAGAV | UMESH J KUMAR | MAYAPANDI V
ANTHONY B J RUBAN | YANNICK BEN | HYBRID 360 - PHANTOMFX | SWAPNAA REDDY - SHRUTHI
SHIYAM JACK | N VICKY | SURESH CHANDRA D'ONE - YUVRAAJ - VAMSI KAKA - SABARI - HARISH | DESIGN POINT

COORDINATING PRODUCER PRADEEP RAYAN CREATIVE PRODUCER KR PRABHU EXECUTIVE PRODUCER ASHWIN KUMAR K

CO PRODUCERS MR. SUNIL SHAH - MR. RAJA SUBRAMANIAN

TAMIL TELUGU HINDI



PVR · INOX



DR. ISHARI K GANESH
PRESENTS

பயிற்சியை

WRITTEN & DIRECTED BY
VJ SIDDHU

PRODUCED BY - DR. ISHARI K GANESH
CO PRODUCED BY - KUSHMITHA GANESH

DOP DINESH KRISHNAN | MUSIC SIDDHU KUMAR | EDITOR PRADEEP E RAGAV | ART DIRECTOR VINOTH RAJKUMAR | STUNT VICKY | CHOREOGRAPHER AZAR |
COSTUME DESIGNER KEERTHI VASAN | PUBLICITY DESIGN ADFX STUDIO

H A P P Y P O N G A L

AVNI
CINEMAX PVT LTD

VELS
FILM INTERNATIONAL LTD
DR. ISHARI K GANESH
PRESENTS

IVY
ENTERTAINMENT

ROWDY
PICTURES

NAYANTHARA
IN

SUNDAR C 'S

முக்குத்தி அம்மன்

PRODUCED BY
DR. ISHARI K GANESH

CO PRODUCERS

KHUSHBU SUNDAR KUSHMITHA GANESH ISHAN SAKSENA VIGNESH SHIVAN

HIPHOTAMIZHA

VENKAT RAGAVAN GOPIAMARNATH FENNY OLIVER GURURAJ

RAJASEKHAR N.MANIVANNAN R.P.BALAGOPAL K.V.KATHIRVELU M.C.BHARATHI HARI ROGER V. RAJAN SINDHOOR STUDIO

K.R.PRABHU NITINSATHYAA SUSHANT PRASAD

ஆயுத முறை நல்வாழ்த்துக்கள்



ANURAG KASHNAP

UNKILL - 123

WRITTEN AND DIRECTED BY SAM ANTON

♡ LIKE · VISHARE & DTE



VELS
FILM INTERNATIONAL LTD



DR. ISHARI K GANESH
PRESENTS

FAHADH FAASIL

PRODUCTION NO

32

WRITTEN & DIRECTED BY
C PREMKUMAR

MUSIC
GOVIND VASANTHA



VELS
MUSIC
INTERNATIONAL



VELS

FILM INTERNATIONAL LTD

DR. ISHARI K GANESH
P R E S E N T S



DHANUSH IN

புலி எதிர்த்து

WRITTEN & DIRECTED BY
VETRIMARAN

PRODUCED BY
ISHARI K GANESH

CORPORATE INFORMATION

CIN : L74999TN2019PLC132235
 ISIN : INE013H01019
 NSE Symbol : VELS
 AGM Date : Friday, September 25, 2026
 AGM Time : 02:00 P.M. (IST)
 Venue : Held in Video Conferencing

Board of Directors

1. Dr. Ishari K Ganesh, Managing Director;
2. Ms. Arthi, Non-executive Director;
3. Ms. Preethaa Ganesh, Non-executive Director;
4. Ms. Kushmitha K Ganesh, Non-executive Director;*
5. Mr. Lushvin Kummar, Non-executive Director;*
6. Mr. Thumma Gangatharan Bakji, Independent Director;
7. Ms. Sangeetha Santharam, Independent Director and
8. Mr. Rangasamy Sivakumar, Independent Director. (* w.e.f. June 02, 2025)

Company Secretary & Compliance Officer

Praveen Kumar (ACS: 76575)
 (w.e.f. April 15, 2026)

Chief Financial Officer

Muthukrishnan Srinivasan
 (w.e.f. October 29, 2025)

Statutory Auditors

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

Secretarial Auditors

Chitra Lalitha & Associates
 Practising Company Secretaries
 Flat No. G, 1st Floor, Senthil Flats
 Burkit Road, T. Nagar,
 Chennai – 600 017.

Internal Auditors

Rajesh Samadaria & Associates
 Chartered Accountants
 KLP Commercial Block "S4", 2nd Floor
 No. 01, Strahans Road, Pattalam
 Chennai – 600 012.

Bankers

1. Bank of Baroda, R.K. Nagar Branch, Chennai and
2. Indian Overseas Bank, Cathedral Branch, Chennai

Registrar & Share Transfer Agent

Cameo Corporate Services Limited
 Subramanian Building
 No.1 Club House Road,
 Chennai – 600 002.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 07TH (SEVENTH) ANNUAL GENERAL MEETING ("AGM") OF THE MEMBERS OF VELS FILM INTERNATIONAL LIMITED WILL BE HELD ON FRIDAY, SEPTEMBER 25, 2026 AT 02:00 P.M. (IST) THROUGH VIDEO CONFERENCING ("VC") TO TRANSACT THE FOLLOWING BUSINESSES:

ORDINARY BUSINESS:**1. To receive, consider and adopt:**

- a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2026, together with the Reports of the Board of Directors and the Auditors thereon and
- b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2026, together with the Report of the Auditors thereon.

To consider and if thought fit, to pass the following resolutions as an Ordinary Resolution

a) **"RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2026 together with the Reports of the Board of Directors and the Auditors thereon, as circulated to the members, be and are hereby received, considered and adopted."

b) **"RESOLVED THAT** the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2026 together with the Report of the Auditors thereon, as circulated to the members, be and are hereby received, considered and adopted."

2. To Appoint Dr. Ishari K Ganesh (DIN: 00269445), who retires by rotation and being eligible, offers himself for re-appointment, as a director liable to retire by rotation:

To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution

"RESOLVED THAT pursuant to the provisions of Section 152(6) of the Companies Act, 2013 ("Act"), Dr. Ishari K Ganesh (DIN: 00269445), Director of the Company, who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

3. To Appoint Ms. Arthi (DIN: 00568101), who retires by rotation and being eligible, offers herself for re-appointment, as a director liable to retire by rotation:

To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution

"RESOLVED THAT pursuant to the provisions of Section 152(6) of the Companies Act, 2013 ("Act"), Ms. Arthi (DIN: 00568101) Director of the Company, who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS:

4. Re-appointment of Dr. Ishari K Ganesh (DIN: 00269445) as Managing Director:

To consider and, if thought fit, to pass the following Resolution as a Special Resolution

"RESOLVED THAT pursuant to the provisions of sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any of the Companies Act, 2013 ("Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") (including any statutory modification(s) or re-enactment(s) or amendment(s) thereof for the time being in force) and such other approvals, permissions and sanctions, as may be required and pursuant to the provisions of the Articles of Association of the Company and in line with the Nomination and Remuneration Policy ("Policy") of the Company, and on the recommendation of the Nomination & Remuneration Committee ("NRC") and the Board of Directors ("Board") in their respective meetings held on August 27, 2026, and in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Act from a member proposing his candidature for office as Managing Director, consent of the members of the Company, be and is hereby accorded for re-appointment of Dr. Ishari K Ganesh (DIN: 00269445) as Managing Director, liable to retire by rotation and a Key Managerial Personnel ("KMP") of the Company, whose current term of office is expiring on April 29, 2027, for a further period of 03 (three) years, with effect from April 30, 2027 till April 29, 2030, on such terms & conditions including remuneration as set out hereunder, to alter, vary and modify the terms & conditions of the said appointment and / or remuneration, in such manner, as may be agreed between the Board subject to the recommendation of the NRC and Dr. Ishari K Ganesh within and in accordance with the Act, Policy or other applicable provisions or any amendment thereto:

a) **Period of appointment:** 03 (three) years from April 30, 2027 till April 29, 2030.

VELS FILM INTERNATIONAL LIMITED

b) Basic Salary: Rs. 24,00,000/- (Rupees Twenty Four Lakhs only) per annum.

c) Commission: Commission at the rate of 10% (Ten percent) of the net profits of the Company, subject to the overall limits prescribed under Sections 197, 198 and Schedule V of the Act.

d) Perquisites and Allowances: Perquisites including use of a car with driver, personal accident insurance, medical insurance, leave travel allowance and such other benefits as may be provided in accordance with the rules of the Company and the same will be evaluated as per Income Tax Rules, wherever applicable and in other cases at actual cost to the company.

RESOLVED FURTHER THAT in the absence or inadequacy of profits in any financial year during the currency of appointment, Dr. Ishari K Ganesh shall be entitled to remuneration by way of salary, perquisites and allowances as specified above as minimum remuneration, subject to necessary approval(s), as may be required from time to time.

RESOLVED FURTHER THAT any of the Directors of the Company and Mr. Praveen Kumar (ACS: 76575), Company Secretary & Compliance Officer be and are hereby severally authorized to submit the necessary e-forms, documents and papers with the Registrar of Companies, National Stock Exchange & such other authorities and to do all such acts, things and deeds as may be required to give effect to this resolution."

5. Appointment of Ms. Kushmitha K Ganesh (DIN: 09271301) as Whole-time Director:

*To consider and, if thought fit, to pass the following Resolution as a **Special Resolution***

"RESOLVED THAT pursuant to the provisions of sections 152, 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any of the Companies Act, 2013 ("**Act**") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**") (including any statutory modification(s) or re-enactment(s) or amendment(s) thereof for the time being in force) and such other approvals, permissions and sanctions, as may be required and pursuant to the provisions of the Articles of Association of the Company and in line with the Nomination and Remuneration Policy ("**Policy**") of the Company, and on the recommendation of the Nomination & Remuneration Committee ("**NRC**") and the Board of Directors ("**Board**") in their respective meetings held on August 27, 2026, and in respect of whom the

Company has received a notice in writing pursuant to Section 160 of the Act from a member proposing her candidature for office as Whole-time Director, consent of the members of the Company, be and is hereby accorded for Change in Designation of **Ms. Kushmitha K Ganesh (DIN: 09271301)** from Director (Non-Executive) to Whole-time Director w.e.f. October 01, 2026, liable to retire by rotation and a Key Managerial Personnel ("**KMP**") of the Company for a period of 03 (three) years from October 01, 2026 till September 30, 2029, on such terms & conditions including remuneration as set out hereunder, to alter, vary and modify the terms & conditions of the said appointment and / or remuneration, in such manner, as may be agreed between the Board subject to the recommendation of the NRC and Ms. Kushmitha K Ganesh in accordance with the Act, Policy or other applicable provisions or any amendment thereto:

a) Period of appointment: 03 (three) years, October 01, 2026 till September 30, 2029.

b) Basic Salary: Not exceeding Rs. 15,00,000/- (Rupees Fifteen Lakhs only) per annum.

c) Perquisites and Allowances: Perquisites including use of a car with driver, personal accident insurance, medical insurance, leave travel allowance and such other benefits as may be provided in accordance with the rules of the Company and the same will be evaluated as per Income Tax Rules, wherever applicable and in other cases at actual cost to the company.

RESOLVED FURTHER THAT in the absence or inadequacy of profits in any financial year during the currency of appointment, Ms. Kushmitha K Ganesh shall be entitled to remuneration by way of salary, perquisites and allowances as specified above as minimum remuneration, subject to necessary approval(s), as may be required from time to time.

RESOLVED FURTHER THAT any of the Directors of the Company and Mr. Praveen Kumar (ACS: 76575), Company Secretary & Compliance Officer be and are hereby severally authorized to submit the necessary e-forms, documents and papers with the Registrar of Companies, National Stock Exchange & such other authorities and to do all such acts, things and deeds as may be required to give effect to the aforesaid resolution."

6. Re-appointment of Mr. Thummala Gangatharan Balaji (DIN: 00580819) as an Independent Director:

*To consider, and if thought fit, to pass the following resolution as a **Special Resolution***

VELS FILM INTERNATIONAL LIMITED

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and 160 read with Schedule IV and other applicable provisions, if any of the Companies Act, 2013 (**“Act”**) read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“SEBI Listing Regulations”**) *(including any statutory modification(s) or re-enactment(s) or amendment(s) thereof for the time being in force)*, **Mr. Thummala Gangatharan Balaji (DIN: 00580819)**, Independent Director of the Company, bearing IDDB Registration No. IDDB-NR-202204-042200, who was appointed as an Independent Director by the Board in its Meeting held on April 30, 2022 and whose appointment was subsequently approved by the members in the Extra-Ordinary General Meeting held on June 03, 2022, whose current term of office is expiring on June 02, 2027 and pursuant to the recommendations of the Nomination & Remuneration Committee (**“NRC”**) and the Board of Directors (**“Board”**) in their respective meetings held on August 27, 2026 and who has submitted a declaration under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations that he meets the criteria for independence as provided and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a 2nd (second) term of 05 (five) consecutive years commencing from **June 03, 2027 to June 02, 2032** (both days inclusive) subject to continuously fulfilling the Independent Director criteria on the effective date of re-appointment.

RESOLVED FURTHER THAT any of the Directors of the Company and Mr. Praveen Kumar (ACS: 76575), Company Secretary & Compliance Officer be and are hereby severally authorized to submit the necessary e-forms, documents and papers with the Registrar of Companies, National Stock Exchange & such other authorities and to do all such acts, things and deeds as may be required to give effect to the aforesaid resolution.”

7. Re-appointment of Ms. Sangeetha Santharam (DIN: 07567200) as an Independent Director

*To consider, and if thought fit, to pass the following resolution as a **Special Resolution***

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and 160 read with Schedule IV and other applicable provisions, if any of the Companies Act, 2013 (**“Act”**) read with the Companies (Appointment and Qualifications of

Directors) Rules, 2014 and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“SEBI Listing Regulations”**) *(including any statutory modification(s) or re-enactment(s) or amendment(s) thereof for the time being in force)*, **Ms. Sangeetha Santharam (DIN: 07567200)**, Independent Director of the Company, bearing IDDB Registration No. IDDB-DI-202204-042211, who was appointed as an Independent Director by the Board in its Meeting held on April 30, 2022 and whose appointment was subsequently approved by the members in the Extra-Ordinary General Meeting held on June 03, 2022, whose current term of office is expiring on June 02, 2027 and pursuant to the recommendations of the Nomination & Remuneration Committee (**“NRC”**) and the Board of Directors (**“Board”**) in their respective meetings held on August 27, 2026 and who has submitted a declaration under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations that she meets the criteria for independence as provided and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a 2nd (second) term of 05 (five) consecutive years commencing from **June 03, 2027 to June 02, 2032** (both days inclusive) subject to continuously fulfilling the Independent Director criteria on the effective date of re-appointment.

RESOLVED FURTHER THAT any of the Directors of the Company and Mr. Praveen Kumar (ACS: 76575), Company Secretary & Compliance Officer be and are hereby severally authorized to submit the necessary e-forms, documents and papers with the Registrar of Companies, National Stock Exchange & such other authorities and to do all such acts, things and deeds as may be required to give effect to the aforesaid resolution.”

8. Approval for entering Material Related Party Transactions with Dr. Ishari K Ganesh, Promoter and Managing Director of the Company:

*To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution***

“RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 (**“Act”**) read with the rules framed thereunder and in terms of First Proviso to Regulation 23(1) read with Regulation 2(1)(zc) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“SEBI Listing Regulations”**) *(including any statutory modification(s) or re-enactment(s) or amendment(s)*

VELS FILM INTERNATIONAL LIMITED

thereof for the time being in force) and the Company's Policy on Related Party Transactions ("**RPT Policy**"), the consent of the Members be and is hereby accorded to the Board of Directors of the Company ("**Board**"), which term shall be deemed to include Audit Committee of the Company to enter into/execute contract(s) / arrangement(s) / transaction(s) *(whether by way of an individual transaction or transactions taken together or series of transactions or otherwise)* for the purpose of availing unsecured loans ("**Borrowings**") as mentioned in the explanatory statement from Dr. Ishari K Ganesh, Promoter & Managing Director ("**MD**") of the Company and accordingly a related party under Regulation 2(1)(zb) of the SEBI Listing Regulations, on such terms and conditions as may be agreed between the Company and MD, for an aggregate value up to **Rs. 250,00,00,000/- (Rupees Two Hundred and Fifty Crores Only)** for a period of 01 (one) year from the date of approval of this resolution being carried out at arm's length.

RESOLVED FURTHER THAT the Board, be and is hereby authorised, to do and perform all such acts, deeds, matters and things, as may be necessary, including finalising the terms and conditions, methods and modes in respect thereof and finalising and executing necessary documents, including contract(s), scheme(s), agreement(s) and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental / regulatory authorities, as applicable, in this regard and deal with any matters, take necessary steps as the Board may, in its absolute discretion deem necessary, desirable or expedient, to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it as they may deem fit to the Audit Committee of the Company and to do all such acts and take all such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT any of the Directors of the Company and Mr. Praveen Kumar (ACS: 76575), Company Secretary & Compliance Officer be and are hereby severally authorized to submit the necessary e-forms, documents and papers with the Registrar of

Companies, Stock Exchange & such other authorities and to do all such acts, things and deeds as may be required to give effect to the aforesaid resolution."

9. Approval of Material Related Party Transaction(s) with Arthi Associates Private Limited, Promoter Group Company

*To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution***

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 ("**Act**") read with the rules framed thereunder and in terms of First Proviso to Regulation 23(1) read with Regulation 2(1)(zc) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**") *(including any statutory modification(s) or re-enactment(s) or amendment(s) thereof for the time being in force)* and the Company's Policy on Related Party Transactions ("**RPT Policy**"), the consent of the Members be and is hereby accorded to the Board of Directors of the Company ("**Board**"), which term shall be deemed to include Audit Committee of the Company to enter into/execute contract(s) / arrangement(s) / transaction(s) *(whether by way of an individual transaction or transactions taken together or series of transactions or otherwise)* for the purpose of availing unsecured loans ("**Borrowings**") as mentioned in the explanatory statement from **Arthi Associates Private Limited ("AAPL"), Promoter Group Company** and accordingly a related party under Regulation 2(1)(zb) of the SEBI Listing Regulations, on such terms and conditions as may be agreed between the Company and AAPL, for an aggregate value up to **Rs. 50,00,00,000/- (Rupees Fifty Crores Only)** for a period of 01 (one) year from the date of approval of this resolution being carried out at arm's length.

RESOLVED FURTHER THAT the Board, be and is hereby authorised, to do and perform all such acts, deeds, matters and things, as may be necessary, including finalising the terms and conditions, methods and modes in respect thereof and finalising and executing necessary documents, including contract(s), scheme(s), agreement(s) and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental / regulatory authorities, as applicable, in this regard and deal with any matters, take necessary steps as the Board may, in its absolute discretion deem necessary, desirable or expedient, to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent

VELS FILM INTERNATIONAL LIMITED

or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it as they may deem fit to the Audit Committee of the Company and to do all such acts and take all such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT any of the Directors of the Company and Mr. Praveen Kumar (ACS: 76575), Company Secretary & Compliance Officer be and are hereby severally authorized to submit the necessary e-forms, documents and papers with the Registrar of Companies, Stock Exchange & such other authorities and to do all such acts, things and deeds as may be required to give effect to the aforesaid resolution.”

10. Approval of Material Related Party Transaction(s) with Kushmitha Foundations Private Limited, Promoter Group Company:

*To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution***

“RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 (**“Act”**) read with the rules framed thereunder and in terms of First Proviso to Regulation 23(1) read with Regulation 2(1)(zc) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“SEBI Listing Regulations”**) (including any statutory modification(s) or re-enactment(s) or amendment(s) thereof for the time being in force) and the Company’s Policy on Related Party Transactions (**“RPT Policy”**), the consent of the Members be and is hereby accorded to the Board of Directors of the Company (**“Board”**), which term shall be deemed to include Audit Committee of the Company to enter into/execute contract(s) / arrangement(s) / transaction(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) for the purpose of availing unsecured loans (**“Borrowings”**) as mentioned in the explanatory statement from **Kushmitha Foundations Private Limited (“KFPL”), Promoter Group Company** and accordingly a related party under Regulation 2(1)(zb) of the SEBI Listing Regulations, on such terms and conditions as may be agreed between the Company and KFPL, for an aggregate value up to **Rs. 50,00,00,000/- (Rupees Fifty Crores Only)** for a period of 01 (one) year from the date of approval of this resolution being carried out at arm’s length.

RESOLVED FURTHER THAT the Board, be and is hereby authorised, to do and perform all such acts, deeds, matters and things, as may be necessary, including finalising the terms and conditions, methods and modes in respect thereof and finalising and executing necessary documents, including contract(s), scheme(s), agreement(s) and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental / regulatory authorities, as applicable, in this regard and deal with any matters, take necessary steps as the Board may, in its absolute discretion deem necessary, desirable or expedient, to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it as they may deem fit to the Audit Committee of the Company and to do all such acts and take all such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT any of the Directors of the Company and Mr. Praveen Kumar (ACS: 76575), Company Secretary & Compliance Officer be and are hereby severally authorized to submit the necessary e-forms, documents and papers with the Registrar of Companies, Stock Exchange & such other authorities and to do all such acts, things and deeds as may be required to give effect to the aforesaid resolution.”

11. Approval of Material Related Party Transaction(s) with VGS Estates Private Limited, Promoter Group Company:

*To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution***

“RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 (**“Act”**) read with the rules framed thereunder and in terms of First Proviso to Regulation 23(1) read with Regulation 2(1)(zc) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“SEBI Listing Regulations”**) (including any statutory modification(s) or re-enactment(s) or amendment(s) thereof for the time being in force) and the Company’s Policy on Related Party Transactions (**“RPT Policy”**),

VELS FILM INTERNATIONAL LIMITED

the consent of the Members be and is hereby accorded to the Board of Directors of the Company (**"Board"**), which term shall be deemed to include Audit Committee of the Company to enter into/execute contract(s) / arrangement(s) / transaction(s) *(whether by way of an individual transaction or transactions taken together or series of transactions or otherwise)* for the purpose of availing unsecured loans (**"Borrowings"**) as mentioned in the explanatory statement from **VGS Estates Private Limited ("VGS"), Promoter Group Company** and accordingly a related party under Regulation 2(1)(zb) of the SEBI Listing Regulations, on such terms and conditions as may be agreed between the Company and VGS, for an aggregate value up to **Rs. 50,00,00,000/- (Rupees Fifty Crores Only)** for a period of 01 (one) year from the date of approval of this resolution being carried out at arm's length.

RESOLVED FURTHER THAT the Board, be and is hereby authorised, to do and perform all such acts, deeds, matters and things, as may be necessary, including finalising the terms and conditions, methods and modes in respect thereof and finalising and executing necessary documents, including contract(s), scheme(s), agreement(s) and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental / regulatory authorities, as applicable, in this regard and deal with any matters, take necessary steps as the Board may, in its absolute discretion deem necessary, desirable or expedient, to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it as they may deem fit to the Audit Committee of the Company and to do all such acts and take all such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT any of the Directors of the Company and Mr. Praveen Kumar (ACS: 76575), Company Secretary & Compliance Officer be and are hereby severally authorized to submit the necessary e-forms, documents and papers with the Registrar of Companies, Stock Exchange & such other authorities and to do all such acts, things and deeds as may be required to give effect to the aforesaid resolution."

12. Approval of Material Related Party Transaction(s) with VG Park Beach Resorts Private Limited, Promoter Group Company:

*To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution***

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 (**"Act"**) read with the rules framed thereunder and in terms of First Proviso to Regulation 23(1) read with Regulation 2(1)(zc) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"SEBI Listing Regulations"**) *(including any statutory modification(s) or re-enactment(s) or amendment(s) thereof for the time being in force)* and the Company's Policy on Related Party Transactions (**"RPT Policy"**), the consent of the Members be and is hereby accorded to the Board of Directors of the Company (**"Board"**), which term shall be deemed to include Audit Committee of the Company to enter into/execute contract(s) / arrangement(s) / transaction(s) *(whether by way of an individual transaction or transactions taken together or series of transactions or otherwise)* for the purpose of availing unsecured loans (**"Borrowings"**) as mentioned in the explanatory statement from **VG Park Beach Resorts Private Limited ("VPBPL"), Promoter Group Company** and accordingly a related party under Regulation 2(1)(zb) of the SEBI Listing Regulations, on such terms and conditions as may be agreed between the Company and VGS, for an aggregate value up to **Rs. 50,00,00,000/- (Rupees Fifty Crores Only)** for a period of 01 (one) year from the date of approval of this resolution being carried out at arm's length.

RESOLVED FURTHER THAT the Board, be and is hereby authorised, to do and perform all such acts, deeds, matters and things, as may be necessary, including finalising the terms and conditions, methods and modes in respect thereof and finalising and executing necessary documents, including contract(s), scheme(s), agreement(s) and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental / regulatory authorities, as applicable, in this regard and deal with any matters, take necessary steps as the Board may, in its absolute discretion deem necessary, desirable or expedient, to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

VELS FILM INTERNATIONAL LIMITED

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it as they may deem fit to the Audit Committee of the Company and to do all such acts and take all such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT any of the Directors of the Company and Mr. Praveen Kumar (ACS: 76575), Company Secretary & Compliance Officer be and are hereby severally authorized to submit the necessary e-forms, documents and papers with the Registrar of Companies, Stock Exchange & such other authorities and to do all such acts, things and deeds as may be required to give effect to the aforesaid resolution."

By Order of the Board
For **Vels Film International Limited**

Sd/-
Praveen Kumar
Company Secretary & Compliance Officer
(ACS: 76575)

Place: Chennai

Date: August 27, 2026

NOTES:

1. In compliance with the Circular dated September 22, 2025 read with Circulars dated April 21, 2020 & May 05, 2020 issued by the Ministry of Corporate Affairs ("**MCA**") and the Circular dated October 03, 2024 issued by Securities and Exchange Board of India ("**SEBI**") (*collectively referred to as "Circulars"*), this 07th (Seventh) Annual General Meeting is held through Video Conferencing ("**VC**") without the physical presence of the Members at a common venue. As mentioned in the aforesaid MCA Circular, the Registered Office shall be the Deemed venue for the purpose of this AGM.

2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("**Act**") in respect of the Special Businesses specified above is annexed hereto. Further pursuant to Regulations 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**") and the Secretarial Standard 2 ("**SS 2**") on General Meetings issued by Institute of Company Secretaries of India ("**ICSI**") are also annexed in respect of Item No's 2 to 7.

3. Further, for items from 8 to 12, relating to Related Party Transactions, Industry Standards on Minimum

information to be provided to the Audit Committee and Members for approval of Related Party Transactions ("**RPT Industry Standards**") has been annexed to the Notice in addition to the Explanatory Statement

4. Pursuant to Sections 112 and 113 of the Act, corporate members may appoint authorised representatives for the purpose of voting through remote e-voting and for participation and voting at the AGM conducted through VC. Corporate members intending to attend and vote at the AGM through their authorised representatives are requested to send a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the AGM. The said Resolution / Authorisation shall be sent by e-mail from the registered e-mail address of the corporate member to the Company at compliance@velsfilminternational.com and to the Scrutinizer @ rangarajan@bpca.one

5. Mr. Rangarajan Dorairajan, Practising Company Secretary (Membership No. F14171 & CP No. 23671), Partner of BP & Associates, Chennai has been appointed as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner. He has communicated his willingness to be appointed and will be available for the said purpose.

6. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast during the AGM and thereafter, unblock the votes cast through remote e-Voting and shall submit not later than 48 (forty eight) hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith. The results of voting will be declared and the same along with the Scrutinizer's Report will be published on the websites of NSE @ <https://www.nseindia.com/> the Company @ <https://velsfilminternational.com/> and the website of NSDL @ <https://www.evoting.nsdl.com>

7. Only registered members of the Company may attend and vote at the AGM through VC facility. In case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM. The attendance of the Members attending the AGM through VC will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

8. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to

VELS FILM INTERNATIONAL LIMITED

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 and the SEBI circulars through VC, the requirement of physical attendance of members has been dispensed with. Accordingly, in terms of the MCA circulars and the SEBI circulars, 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 under the Instructions for Members section.

9. 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 Saturday, September 19, 2026 to Friday, September 25, 2026 (*both days inclusive*).

10. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 the SS 2 issued by the ICSI and Regulation 44 of the SEBI Listing Regulations, and the Circulars issued by MCA and SEBI from time to time the Company is providing facility of remote e-Voting and 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 e-voting on the date of the AGM will be provided by NSDL. In this regard, your Demat Account Number has been enrolled by the Company for your participation in remote e-voting on resolutions placed by the Company in the AGM Notice.

11. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the **Cut-Off Date i.e., Friday, September 18, 2026 only shall be entitled to avail the facility of remote e-voting as well as e-voting at the AGM.** The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the Cut-Off Date i.e., Friday, September 18, 2026.

12. The remote e-voting period commences on Tuesday, September 22, 2026 from 09:00 A.M. (IST) onwards and ends on Thursday, September 24, 2026 05:00 P.M. (IST). During this period, members of the Company, holding shares as on the Cut-Off Date i.e., Friday, September 18, 2026, may cast their vote by

remote e-voting. Those members, who will be present in the AGM through the VC facility and have not cast 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 during the AGM which shall be available for 15 (fifteen) minutes from the conclusion of the AGM.

13. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. Further members, who have already voted prior to the meeting date would not be entitled to vote at the meeting, but can attend the AGM.

14. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the Cut-off Date may obtain the login ID and password by sending a request @ evoting@nsdl.com or the RTA @ investor@cameoindia.com. However, if he / she is already registered with NSDL for remote e-voting then he/she can use his/her existing user ID and password for casting the vote.

15. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM i.e., Friday, September 25, 2026.

16. 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**") and not to the Company or Registrar and Share Transfer Agents ("**RTA**") of the Company.

17. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.

18. Non-Resident Indian members are requested to inform the Company's RTA immediately of:

Ø Change in their residential status on return to India for permanent settlement

Ø Particulars of their bank account maintained in India with complete name, branch, account type, account number, IFSC and address of the bank with pin code number, if not furnished earlier.

19. Members holding shares in dematerialized mode are requested to intimate all changes pertaining to

VELS FILM INTERNATIONAL LIMITED

their bank details / NECS/ mandates, nominations, power of attorney, change of postal address, name, PAN details, email address, telephone / mobile numbers, etc., to their Depository Participant ("DP"), only and not to the Company/ the Company's RTA. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its RTA provide efficient and better service to the members.

20. 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 @ compliance@velsfilminternational.com by mentioning their DP ID / Client ID, PAN and mobile number on or before Wednesday, September 23, 2026. The same will be replied by the Company suitably.

21. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID, PAN, mobile number @ compliance@velsfilminternational.com on or before Wednesday, September 23, 2026. Those Members who have registered themselves shall be given an opportunity of speaking live in AGM. The Company reserves the right to limit the number of speakers, subject to the time available for the conduct of the AGM, and to avoid repetition of questions.

22. Pursuant to the green initiatives of the Company, Electronic copy of the Annual Report of the Company for the Financial Year 2025-26 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 2025-26 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 2025-26 and Notice of the 07th (Seventh) AGM of the Company, may send request to the Company's e-mail address at compliance@velsfilminternational.com mentioning DP ID and Client ID. The Notice is being sent to all the members, whose names appeared in the Register of Members / records of depositories as beneficial owners on Friday, August 28, 2026.

23. The Members can join the AGM in the VC mode 30 (thirty) 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 will be made available 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.

24. The attendance of the Members attending the AGM through VC will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

25. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to compliance@velsfilminternational.com.

26. In line with the above mentioned circulars issued by MCA and SEBI, the Notice calling the AGM has been uploaded on the website of the Company at www.velsfilminternational.com/AnnualReport. The Notice can also be accessed from the websites of NSE 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.

VELS FILM INTERNATIONAL LIMITED

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

The remote e-voting period begins on Tuesday, September 22, 2026 at 09:00 A.M. (IST) and ends on Thursday, September 24, 2026 at 05:00 P.M. (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e., Friday, September 18, 2026, may cast their vote electronically. 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 Friday, September 18, 2026.

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.

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

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 2025, together with the Reports of the Board of Directors and the Auditors thereon.

Type of Share holders	Login Method
Individual Share holders holding securities in demat mode with NSDL	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. 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. 2. 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. 3. 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

VELS FILM INTERNATIONAL LIMITED

	4. 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. 5. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on  App Store  Google Play  
Individual Share holders holding securities in demat mode with CDSL	1. 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. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting 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 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. 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. 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 evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual (Share holders holding securities in demat mode) login through the Depository Participants	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.

VELS FILM INTERNATIONAL LIMITED

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.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing 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 CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911
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. How to Log-in to NSDL e-Voting website? 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. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.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. 4. 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 ID For 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 ID For 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 company For 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.nsdl.com. b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.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.
Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system. 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 resolution, you will not be allowed to modify your vote.
<u>General Guidelines for shareholders</u> 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 rangarajan@bpca.one 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 Ms. Prajakta Pawle, Deputy Manager @ 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. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), Aadhaar (self attested scanned copy of Aadhaar Card) by email to compliance@velsfilminternational.com

2. In case 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), Aadhaar (self attested scanned copy of Aadhaar 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.**

3. 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.

4. 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.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following Explanatory Statements, as required under Section 102 of the Companies Act, 2013 ("**Act**") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**") sets out all material facts relating to the special businesses to be dealt at the 7th (Seventh) Annual General Meeting as mentioned under **Item Nos. 4 to 12** of the accompanying Notice dated August 27, 2026.

Item No. 4:

Re-appointment and Remuneration of Dr. Ishari K Ganesh (DIN: 00269445), Managing Director for a term of 03 (three) years

Dr. Ishari K Ganesh (DIN: 00269445), Promoter of the Company, has been associated with the Company since its inception and was appointed as the director at the time of incorporation. Subsequently, the Board in its meeting held on April 30, 2022 approved his appointment as the Managing Director of the Company with effect from **April 30, 2022**, for a term of 05 (five) consecutive years, which is due to expire on **April 29, 2027**.

A brief profile of Dr. Ishari K Ganesh is mentioned below:

Dr. Ishari K Ganesh is an accomplished entrepreneur with over three decades of rich experience in the fields of Education, Media & Entertainment, Healthcare and

*Business Management. He is the Founder and Chancellor of VELS Institute of Science, Technology and Advanced Studies ("**VISTAS**") and Chairman of the Vels Group of Institutions, under whose leadership the Group has established a strong presence across multiple sectors.*

He has played a pivotal role in formulating the Company's strategic vision and has been instrumental in driving its business growth, strengthening its operational capabilities and creating long-term value for its stakeholders. Under his leadership, the Company has expanded its footprint in the Film Production and Entertainment industry while maintaining a strong focus on corporate governance, operational excellence and sustainable growth.

Dr. Ishari Ganesh holds a Bachelor's Degree and Master's Degree in Commerce, a Bachelor of Law (LL.B.), a Master of Business Administration (MBA), a Master of Philosophy (M.Phil.), a Master of Law (LL.M.) and a Doctor of Philosophy (Ph.D.). His academic qualifications, coupled with his extensive entrepreneurial and managerial experience, have enabled him to provide strategic leadership and direction to the Company.

Considering his exemplary leadership, extensive industry experience, strategic vision and significant contribution towards the sustained growth and overall performance of the Company, the Nomination and Remuneration Committee ("**NRC**"), at its

VELS FILM INTERNATIONAL LIMITED

meeting held on August 27, 2026, after evaluating his performance and considering the Nomination and Remuneration Policy ("**NRC Policy**") of the Company, recommended to the Board his re-appointment as Managing Director and Key Managerial Personnel, together with the proposed remuneration.

It may be noted that Dr. Ishari K Ganesh is presently serving as a Non-Executive Director on the Board of certain other companies. Pursuant to Section 203(3) of the Act, his re-appointment as Managing Director of the Company shall not disentitle him from continuing to hold such existing directorships in other companies. Further, he may be appointed or continue to hold office as a Director in other companies in accordance with the applicable provisions of the Act, including with the approval of the Board of Directors of the Company.

Pursuant to the recommendations of the NRC, the Board of Directors ("**Board**"), at its meeting held on August 27, 2026, approved and recommended to the Members the re-appointment of Dr. Ishari K Ganesh as the Managing Director, liable to retire by rotation, and Key Managerial Personnel of the Company for a further term of 03 (three)

consecutive years commencing from **April 30, 2027** and ending on **April 29, 2030**, upon the terms and conditions, including remuneration, as set out in the Resolution, subject to the approval of the members by way of a Special Resolution.

The proposed re-appointment and remuneration are in accordance with the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("**Act**") read with Schedule V thereto, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**"), as amended from time to time.

In the event of absence or inadequacy of profits in any financial year during the tenure of his appointment, the remuneration payable to Dr. Ishari K Ganesh shall be governed by the applicable provisions of Section II of Part II of Schedule V to the Companies Act, 2013, or any statutory modification(s) or re-enactment thereof for the time being in force.

VELS FILM INTERNATIONAL LIMITED

The statement containing additional information as required in Section II of Part II of Schedule V of the Companies Act, 2013:

Sl. No.	Particulars	Information																											
1.	General Information																												
a.	Nature of Industry	Film Production																											
b.	Date or expected date of Commencement of commercial production	Not applicable as the Company is already operational and has ongoing business activities.																											
c.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable as the Company incorporated on October 25, 2019.																											
d.	Financial performance based on given indicators (Standalone basis)	(₹ in Lakhs) <table> <tr> <th>Particulars</th><th>March 31, 2026</th><th>March 31, 2025</th></tr> <tr> <td>Share capital</td><td>1290.80</td><td>1290.80</td></tr> <tr> <td>Liabilities</td><td>38,896.60</td><td>18,840.50</td></tr> <tr> <td>Assets</td><td>40187.40</td><td>20131.30</td></tr> <tr> <td>Turnover</td><td>150.98</td><td>3426.51</td></tr> <tr> <td>Expenses</td><td>2284.17</td><td>4199.78</td></tr> <tr> <td>Profit / (Loss) Before Tax</td><td>(1982.94)</td><td>1776.94</td></tr> <tr> <td>Profit / (Loss) After Tax</td><td>(2193.72)</td><td>1360.19</td></tr> <tr> <td>EPS</td><td>(17.00)</td><td>10.54</td></tr> </table>	Particulars	March 31, 2026	March 31, 2025	Share capital	1290.80	1290.80	Liabilities	38,896.60	18,840.50	Assets	40187.40	20131.30	Turnover	150.98	3426.51	Expenses	2284.17	4199.78	Profit / (Loss) Before Tax	(1982.94)	1776.94	Profit / (Loss) After Tax	(2193.72)	1360.19	EPS	(17.00)	10.54
Particulars	March 31, 2026	March 31, 2025																											
Share capital	1290.80	1290.80																											
Liabilities	38,896.60	18,840.50																											
Assets	40187.40	20131.30																											
Turnover	150.98	3426.51																											
Expenses	2284.17	4199.78																											
Profit / (Loss) Before Tax	(1982.94)	1776.94																											
Profit / (Loss) After Tax	(2193.72)	1360.19																											
EPS	(17.00)	10.54																											
e.	Foreign investments or collaborations, if any	NIL																											
2.	Information about the appointee																												
a.	Background details	Dr. Ishari K Ganesh is the Promoter and Managing Director ("MD") of the Company. The Company was incorporated the realization of the vision of our MD to build a professionally managed corporate entity capable of producing high-quality feature films across multiple Indian languages. Throughout his career as film producer, he has produced over 25+ tamil films and more under its production.																											
b.	Past remuneration	₹24,00,000/- (Rupees Twenty Four Lakhs Only)																											
c.	Recognition or awards	☐ Founder & Chancellor of Vels Institute of Science Technology and Advanced Studies ("VISTAS") ☐ Youngest Founder Chancellor of a deemed to be university in India ☐ Chairman of VELS Group of Institutions & Companies ☐ Tamil Nadu State Film Awards - Best Film (Comali) ☐ Example to Youth Award by Rotaract District Council ☐ Kalaimamani Award and Title conferred by Government of Tamil ☐ Lifetime Achievement Award in the field of Education and Philanthropy ☐ Pride of Tamil Nadu																											
d.	Job profile and his suitability	Dr. Ishari K Ganesh is the Promoter and Managing Director of the Company and is responsible for providing overall strategic direction and leadership to the Company. His responsibilities																											

VELS FILM INTERNATIONAL LIMITED

Sl. No.	Particulars	Information
		include overseeing film production and related business activities, identification and evaluation of film projects, selection of scripts and creative talent, production planning, budgeting, marketing & distribution, and management of relationships with artists, directors, technicians and other industry stakeholders. He also oversees the overall business strategy and operations of the Company with a focus on strengthening its presence in the Indian film and Entertainment Industry. He has extensive experience in the film and entertainment industry and has been associated with the industry since 1991. He has produced several Tamil films. His extensive experience in film production, knowledge of the commercial and creative aspects of the industry, established industry relationships and experience in managing business operations make him suitably qualified to lead the Company as Managing Director. His entrepreneurial and leadership experience further enables him to provide strategic guidance for the Company's growth and long-term development currently.
e.	Remuneration proposed	₹24,00,000/- per annum, plus commission at 10% of the net profits of the Company, subject to applicable statutory limits, together with perquisites and allowances as specified in the resolution
f.	Comparative remuneration profile with respect to industry, size of the Company,	Taking into consideration the size of the Company, the profile, knowledge, skills and responsibilities shouldered by him, remuneration proposed to be paid is commensurate with the remuneration packages paid to similar counterparts in other companies.
g.	Profile of the position and person in case of expatriates the relevant details would be respect to the country of his origin	Not Applicable
h.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	Dr. Ishari K Ganesh is the Promoter and Managing Director of the Company and is entitled to receive remuneration from the Company in his capacity as Managing Director as set out in the proposed resolution. He also holds equity shares in the Company as disclosed herein. Except as stated above and for transactions, if any, in the ordinary course of business and on an arm's length basis, he does not have any other pecuniary relationship with the Company.
3.	Other information	
a.	Reasons of loss or inadequate profits	The Company has incurred loss during the year primarily due to the limited number of films released during the financial year 2025-26 and the overall slowdown in the film industry. The limited theatrical releases and the inability of certain films to achieve the expected box office performance have adversely impacted the Company's revenue and profitability.
b.	Steps taken or proposed to be taken for improvement	The Company is taking steps to improve its financial performance by increasing the number of film releases, focusing on projects with commercially viable content and strengthening its production, distribution and marketing strategies. The Company also proposes to optimise production and promotional costs and explore opportunities for wider

VELS FILM INTERNATIONAL LIMITED

Sl. No.	Particulars	Information
		theatrical and digital distribution to improve revenue generation.
c.	Expected increase in productivity and profits in measurable terms	The Company expects improvement in revenue and profitability through an increase in the number of film releases, improved commercial performance of projects, optimisation of production and promotional costs and wider theatrical and digital distribution. However, a precise quantification of the expected increase in productivity and profits is not practicable at this stage, as the same is materially dependent upon the commercial performance of individual film projects, release schedules, market conditions and the overall performance of the film industry.

Requisite parameters under Section 200 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given herein:

S. No.	Particulars	Description			
1.	The Financial and operating performance of the company during the three preceding financial years.	(₹ in Lakhs)			
		Particulars	March 31, 2026	March 31, 2025	March 31, 2024
		Share capital	1,290.80	1,290.80	1,290.80
		Liabilities	38,896.60	18,840.50	17,928.12
		Assets	40,187.40	20,131.30	19,218.92
		Turnover	150.98	3426.51	1,075.30
		Expenses	2,284.17	4,199.78	3122.00
		Profit / (Loss) Before Tax	(1,982.94)	1,776.94	(1703.44)
		Profit / (Loss) After Tax	(2,193.72)	1,360.19	(1345.20)
EPS	(17.00)	10.54	(10.42)		
2.	Remuneration or commission drawn by the individual concerned in any other capacity	NIL			
3.	Remuneration or commission drawn by him from any other company;	Vels Studios and Entertainment Private Limited Salary - ₹24,00,000/- (Rupees Twenty Four Lakhs Only)			
4.	Professional qualifications and experience of the individual concerned	Given elsewhere in this Explanatory Statements			
5.	The relationship between remuneration and performance.	The remuneration payable is as per general industry norms and commensurate with the operation of the Company and job responsibilities.			
6.	The principle of proportionality of remuneration within the company, ideally by a rating methodology which compares the remuneration of directors to that of other directors on the board who receives remuneration and employees or executives of the company.	The remuneration proposed to be paid to Dr. Ishari K Ganesh is commensurate with his role, responsibilities, experience and contribution as Managing Director. It has been considered with reference to the remuneration of other directors and senior employees of the Company, wherever applicable. Due regard has been given to the Company's size, operations, financial position and prevailing industry standards.			

VELS FILM INTERNATIONAL LIMITED

		The proposed remuneration is considered reasonable and proportionate to the responsibilities and performance expectations attached to his position, in accordance with Section 200 and Schedule V of the Act.
7.	Whether remuneration policy for directors differs from remuneration policy for other employees and if so, an explanation for the difference.	No
8.	The securities held by the director, including options and details of the shares pledged as at the end of the preceding financial year.	94,36,000 (Ninety Four Lakhs Thirty Six Thousands) Equity Shares of ₹10/- (Rupees Ten Only) each constituting 73.10% of the Total Equity Shares of the Company. No equity shares are pledged and he does not hold any stock options in the Company

The Board, after considering the recommendations of the Nomination and Remuneration Committee and taking into account the performance evaluation of Dr. Ishari K Ganesh, is of the opinion that his extensive experience, entrepreneurial vision, strategic leadership, domain expertise and significant contribution to the growth and overall performance of the Company make his continued association as the Managing Director beneficial to the Company.

Since the Company has inadequate profits for the purpose of payment of managerial remuneration, the remuneration is proposed in accordance with the applicable provisions of Schedule V to the Companies Act, 2013, under which the approval by way of special resolution is valid for a period of three years. Accordingly, the Board recommends the Special Resolution set out at Item No. 4 of the Notice for approval by the Members.

Dr. Ishari K Ganesh has furnished his consent to act as the Managing Director of the Company in Form DIR 2 and confirmed that he satisfies the conditions prescribed under the Companies Act, 2013 for his re-appointment. He has also submitted a declaration in Form DIR 8 confirming that he is not disqualified from being appointed or continuing as a Director under Sections 164 of the Companies Act, 2013.

Details pursuant to Regulation 36(3) of the SEBI Listing Regulations and the SS 2 issued by the ICSI has been disclosed below.

Further, in compliance with the SEBI Order dated June 14, 2018 to the Stock Exchanges and further SEBI Circular dated June 20, 2018, this is to confirm that Dr. Ishari K Ganesh has not been debarred from holding the office of director by virtue of any SEBI order or any other such authority.

Except Dr. Ishari K Ganesh and his relatives, to the extent of their respective shareholding none of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

The Board of Directors recommends the Special Resolution set out at Item No. 4 of the Notice for approval of the Members.

Item No. 5:**Appointment of Ms. Kushmitha K Ganesh (DIN: 09271301) as Whole-time Director**

Ms. Kushmitha K Ganesh (DIN: 09271301), was appointed as the Additional Director (Non-executive) at the Board meeting held on June 02, 2025 and her appointment was approved by the members at the 6th (Sixth) Annual General Meeting held on July 07, 2025.

A brief profile of Ms. Kushmitha K Ganesh is mentioned below:

Ms. Kushmitha K Ganesh is a business leader, lawyer and film producer serving as Vice President of the Vels Group of Companies and Institutions, with leadership responsibilities across Vels Film International Limited, Vels Music International and Vels Studios and Entertainment Limited. With a strong foundation in law and International Commercial Law, she brings a strategic and business-oriented approach to the entertainment industry, combining commercial insight with creative vision across film, music and experiential entertainment.

She holds a B.B.A. LL.B. (Honors) and a Master of Laws (LL.M.) in International Commercial Law. Her multidisciplinary academic background, coupled with her experience in the legal, business and entertainment

VELS FILM INTERNATIONAL LIMITED

sectors, enables her to contribute to strategic business development, expansion of entertainment platforms and the creation of opportunities for filmmakers, artists and emerging talent.

Ms. Kushmitha Ganesh is focused on building and scaling globally relevant entertainment businesses and experiences rooted in Indian storytelling and talent. Through her leadership, she seeks to contribute to the growth and international reach of India's media and entertainment ecosystem, while fostering creative excellence, innovation and sustainable business growth. Her multidisciplinary expertise positions herself as part of a new generation of women leaders shaping India's evolving entertainment landscape.

Considering her industry experience, new age strategic vision and significant contribution towards the sustained growth and overall performance of the Company, the Nomination and Remuneration Committee ("**NRC**"), at its meeting held on August 27, 2026, after evaluating her performance and considering the Nomination and Remuneration Policy ("**NRC Policy**") of the Company, recommended to the Board her appointment as Whole-time Director and Key Managerial Personnel, together with the proposed remuneration.

Pursuant to the recommendations of the NRC, the Board of Directors ("**Board**"), at its meeting held on August 27, 2026, approved and recommended to the Members the appointment of Ms. Kushmitha K Ganesh as the Whole-time Director, liable to retire by rotation, and Key Managerial Personnel of the Company for a term of 03 (three) consecutive years commencing from **October 01, 2026** and ending on **September 30, 2029**, upon the terms and conditions,

including remuneration, as set out in the Resolution, subject to the approval of the Members by way of a Special Resolution.

It may be noted that Ms. Kushmitha K Ganesh is presently serving as a Non-Executive Director on the Board of certain other companies. Pursuant to Section 203(3) of the Act, her appointment as Whole-time Director of the Company shall not disentitle her from continuing to hold such existing directorships in other companies. Further, she may be appointed or continue to hold office as a Director in other companies in accordance with the applicable provisions of the Act, including with the approval of the Board of Directors of the Company.

The proposed appointment and remuneration are in accordance with the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("**Act**") read with Schedule V thereto, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**"), as amended from time to time.

In the event of absence or inadequacy of profits in any financial year during the tenure of her appointment, the remuneration payable to Ms. Kushmitha K Ganesh shall be governed by the applicable provisions of Section II of Part II of Schedule V to the Companies Act, 2013, or any statutory modification(s) or re-enactment thereof for the time being in force.

VELS FILM INTERNATIONAL LIMITED

The statement containing additional information as required in Section II of Part II of Schedule V of the Companies Act, 2013:

Sl. No.	Particulars	Information		
1.	General Information			
a.	Nature of Industry	Film Production		
b.	Date or expected date of Commencement of commercial production	Not applicable as the Company is already operational and has ongoing business activities.		
c.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable as the Company incorporated on October 25, 2019.		
d.	Financial performance based on given indicators (Standalone basis)	(₹ in Lakhs)		
		Particulars	March 31, 2026	March 31, 2025
		Share capital	1290.80	1290.80
		Liabilities	38,896.60	18,840.50
		Assets	40187.40	20131.30
		Turnover	150.98	3426.51
		Expenses	2284.17	4199.78
		Profit / (Loss) Before Tax	(1982.94)	1776.94
		Profit / (Loss) After Tax	(2193.72)	1360.19
		EPS	(17.00)	10.54
e.	Foreign investments or collaborations, if any	NIL		
2.	Information about the appointee			
a.	Background details	Ms. Kushmitha K Ganesh is the daughter of Dr. Ishari K Ganesh and Member of the Promoter Group of the Company. She has been associated with the Vels Group and its entertainment ventures, with leadership responsibilities across film, music and experiential entertainment. She has co-produced several successful tamil movies during her tenure.		
b.	Past remuneration	NIL		
c.	Recognition or awards	-		
d.	Job profile and her suitability	Ms. Kushmitha K Ganesh is responsible for contributing to the strategic direction and growth of the Company, particularly in the areas of film production, entertainment projects, business development and strategic expansion. Her role includes evaluating film and entertainment opportunities, supporting project development and managing relationships with filmmakers, artists and other industry stakeholders. Her experience in the media and entertainment industry, coupled with her commercial understanding and strategic perspective, makes her suitably qualified to contribute to the Company's film production and entertainment business. Her exposure to creative ventures and business development enables her to support the Company's growth and long-term expansion.		
		₹15,00,000/- (Rupees Fifteen Lakhs only) per annum		

VELS FILM INTERNATIONAL LIMITED

Sl. No.	Particulars	Information
e.	Remuneration proposed	inclusive of perquisites and allowances as specified in the resolution
f.	Comparative remuneration profile with respect to industry, size of the Company,	Taking into consideration the size of the Company, the profile, knowledge, skills and responsibilities shouldered by her, remuneration proposed to be paid is commensurate with the remuneration packages paid to similar counterparts in other companies.
	Profile of the position and person in case of expatriates the relevant details would be respect to the country of her origin	Not Applicable
g.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	Ms. Kushmitha K Ganesh is the Member of the Promoter Group and Director (Non-Executive) of the Company and is entitled to receive remuneration from the Company in her capacity as Whole-time Director as set out in the proposed resolution. She also holds equity shares in the Company as disclosed herein. Except as stated above and for transactions, if any, in the ordinary course of business and on an arm's length basis, she does not have any other pecuniary relationship with the Company.
3.	Other information	
a.	Reasons of loss or inadequate profits	The Company has incurred loss during the year primarily due to the limited number of films released during the financial year 2025-26 and the overall slowdown in the film industry. The limited theatrical releases and the inability of certain films to achieve the expected box office performance have adversely impacted the Company's revenue and profitability.
b.	Steps taken or proposed to be taken for improvement	The Company is taking steps to improve its financial performance by increasing the number of film releases, focusing on projects with commercially viable content and strengthening its production, distribution and marketing strategies. The Company also proposes to optimise production and promotional costs and explore opportunities for wider theatrical and digital distribution to improve revenue generation.
c.	Expected increase in productivity and profits in measurable terms	The Company expects improvement in revenue and profitability through an increase in the number of film releases, improved commercial performance of projects, optimisation of production and promotional costs and wider theatrical and digital distribution. However, a precise quantification of the expected increase in productivity and profits is not practicable at this stage, as the same is materially dependent upon the commercial performance of individual film projects, release schedules, market conditions and the overall performance of the film industry.

VELS FILM INTERNATIONAL LIMITED

Requisite parameters under Section 200 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given herein:

S. No.	Particulars	Description			
		(₹ in Lakhs)			
1.	The Financial and operating performance of the company during the three preceding financial years.	Particulars	March 31, 2026	March 31, 2025	March 31, 2024
		Share capital	1,290.80	1,290.80	1,290.80
		Liabilities	38,896.60	18,840.50	17,928.12
		Assets	40,187.40	20,131.30	19,218.92
		Turnover	150.98	3426.51	1,075.30
		Expenses	2,284.17	4,199.78	3122.00
		Profit / (Loss) Before Tax	(1,982.94)	1,776.94	(1703.44)
		Profit / (Loss) After Tax	(2,193.72)	1,360.19	(1345.20)
		EPS	(17.00)	10.54	(10.42)
2.	Remuneration or commission drawn by the individual concerned in any other capacity	NIL			
3.	Remuneration or commission drawn by him from any other company;	Vels Studios and Entertainment Private Limited Consultancy Fees - ₹15,00,000/- (Rupees Fifteen Lakhs Only)			
4.	Professional qualifications and experience of the individual concerned	Given elsewhere in this Explanatory Statements			
5.	The relationship between remuneration and performance.	The remuneration payable is as per general industry norms and commensurate with the operation of the Company and job responsibilities.			
6.	The principle of proportionality of remuneration within the company, ideally by a rating methodology which compares the remuneration of directors to that of other directors on the board who receives remuneration and employees or executives of the company.	The remuneration proposed to be paid to Ms. Kushmitha K Ganesh commensurate with her role, responsibilities, experience and contribution as Whole-time Director. It has been considered with reference to the remuneration of other directors and senior employees of the Company, wherever applicable. Due regard has been given to the Company's size, operations, financial position and prevailing industry standards. The proposed remuneration is considered reasonable and proportionate to the responsibilities and performance expectations attached to her position, in accordance with Section 200 and Schedule V of the Act.			
7.	Whether remuneration policy for directors differs from remuneration policy for other employees and if so, an explanation for the difference.	No			
8.	The securities held by the director, including options and details of the shares pledged as at the end of the preceding financial year.	1,12,200 (One Lakh Twelve Thousand Two Hundred) Equity Shares of ₹10/- (Rupees Ten Only) each constituting 0.87% of the Total Equity Shares of the Company. No equity shares are pledged and he does not hold any stock options in the Company			

VELS FILM INTERNATIONAL LIMITED

The Board, after considering the recommendations of the Nomination and Remuneration Committee and taking into account the performance evaluation of Ms. Kushmitha K Ganesh, is of the opinion that her extensive experience, entrepreneurial vision, strategic leadership, domain expertise and significant contribution to the growth and overall performance of the Company by appointing her as Whole-time Director will be beneficial to the Company.

Since the Company has inadequate profits for the purpose of payment of managerial remuneration, the remuneration is proposed in accordance with the applicable provisions of Schedule V to the Companies Act, 2013, under which the approval by way of special resolution is valid for a period of 03 (three) years. Accordingly, the Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the Members.

Ms. Kushmitha K Ganesh has furnished her consent to act as the Whole-time Director of the Company in Form DIR 2 and confirmed that she satisfies the conditions prescribed under the Companies Act, 2013 for her appointment. She has also submitted a declaration in Form DIR 8 confirming that she is not disqualified from being appointed or continuing as a Director under Sections 164 of the Companies Act, 2013.

Details pursuant to Regulation 36(3) of the SEBI Listing Regulations and the SS 2 issued by the ICSI has been disclosed below.

Further, in compliance with the SEBI Order dated June 14, 2018 to the Stock Exchanges and further SEBI Circular dated June 20, 2018, this is to confirm that Ms. Kushmitha K Ganesh has not been debarred from holding the office of director by virtue of any SEBI order or any other such authority.

Except Ms. Kushmitha K Ganesh and her relatives, to the extent of their respective shareholding none of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

The Board of Directors recommends the Special Resolution set out at Item No. 5 of the Notice for approval of the Members.

Item No.6:

Re-appointment of Mr. Thummala Gangatharan Balaji (DIN: 00580819) as an Independent Director for a 02nd (Second) Term of 05 (Five) Consecutive years

The Board of Directors ("**Board**") appointed **Mr. Thummala Gangatharan Balaji (DIN: 00580819)** bearing IDDB Registration No. IDDB-NR-202204-042200, as an Additional Director of the Company, designated as an Independent Director with effect from April 30, 2022.

Subsequently, he was appointed as an Independent Director by the shareholders of the Company at the Extra-Ordinary General Meeting ("**EGM**") held on June 03, 2022, to hold office for a **term of 05 (five) years commencing from June 03, 2022 to June 02, 2027**, not liable to retire by rotation, in terms of the provisions of Section 149(6) of the Companies Act, 2013 ("**Act**") read with the Companies (Appointment and Qualifications of Directors) Rules, 2014.

Accordingly, Mr. Thummala Gangatharan Balaji holds office as an Independent Director up to June 02, 2027 ("First Term"), in terms of Sections 149(10) and 149(11) of the Act.

A brief profile of Mr. Thummala Gangatharan Balaji is mentioned below:

Mr. T G Balaji is a seasoned professional with extensive experience across corporate and business advisory, board and governance advisory, mediation and dispute resolution, legal and strategic advisory, education and institutional advisory, negotiation and settlement, mentoring and leadership guidance, social and community initiatives.

With a strong foundation in law and corporate practice, he has also served as a Director of several companies, with responsibilities spanning strategy, management and governance. His professional experience has equipped him with sound business acumen, independent judgement and practical problem solving abilities.

His expertise in mediation, negotiation and dispute resolution, supported by strong legal insight and corporate experience, enables him to provide balanced and practical perspectives on complex matters. He has also advised businesses, organisations and individuals on matters requiring sound governance, strategic thinking and effective decision-making.

His association with the Company as an Independent Director is expected to be a significant value addition to the Board. His diverse experience, independent perspective, strategic insight and practical understanding of corporate governance will contribute to strengthening the Board's deliberations and decision-making, while supporting the Company's long-term growth and sustainable value creation.

VELS FILM INTERNATIONAL LIMITED

Pursuant to the recommendation of the Nomination & Remuneration Committee ("NRC"), the Board, in its meeting held on August 27, 2026, approved the re-appointment of Mr. T G Balaji as an Independent Director, not liable to retire by rotation, for a 02nd (second) term of consecutive 05 (five) years commencing from **June 03, 2027 to June 02, 2032**, based on the evaluation undertaken by the NRC and considering his contribution during his tenure, the Board is of the view that the continued association of Mr. T G Balaji as an Independent Director would be beneficial to the Company and that it is desirable to avail his services as an Independent Director.

The performance evaluation of Independent Directors was based on various criteria, inter-alia, including attendance at Board and Committee Meetings, skill, experience, ability to challenge views of others in a constructive manner, knowledge acquired with regard to the Company's business, understanding of industry and global trends, etc.,

Mr. T G Balaji has given his consent in form DIR 2 to act as director in terms of Section 152(5) of the Act and declaration in Form DIR 8 that he is not disqualified from being re-appointed as a director in terms of Section 164(1) & (2) of the Act. Further, the Company has received declaration under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations stating that he meets the criteria of independence as prescribed.

Further, in compliance with the SEBI Order dated June 14, 2018 to the Stock Exchanges and SEBI Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, this is to confirm that Mr. T G Balaji (DIN: 00580819) has not been debarred from holding the office of director by virtue of any SEBI order or any other such authority.

In the opinion of the Board, Mr. T G Balaji fulfils the conditions specified in the Act read with the rules made thereunder and the SEBI Listing Regulations, for his re-appointment as an Independent Director of the Company and is independent of the Management.

Mr. Thummala Gangatharan Balaji does not hold any equity shares in the Company.

The terms and conditions of the proposed re-appointment shall remain the same as those applicable during his first term as an Independent Director and the copy of the draft letter of re-appointment setting out the terms and conditions of his re-appointment as an Independent Director is available for inspection by the Members at the Registered Office of the Company during business

hours on all working days up to the date of the AGM. The same is also available on the website of the Company at <https://velsfilminternational.com>

Details pursuant to Regulation 36(3) of the SEBI Listing Regulations and the SS 2 issued by the ICSI has been disclosed below.

Pursuant to the provisions of Sections 149(10) and 149(11) and other applicable provisions of the Act, an Independent Director shall hold office for a term of upto 05 (five) consecutive years and shall be eligible for re-appointment for a 2nd (second) consecutive term upon passing of a Special Resolution by the Members.

Except Mr. T G Balaji and his relatives, to the extent of their shareholding, if any, none of the Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 6 of the Notice.

The Board recommends the Special Resolution set out at Item No. 6 of the Notice for approval of the Members.

Item No. 7:

Re-appointment of Ms. Sangeetha Santharam (DIN: 07567200) as an Independent Director for a 02nd (Second) Term of 05 (Five) Consecutive years

The Board of Directors ("Board") appointed **Ms. Sangeetha Santharam (DIN: 07567200)** bearing IDDB Registration No. IDDB-DI-202204-042211, as an Additional Director of the Company, designated as an Independent Director with effect from April 30, 2022.

Subsequently, she was appointed as an Independent Director by the shareholders of the Company at the Extra-Ordinary General Meeting ("EGM") held on June 03, 2022, to hold office for a **term of 05 (five) years commencing from June 03, 2022 to June 02, 2027**, not liable to retire by rotation, in terms of the provisions of Section 149(6) of the Companies Act, 2013 ("Act") read with the Companies (Appointment and Qualifications of Directors) Rules, 2014.

Accordingly, Ms. Sangeetha holds office as an Independent Director up to June 02, 2027 ("First Term"), in terms of Sections 149(10) and 149(11) of the Act.

A brief profile of Ms. Sangeetha Santharam is mentioned below:

Ms. Sangeetha is an accomplished Indian actress, classical dancer and television presenter with over two

VELS FILM INTERNATIONAL LIMITED

decades of experience in the Indian film and entertainment industry. She has predominantly worked in Tamil cinema and has also appeared in Telugu, Malayalam, and Kannada films. Having commenced her acting career in the late 1990s, she has featured in more than 50 films and web series, portraying a wide range of versatile and impactful roles.

In addition to her successful film career, she has earned recognition as a television presenter and has been associated with several popular television programmes and reality shows. Her extensive experience in the media and entertainment sector has provided her with valuable insights into the creative, commercial and operational aspects of the industry.

Her appointment marks a significant value addition to the Board, bringing with her extensive industry expertise, strategic insights and an independent perspective shaped by her vast experience in the entertainment sector. Her understanding of the evolving media and film landscape, coupled with her professional acumen and commitment to high standards of governance, is expected to strengthen the Company's decision-making process and contribute to its long-term growth and sustainable value creation.

Pursuant to the recommendation of the Nomination & Remuneration Committee ("**NRC**"), the Board, in its meeting held on August 27, 2026, approved the re-appointment of Ms. Sangeetha as an Independent Director, not liable to retire by rotation, for a 02nd (second) term of consecutive 05 (five) years commencing from **June 03, 2027 to June 02, 2032**, based on the evaluation undertaken by the NRC and considering her contribution during her tenure, the Board is of the view that the continued association of Ms. Sangeetha as an Independent Director would be beneficial to the Company and that it is desirable to avail her services as an Independent Director.

The performance evaluation of Independent Directors was based on various criteria, inter-alia, including attendance at Board and Committee Meetings, skill, experience, ability to challenge views of others in a constructive manner, knowledge acquired with regard to the Company's business, understanding of industry and global trends, etc.,

Ms. Sangeetha has given her consent in form DIR 2 to act as director in terms of Section 152(5) of the Act and declaration in Form DIR 8 that she is not disqualified from being re-appointed as a director in terms of Section 164(1) & (2) of the Act. Further, the Company has received declaration under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations stating that she meets the criteria of independence as prescribed.

Further, in compliance with the SEBI Order dated June 14, 2018 to the Stock Exchanges and SEBI Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, this is to confirm that Ms. Sangeetha (DIN: 07567200) has not been debarred from holding the office of director by virtue of any SEBI order or any other such authority.

In the opinion of the Board, Ms. Sangeetha fulfils the conditions specified in the Act read with the rules made thereunder and the SEBI Listing Regulations, for her re-appointment as an Independent Director of the Company and is independent of the Management

Ms. Sangeetha does not hold any equity shares in the Company.

The terms and conditions of the proposed re-appointment shall remain the same as those applicable during his first term as an Independent Director and the copy of the draft letter of re-appointment setting out the terms and conditions of his re-appointment as an Independent Director is available for inspection by the Members at the Registered Office of the Company during business hours on all working days up to the date of the AGM. The same is also available on the website of the Company at <https://velsfilminternational.com> Details pursuant to Regulation 36(3) of the SEBI Listing Regulations and the SS 2 issued by the ICSI has been disclosed below.

Pursuant to the provisions of Sections 149(10) and 149(11) and other applicable provisions of the Act, an Independent Director shall hold office for a term of upto 05 (five) consecutive years and shall be eligible for re-appointment for a 2nd (second) consecutive term upon passing of a Special Resolution by the Members.

Except Ms. Sangeetha and her relatives, to the extent of their shareholding, if any, none of the Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 7 of the Notice.

The Board recommends the Special Resolution set out at Item No. 7 of the Notice for approval of the Members.

Item No's 8 to 12:

As per the Second Proviso to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**"), a transaction with a Related Party is considered material for a listed entity which has listed

VELS FILM INTERNATIONAL LIMITED

its specified securities on the SME Exchange, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs. 50 Crores (Rupees Fifty Crores) or 10% (ten percent) of the annual consolidated turnover of the listed entity, as per the last audited financial statements of the listed entity, whichever is lower.

Since the annual consolidated turnover of the Company has declined significantly during the financial year ended March 31, 2026, the applicable threshold for determining materiality of Related Party Transactions is correspondingly lower. Accordingly, any transaction with a Related Party exceeding the threshold prescribed under Regulation 23 of the SEBI Listing Regulations would be considered a Material Related Party Transaction.

The Company is engaged in the business of Film Production and Distribution, which is a highly capital intensive industry requiring substantial and continuous funding to meet production, distribution, operational and other business requirements. Given the inherent nature of the industry, obtaining secured financing from banks and financial institutions may be subject to stringent eligibility criteria, collateral requirements and other conditions and may not always be readily available or commercially feasible. Consequently, the Company from time to time, avail unsecured loans and other financial assistance from internal as well as external sources to meet its working capital and other business requirements.

Considering the upcoming slate of films and the anticipated funding requirements associated therewith, the Company proposes to avail unsecured loans from time to time from both internal and external sources, including persons who fall within the definition of "Related Party" under Regulation 2(1)(zb) of the SEBI Listing Regulations. Such borrowings from Related Parties would constitute Related Party Transactions ("**RPTs**") under Regulation 23 of the SEBI Listing Regulations and, where such transactions are material, would require the prior approval of the Audit Committee and the members of the Company, as applicable, in accordance with the SEBI Listing Regulations.

Accordingly, the Audit Committee and the Board of Directors of the Company at their respective meetings held on August 27, 2026 have passed resolution to obtain approval of members for entering into Material RPTs. The material RPTs has been approved by the Audit Committee and the Board of Directors recommends the proposed transaction to the shareholders for approval. Further, Audit Committee has reviewed the certificate provided by Dr. Ishari K Ganesh, Managing Director and Mr. Muthukrishnan Srinivasan, Chief Financial Officer of the Company as required under the RPT Industry Standards issued by SEBI vide its circular dated June 26, 2025.

Except for the Promoters and Members of the Promoter Group of the Company who are Directors of the Company and their respective relatives, to the extent of their shareholding, if any, none of the other Directors, Key Managerial Personnel of the Company or their respective relatives is, in any way, concerned or interested, financially or otherwise, in the Resolutions set out in Item Nos. 8 to 12 of the Notice.

In accordance with Regulation 23(4) of the SEBI Listing Regulations, no Related Party of the Company shall vote to approve the resolution, irrespective of whether the Related Party is a party to the particular transaction or not.

The Board recommends the Resolution to be passed as Ordinary Resolution to enable the Company to enter into Contracts / transactions / arrangements as approved in the Resolution on arm's length basis.

By order of the Board
For **Vels Film International Limited**

Sd/-
Praveen Kumar
Company Secretary & Compliance Officer
(ACS: 76575)

Place : Chennai
Date : August 27, 2026

VELS FILM INTERNATIONAL LIMITED

Details of Director proposed to be Appointed / re-appointed, pursuant to Regulation 36(3) of the SEBI Listing Regulations and SS 2 issued by ICSI:

Sl. No.	Particulars	(Item No. 2 & 4)	(Item No. 3)	(Item No. 5)	(Item No. 6)	(Item No. 7)
1.	Name of the Director	Dr. Ishari K Ganesh	Ms. Arthi	Ms. Kushmitha Ganesh	Mr. T G Balaji	Ms. Sangeetha
2.	DIN	00269445	00568101	09271301	00580819	07567200
3.	Date of Birth	October 07, 1966	November 11, 1973	November 25, 1999	October 13, 1965	October 21, 1979
4.	Age in years	59 Years	52 Years	26 Years	60 Years	46 Years
5.	Date of first appointment	October 25, 2019	October 25, 2019	June 02, 2025	April 30, 2022	April 30, 2022
6.	Qualifications	M. Com, Masters in Law & Doctorate in Philosophy	M. Sc in Computer Applications, Masters in Education, C.I.D.T.T & a Doctorate	BBA & LLB (Honours) and Master of Laws in International Commercial Law	Bachelor in Laws	-
7.	Experience / Nature of Expertise in Specific Functional Areas	Film Production & Entertainment, Education, Business Management, Strategic Leadership and Entrepreneurship with over three decades of experience in the Tamil film industry, including film production, coupled with extensive experience in the education sector, institutional management and business administration.	Administration, Education, Institutional Management and Film Production. Extensive experience in administration and management of educational institutions, with experience in film production and oversight of the Company's administrative functions.	Legal, Corporate & Commercial Affairs, Business Administration and Strategic Management. Rich Experience in legal and corporate matters, with academic and professional background in international commercial law and involvement in the administration and management of the Vels Group.	Legal, Construction & Infrastructure, Corporate Advisory and Business Management Over 35 years of Extensive experience in the construction and allied sectors, with legal background and experience as a consultant and advisor to companies in construction and related fields.	Film & Media, Acting, Direction, Creative Arts, Communication and Media Management. Over three decades of Extensive experience as an actress, dancer and television presenter, with experience in film and media, including direction of documentary and dramatic films, creative communication and organisational workflow.
8.	Skills and capabilities required for the role and the manner in which the proposed Independent Director meets such requirements	NA	NA	NA	The role requires expertise in legal and regulatory matters, corporate governance, business management and strategic decision making. He has extensive experience in the legal, construction and infrastructure sectors, along with corporate advisory and business management.	The role requires industry knowledge, strategic thinking, communication skills, stakeholder understanding and independent judgment, particularly in the entertainment sector. She has extensive experience in film, television, acting, direction, media and creative arts. Her experience enables her to provide industry insights, creative perspective and

VELS FILM INTERNATIONAL LIMITED

Sl. No.	Particulars	(Item No. 2 & 4)	(Item No. 3)	(Item No. 5)	(Item No. 6) His experience enables him to provide independent oversight, legal guidance, strategic advice and informed judgment to the Board.	(Item No. 7) informed guidance to the Board.
9.	Directorship in other companies including listed companies	1. Arthi Associates Private Limited 2. BMMT Institute of Education 3. KL Software Technologies Private Limited 4. Kushmitha Foundations Private Limited 5. Prabhudeva Studios Private Limited 6. Vel Ganesh Foundations Private Limited 7. Vel Ganesh Property Private Limited 8. Vels-AR Institute of Medical Sciences 9. Vels Aviation Services IFSC Private Limited 10. Vels FC Private Limited 11. Vels Higher Education Private Limited 12. Vels K12 Private Limited 13. Vels K12 Private Council 14. Vels Studios and Entertainment Private Limited 15. VG Park Beach Resorts Private Limited and 16. VGS Estates Private Limited	1. Arthi Associates Private Limited 2. BMMT Institute of Education 3. Kushmitha Foundations Private Limited 4. Prabhudeva Studios Private Limited 5. Vel Ganesh Property Private Limited 6. Vels-AR Institute of Medical Sciences 7. Vels Aviation Services IFSC Private Limited 8. Vels FC Private Limited 9. Vels Higher Education Private Limited 10. Vels K12 Private Limited 11. Vels Studios and Entertainment Private Limited 12. VG Park Beach Resorts Private Limited and 13. VGS Estates Private Limited	1. Vels Studios and Entertainment Private Limited	-	-

VELS FILM INTERNATIONAL LIMITED

Sl. No.	Particulars	(Item No. 2 & 4)	(Item No. 3)	(Item No. 5)	(Item No. 6)	(Item No. 7)
10.	Listed entities from which the person has resigned in the past three years	NIL	NIL	NIL	NIL	NIL
11.	Chairmanship / Membership of Committees (across all public companies in Audit Committee and Stakeholders' Relationship Committees)	Vels Film International Limited 1. Member of Audit Committee	Vels Film International Limited 1. Member of Stakeholders Relationship Committee.	NIL	Vels Film International Limited 1. Chairman of Audit Committee and 2. Chairman of Stakeholders Relationship Committee	Vels Film International Limited Member of Stakeholders Relationship Committee.
12.	Shareholding in the listed entity, including shareholders as a beneficial owner	94,36,000	36,000	1,12,200	NIL	NIL
13.	No. of Board Meetings Held / Attended during the Financial year 2025-26	10/10	10/10	08/08	10/10	10/10
14.	Details of Remuneration sought to be paid	₹24,00,000/-	NIL	₹15,00,000/-	NIL	NIL
15.	Last Remuneration drawn (per annum)	₹24,00,000/-	NIL	NIL	NIL	NIL
16.	Disclosure of relationships between directors inter-se	Promoter of the Company, Husband of Ms. Arthi & Father of Ms. Kushmitha	Member of the Promoter Group of the Company, Wife of Dr. Ishari K Ganesh & Mother of Ms. Kushmitha	Member of the Promoter Group of the Company & Daughter of Dr. Ishari K Ganesh & Ms. Arthi	NA	NA
17.	Terms and conditions of re-appointment and remuneration	Annexed in Explanatory Statement	NA	Annexed in Explanatory Statement	Annexed in Explanatory Statement	Annexed in Explanatory Statement

**Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions ("RPT")
as per RPT Industry Standards**

**Part A
Minimum information of the proposed RPT**

Sl. No.	Particulars of the information	Information provided by the management					
A (1)	Basic details of the related party	Dr. Ishari Ganesh	K	Arthi Associates Private Limited ("AAPL")	Kushmitha Foundations Private Limited ("KFPL")	VG Park Beach Resorts Private Limited ("VG Park")	VGS Estates Private Limited ("VGS")
1.	Name of the related party						
2.	Country of incorporation / birth of the related party	India		India	India	India	India
3.	Nature of business of the related party	Individual, hence Not Applicable		Buy, sell and lease of property and real estate	Leasing of land and joint development ventures	Construction of resorts	Development of real estate and residential projects
A (2)	Relationship and ownership of the related party	Promoter	Promoter Group	Promoter Group	Promoter Group	Promoter Group	Promoter Group
1.	Relationship between the listed entity / subsidiary (in case of transaction involving the subsidiary) and the related party including nature of its concern (financial or otherwise) and the following: ☐ Shareholding of the listed entity / subsidiary (in case of transaction involving the subsidiary), whether direct or indirect, in the related party.	NIL	NIL	NIL	NIL	NIL	NIL
	☐ Where the related party is a partnership firm or a sole proprietorship concern or a body corporate without share	NA	NA	NA	NA	NA	NA

Sl. No.	Particulars of the information	Information provided by the management			
	capital, then capital contribution, if any, made by the listed entity / subsidiary (in case of transaction involving the subsidiary).				
	☐ Shareholding of the related party, whether direct or indirect, in the listed entity / subsidiary (in case of transaction involving the subsidiary).	94,36,000 Equity Shares (73.10%) in the Company	NIL	NIL	NIL
A (3)	Details of previous transactions with the related party				
1.	Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party during the last financial year	Borrowings ₹15,015.80 Lakhs	Borrowings ₹1,416 Lakhs	Borrowings ₹2,920 Lakhs	No Transaction
2.	Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party in the current financial year up to the quarter immediately preceding the quarter in which the approval is sought. <i>(Quarter ended June 30, 2026)</i>	₹8017.17 Lakhs	₹1,145.23 Lakhs	₹2,399.60 Lakhs	₹3,293.61 Lakhs
3.	Any default, if any, made by a related party concerning any obligation undertaken by it under a transaction or arrangement entered into with the listed entity or its subsidiary during the last financial year.	NIL	NIL	NIL	NIL
A (3)	Details of previous transactions with the related party				

Sl. No.	Particulars of the information	Information provided by the management				
		₹250 Crores	₹50 Crores	₹50 Crores	₹50 Crores	₹50 Crores
1.	Amount of the proposed transactions being placed for approval in the meeting of the shareholders.	<i>In Aggregate ₹450 Crores (Rupees Four Hundred and Fifty Crores only)</i>				
2.	Whether the proposed transactions taken together with the transactions undertaken with the related party during the current financial year would render the proposed transaction a material RPT?	Yes	Yes	Yes	Yes	Yes
3.	Value of the proposed transactions as a percentage of the listed entity's annual consolidated turnover for the immediately preceding financial year	Consolidated Turnover for the Financial Year ended March 31, 2026 is ₹157.98 Lakhs i.e., ₹1.57 Crores. Based on the aggregate value of Transaction - 28,484.62%				
4.	Value of the proposed transactions as a percentage of subsidiary's annual standalone turnover for the immediately preceding financial year (<i>in case of a transaction involving the subsidiary and where the listed entity is not a party to the transaction</i>)	NA	NA	NA	NA	NA
5.	Value of the proposed transactions as a percentage of the related party's annual consolidated turnover (if consolidated turnover is not available, calculation to be made on standalone turnover of related party) for the immediately preceding financial year, if available.	NA, being Individual	Consolidated ₹643.91/- Lakhs	Consolidated ₹175.38/- Lakhs	Standalone ₹237.58/- Lakhs	Consolidated ₹187.75/- Lakhs

Sl. No.	Particulars of the information (Financial year ended March 31, 2025)	Information provided by the management				
6.	Financial performance of the related party for the immediately preceding financial year. (Financial year ended March 31, 2025) (₹ in Lakhs)	NA	Turnover - ₹643.91 PAT - ₹243.84 Networth - ₹1898.64	Turnover - ₹643.91 PAT - (₹6.86) Networth - ₹8797.99	Turnover - ₹237.58 PAT - ₹71.09 Networth - ₹168.64	Turnover - ₹275.27 PAT - ₹88.27 Networth - ₹1,029.07
A (5)	Basic details of the proposed transaction					
1.	Specific type of the proposed transaction	Borrowings	Borrowings	Borrowings	Borrowings	Borrowings
2.	Details of each type of the proposed transaction	Unsecured Loans	Unsecured Loans	Unsecured Loans	Unsecured Loans	Unsecured Loans
3.	Tenure of the proposed transaction (tenure in number of years or months to be specified)	01 (One) Year	01 (One) Year	01 (One) Year	01 (One) Year	01 (One) Year
4.	Whether omnibus approval is being sought?	No	No	No	No	No
5.	Value of the proposed transaction during a financial year. If the proposed transaction will be executed over more than one financial year, provide estimated break-up financial year-wise	Upto ₹180 Crores (Rupees One Hundred and Eighty Crores Only)	Upto ₹45 Crores (Rupees Forty Crores Only)	Upto ₹26 Crores (Rupees Twenty Six Crores Only)	Upto ₹19 Crores (Rupees Nineteen Crores Only)	Upto ₹50 Crores (Rupees Fifty Crores Only)
6.	Justification as to why the RPTs proposed to be entered into are in the interest of the listed entity	None of the transaction will be executed for more than a financial year. The proposed borrowings are in the best interest of the Company as they will provide access to timely and flexible funding for meeting the Company's working capital, film production, distribution and other general corporate requirements. The proposed unsecured loans are expected to support the Company's ongoing and upcoming projects and business operations. The terms of the borrowings, including the interest rate, repayment terms and other conditions, will be determined on an arm's length basis and will be subject to the applicable approvals and the Company's RPT Policy.				
7.	Details of the promoter(s) / director(s) / key managerial	Except the Independent Directors & KMPs, all other Directors of the Company have interest in the transaction, directly and indirectly by way of shareholding, directorship and relationship.				

Particulars of the information		Information provided by the management				
Sl. No.	personnel ("KMP") of the listed entity who have interest in the transaction, whether directly or indirectly.					
	a. Name of the director / KMP	i. Dr. Ishari K Ganesh; ii. Ms. Arthi; iii. Ms. Preethaa Ganesh; iv. Ms. Kushmitha K Ganesh and v. Mr. Lushvin Kumar Except for Dr. Ishari K Ganesh and Ms. Arthi, none of the Directors hold shares in the related party.				
	b. Shareholding of the director / KMP, whether direct or indirect, in the related party	NA	Nature of Holding Direct	Nature of Holding Direct and Indirect	Nature of Holding Direct and Indirect	Nature of Holding Direct
			i. 2,11,000 ii. 84,500	Direct i. 34,46,754 ii. 3,97,377 Indirect i. 2,83,778 ii. 1,13,632	Direct i. 3,17,000 ii. 3,15,000 Indirect i. 7,82,000	i. 9,99,000 ii. 1,000
8.	A copy of the valuation or other external party report, if any, shall be placed before the Audit Committee	NA	NA	NA	NA	NA
9.	Other information relevant for decision making	NIL	NIL	NIL	NIL	NIL

Part B
Information to be provided only if a specific type of RPT as mentioned below is proposed to be undertaken and is in addition to Part A

Sl. No.	Particulars of the information	Information provided by the management
B (5)	Borrowings by the listed entity or its subsidiary	
1.	Material covenants of the proposed transaction	No material restrictive covenants are proposed, other than those relating to repayment, interest, events of default and other customary terms applicable to unsecured borrowings.
2.	Interest rate (<i>in terms of numerical value or base rate and applicable spread</i>)	12% p.a.
3.	Cost of borrowing	No additional borrowing cost / processing fee is proposed, other than interest at 12% p.a.
4.	Maturity / due date	As may be mutually decided by the Company and the Lenders
5.	Repayment schedule & terms	As may be mutually decided by the Company and the Lenders
6.	Whether secured or unsecured	Unsecured
7.	If secured, the nature of security & security coverage ratio	NA
8.	The purpose for which the funds will be utilized by the listed entity / subsidiary	To meet working capital requirements and funding requirements relating to film production, distribution, marketing and other general corporate purposes of the Company.

Part C

Information to be provided only if a specific type of RPT mentioned below proposed to be undertaken is a material RPT and is in addition to Part A and B

Sl. No.	Particulars of the information	Information provided by the management
C (4)	Borrowings by the listed entity or its subsidiary	
1.	Debt to Equity Ratio of the listed entity or its subsidiary based on last audited financial statements	Ratio is provided considering the overall limit of the transaction with the related parties.
	a. Before transaction	3.57
	b. After transaction	13.23
2.	Debt Service Coverage Ratio of the listed entity or its subsidiary based on last audited financial statements	Ratio is provided considering the overall limit of the transaction with the related parties.
	a. Before transaction	(0.30)
	b. After transaction	0.03

DIRECTORS' REPORT

To,

The Members**Vels Film International Limited**

Your Directors are pleased to present the 07th (**Seventh**) Directors Report of the company together with Audited Standalone and Consolidated Financial Statements for the year ended March 31, 2026.

1. Financial Performance and Highlights

Your Company's performance during the year ended March 31, 2026 as compared to the previous financial year, is summarized as below:-

(Rs. in Lakhs)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025
Revenue from Operations	150.98	3,426.61	157.98	6,874.20
Other Income	150.25	2,550.12	149.66	2,320.98
Total Income	301.22	5,976.72	307.64	9,195.18
Total Expenditure	2,284.17	4,199.78	2,349.20	9,580.40
Profit / (Loss) before exceptional and extraordinary items and Tax	(1,982.94)	1,776.94	(2,041.56)	(385.22)
Extraordinary items	-	-	-	4,612.79
Profit / (Loss) before Tax	(1,982.94)	1,776.94	(2,041.56)	4,227.56
Tax expenses:	(210.78)	314.76	(210.78)	314.76
Profit / (Loss) after tax	(2,193.72)	1,360.19	(2,252.34)	3,810.81
Earnings per share	(17.00)	10.54	(17.54)	33.34

2. Performance Review

During the year under review, the Company recorded revenue from operations of Rs. 150.98 lakhs, as compared to Rs. 3,426.61 lakhs during the previous financial year. Further, the Company reported a loss of Rs. 2,193.72 lakhs, as against a profit of Rs. 1,360.19 lakhs in the previous financial year.

The decrease in revenue and profitability was primarily attributable to the limited number of films released during the financial year 2025-26 and the overall slowdown in the film industry. The limited theatrical releases and the underperformance of certain films at the box office adversely impacted the Company's revenue and profitability.

The Company is taking various measures to improve its financial performance, including increasing the number of film releases, focusing on commercially viable content, and strengthening its production, distribution and marketing strategies. The Company also proposes to optimise production and promotional costs and explore wider theatrical, digital and other distribution opportunities to enhance revenue generation and profitability.

3. Annual Return

The Annual Return of the Company as on March 31, 2026, in Form MGT 7 as per Section 92(3) read with Section 134(3)(a) of the Act, will be available on the Company's website at <https://velsfilminternational.com/AnnualReturn>

Further, the Annual Return shall be filed by the Company with the Registrar of Companies, Chennai, within the stipulated period and the same can also be accessed thereafter on the Company's website in the link specified above.

4. Details of Directors and Key Managerial Personnel

As required under the Act and SEBI Listing Regulations, the Board is duly constituted with optimum combination of executive and non-executive directors including Independent woman Director.

As on March 31, 2026, your Board comprises of 09 (Nine) Directors, which are as follows:

Sl. No.	Name of the director	DIN	Designation	Category
1.	Dr. Ishari K Ganesh	00269445	Managing Director	Executive / KMP
2.	Ms. Arthi	00568101	Director	Non-Executive
3.	Ms. Preethaa Ganesh	07105539	Director	Non-Executive
4.	Ms. Kushmitha K Ganesh	09271301	Director	Non-Executive
5.	Mr. Lushvin Kumaar	11129347	Director	Non-Executive
6.	Mr. Thummala Gangatharan Balaji	00580819	Director	Independent
7.	Ms. Sangeetha Santharam	07567200	Director	Independent
8.	Mr Rangasamy Sivakumar	08336763	Director	Independent
9.	Mr. Ayyappa Prasad	11083356	Director	Independent

Changes during the Year**a. Appointments****➤ Ms. Kushmitha K Ganesh**

The Board in its meeting held on June 02, 2025, on the recommendations of the NRC appointed Ms. Kushmitha K Ganesh (DIN: 09271301) as an Additional Director (Non-Executive).

Further, the members at the 6th (Sixth) Annual General Meeting (“AGM”) held on July 07, 2025, approved her appointment as a Director (Non-Executive) of the Company, liable to retire by rotation.

Ms. Kushmitha is proposed to be appointed as Whole-time Director, for a period of 03 (three) years from October 01, 2026 till September 30, 2029 subject to the approval of the members at the ensuing AGM to be held on September 25, 2026.

➤ Mr. Lushvin Kumaar

The Board in its meeting held on June 02, 2025, based on the recommendation of the NRC appointed Mr. Lushvin Kumaar (DIN: 11129347) as an Additional Director (Non-Executive).

Further, the members at the 6th (Sixth) AGM held on July 07, 2025, approved his appointment as a Director (Non-Executive) of the Company, liable to retire by rotation.

➤ Mr. Ayyappa Prasad

The Board in its meeting held on June 02, 2025, based on the recommendation of the NRC appointed Mr. Ayyappa Prasad (DIN: 11083356) as an Additional Director (Independent).

Further, the members at the 6th (Sixth) AGM held on July 07, 2025, approved his appointment as an Independent Director of the Company.

In the opinion of the Board, he possessed the requisite integrity, expertise, experience and proficiency considered relevant to the Company’s business and affairs.

However, subsequent to the financial year, on April 01, 2026, he ceased to be a Director of the Company upon his sudden and untimely demise. The Board and employees of the Company expressed their deepest condolences to his family and placed on record their sincere appreciation for his invaluable contributions, guidance and services rendered to the Company during his tenure as a Director.

b. Key Managerial Personnel (“KMP”)

Pursuant to Section 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company at all times have appointed Whole-time Key Managerial Personnel (“KMP”) as mentioned therein.

VELS FILM INTERNATIONAL LIMITED

➤ **Managing Director**

Dr. Ishari Ganesh Kadhivelan (DIN: 00269445) was appointed as the Managing Director of the Company by the Board at its meeting held on April 30, 2022 with effect from **April 30, 2022**, for a term of 05 (five) consecutive years

He is proposed to be re-appointed as Managing Director, further term of 03 (three) consecutive years commencing from April 30, 2027 and ending on April 29, 2030 subject to the approval of the members at the ensuing AGM to be held on September 25, 2026.

➤ **Chief Financial Officer**

During the year, Mr. Srinivasan Rajagopal resigned as Chief Financial Officer ("**CFO**") of the Company w.e.f. May 31, 2025. The Board, at its meeting held on June 02, 2025, took note of his resignation from the said office.

Subsequently, the Board based on the recommendation of the NRC at their meetings held on October 09, 2025 appointed Mr. Muthukrishnan Srinivasan as the CFO of the Company.

As per Section 203 of the Act, the vacancy in the office of the CFO was filled within 06 (six) months.

➤ **Company Secretary and Compliance Officer**

During the year, Ms. Sujatha Sampathkumar (ACS: 32181) resigned from the office of Company Secretary and Compliance Officer w.e.f. January 31, 2026. The Board, at its meeting held on January 31, 2026, took note of her resignation from the said office.

After the financial year, the Board, at its meeting held on April 15, 2026, appointed

Mr. Praveen Kumar (ACS: 76575) as the Company Secretary and Compliance Officer of the Company.

As per Regulation 6 of the SEBI Listing Regulations, the vacancy in the office of the Compliance Officer was filled within 03 (three) months.

Meetings of the Board

During the financial year 2025-26, the Board met 10 (Ten) times. The maximum time gap between any two consecutive meetings did not exceed 120 (one hundred and twenty) days.

Details of meetings held and attendance of directors are as below:

Sl. No.	Date of Meeting	No. of Directors entitled to attend the meeting	No. of Directors present at the meeting
1.	May 07, 2025	6	6
2.	May 29, 2025	6	6
3.	June 02, 2025	6	6
4.	June 12, 2025	9	9
5.	August 21, 2025	9	9
6.	October 09, 2025	9	9
7.	November 05, 2025	9	9
8.	November 14, 2025	9	9
9.	January 31, 2026	9	9
10.	March 26, 2026	9	8

All the Directors were present in all the meetings, except for Mr. Ayyappa Prasad, who was granted Leave of Absence on March 26, 2026 owing to illness.

5. Independent Directors

As required under the Act and SEBI Listing Regulations, the Company has 04 (four) Independent Directors as on March 31, 2026:

i. Mr. Thummala Gangatharan Balaji;

- ii. Ms. Sangeetha Santharam;
- iii. Mr Rangasamy Sivakumar and
- iv. Mr. Ayyappa Prasad.

Familiarisation Programme

The Company has put in place a structured Familiarisation Programme for Independent Directors to enable them to gain an understanding of the Company's business, operations, industry dynamics, organisational structure, governance framework, strategic priorities, risk management framework and the statutory and regulatory environment applicable to its operations. The Programme facilitates effective participation of Independent Directors in the deliberations of the Board and its Committees and enables them to discharge their fiduciary, statutory and governance responsibilities effectively.

As part of the Programme, Independent Directors are provided with relevant corporate presentations, annual reports, financial and operational updates, internal policies and other pertinent information and are facilitated interaction with the Senior Management, wherever appropriate. The Company Secretary acts as a key facilitator and provides necessary information, clarifications and guidance on the Company's policies, procedures and applicable statutory and regulatory requirements. The details of the Familiarisation Programme, including the requisite disclosures under the Act and SEBI Listing Regulations, are made available on the Company's website at www.velsfilminternational.com.

Meeting of the Independent Directors

Pursuant to Schedule IV of the Act, the Independent Directors of the Company met separately on January 09, 2026, without the presence of the Non-Independent Directors and members of the management.

At the said meeting, the Independent Directors reviewed the performance of the Non-Independent Directors, including the Chairman of the Company taking into account the views of executive directors and non-executive directors, performance of the Board as a whole and assessed the quality, quantity and timeliness of the flow of information between the Company's management and the Board.

6. Details of Committees of the Board

The Board has constituted the following Committees in accordance with the applicable provisions of the Act and SEBI Listing Regulations, where applicable:

- i. Audit Committee;
- ii. Corporate Social Responsibility Committee;
- iii. Nomination and Remuneration Committee and
- iv. Stakeholders' Relationship Committee.

There was no change in the composition of any of the Committees of the Board during the financial year 2025-26.

i. Audit Committee

As per Section 177 of the Act, the Audit Committee is duly constituted with following members:

- Mr. Thummala Gangatharan Balaji, Chairman, Independent Director;
- Dr. Ishari K Ganesh, Member, Managing Director; and
- Mr. Rangasamy Sivakumar, Member, Independent Director.

The primary objective of the Audit Committee is to assist the Board of Directors in discharging its oversight and fiduciary responsibilities with respect to the integrity of the Company's financial reporting, internal financial controls, risk management framework, audit processes and regulatory compliance.

The Committee, inter alia, reviews the financial statements and financial results, adequacy and effectiveness of internal financial controls and risk management systems, related party transactions, internal and statutory gs, significant observations and management responses, and oversees the independence and effectiveness of the audit functions.

VELS FILM INTERNATIONAL LIMITED

The Committee acts as an effective governance interface amongst the Board, Management, Internal Auditors and Statutory Auditors, facilitating transparency, financial discipline, accountability and informed decision-making. It also reviews the adequacy of internal control mechanisms, compliance with applicable laws and regulatory requirements, and monitors corrective and remedial measures arising from audit observations. During the financial year 2025-26, the Committee duly discharged its responsibilities in accordance with its terms of reference and applicable statutory and regulatory requirements and all recommendations made by the Committee during the year were accepted by the Board of Directors.

During the financial year 2025-26, the Audit Committee met 03 (Three) times.

Details of meetings held and attendance of Members are as below:

Sl. No.	Date of Meeting	No. of Members entitled to attend the meeting	No. of Members present at the meeting
1.	May 07, 2025	3	3
2.	June 12, 2025	3	3
3.	November 14, 2025	3	3

All the Members of the Audit Committee were present in all the meetings.

ii. Corporate Social Responsibility Committee

As per Section 135 of the Act, the Corporate Social Responsibility Committee is duly constituted with following members:-

- Mr. Thummala Gangatharan Balaji, Chairman, Independent Director;
- Dr. Ishari K Ganesh, Member, Managing Director; and
- Mr. Rangasamy Sivakumar, Member, Independent Director.

During the financial year 2025-26, the Company continued to support and promote initiatives in the field of Education as per Schedule VII of the Act. Being part of the Vels Group, which has a strong presence in the education sector, the Company endeavours to leverage its institutional capabilities and ecosystem towards advancing educational opportunities and contributing to the development of society.

The Company has formulated and adopted Corporate Social Responsibility ("CSR") Policy outlining its CSR philosophy, focus areas, governance framework and implementation approach. The CSR Policy is available on the website of the Company and may be accessed through the prescribed web link @ <https://velsfilminternational.com/PDF/Policy/CSR-Policy.pdf>.

The details of the CSR Policy, CSR activities undertaken and other disclosures for the financial year 2025-26, as per the Act and the rules made thereunder, are set out in **Annexure I** forming part of this Report.

During the financial year 2025-26, the Corporate Social Responsibility Committee met 02 (Two) times.

Details of meetings held and attendance of Members are as below:

Sl. No.	Date of Meeting	No. of Members entitled to attend the meeting	No. of Members present at the meeting
1.	May 07, 2025	3	3
2.	January 31, 2026	3	3

All the Members of the CSR Committee were present in all the meetings.

iii. Nomination and Remuneration Committee

As per Section 178 of the Act, the Nomination and Remuneration Committee is duly constituted with following members:-

- Mr. Thummala Gangatharan Balaji, Chairman, Independent Director;
- Mr. Arthi, Member, Non-Executive Director; and
- Mr. Rangasamy Sivakumar, Member, Independent Director.

VELS FILM INTERNATIONAL LIMITED

The primary objective of the Committee is to assist the Board in ensuring an appropriate balance of skills, experience, expertise, diversity and independence in the composition of the Board and senior leadership. The Committee oversees the framework for identification, evaluation, appointment and succession of Directors, Key Managerial Personnel and Senior Management Personnel, and formulates appropriate criteria for determining their qualifications, positive attributes, independence and performance.

It is responsible for recommending to the Board a coherent and merit-based remuneration framework for Directors, KMPs and Senior Management Personnel, having regard to their qualifications, experience, responsibilities, performance and prevailing industry practices.

The Committee also oversees the evaluation of the performance of the Board, its Committees and individual Directors, reviews succession planning and leadership continuity and ensures that remuneration practices remain aligned with the Company's strategic objectives, performance orientation, stakeholder interests and applicable statutory and regulatory requirements.

The Committee thereby endeavours to strengthen the Company's governance architecture through transparent, objective and accountable processes for talent management, leadership development and remuneration.

Further, the Committee has formulated Nomination and Remuneration policy ("**NRC Policy**") as required under Section 178(4) of the Act and the same is available at the Website of the Company @ <https://velsfilminternational.com/PDF/Policy/nomination-and-remuneration-policy.pdf>

The salient features of the NRC Policy are set out below:

- Board Composition & Diversity - Ensures an appropriate balance of skills, experience, expertise, qualifications, competencies and diversity in the composition of the Board.
- Appointment & Succession Planning - Provides a structured and transparent framework for identification, appointment, reappointment, succession and removal of Directors, KMPs and Senior Management Personnel.
- Performance Evaluation - Establishes a framework for periodic performance evaluation of the Board, its Committees, individual Directors, KMPs and Senior Management Personnel.
- Remuneration Framework - Lays down principles for determining fair, reasonable, competitive and performance-linked remuneration of Directors, KMPs and Senior Management Personnel, commensurate with their responsibilities, qualifications and experience.
- Independence & Governance - Prescribes criteria relating to independence, integrity, positive attributes and suitability of Directors and promotes transparent, merit-based and stakeholder-oriented governance in accordance with applicable statutory and regulatory requirements.

During the financial year 2025-26, the Nomination and Remuneration Committee met 04 (Four) times.

Details of meetings held and attendance of Members are as below:

Sl. No.	Date of Meeting	No. of Members entitled to attend the meeting	No. of Members present at the meeting
1.	May 07, 2025	3	3
2.	June 02, 2025	3	3
3.	June 12, 2025	3	3
4.	October 09, 2025	3	3

All the Members of the Nomination and Remuneration Committee were present in all the meetings.

iv. Stakeholders Relationship Committee

As per Section 178 of the Act, the Stakeholders Relationship Committee is duly constituted with following members:-

- Mr. Thummala Gangatharan Balaji, Chairman, Independent Director;
- Mr. Arthi, Member, Non-Executive Director; and
- Ms. Sangeetha Santharam, Member, Independent Director.

VELS FILM INTERNATIONAL LIMITED

Although the Company is not mandatorily required to constitute a Stakeholders Relationship Committee, the Board, in furtherance of its commitment towards stakeholder-centric governance, investor protection, transparency and effective shareholder engagement, has voluntarily constituted the Committee.

The Committee serves as a governance mechanism for safeguarding the interests of shareholders and other security holders and oversees the Company's framework for investor grievance redressal, including matters relating to shares, transmission of securities and other shareholder-related concerns.

The Company remains committed to maintaining responsive investor communication, transparency and timely grievance resolution. During the financial year 2025-26, no complaints were received through the SEBI Complaints Redress System ("SCORES"), reflecting the effectiveness of the Company's investor service and grievance redressal mechanisms and its continued focus on protecting stakeholder interests.

Further, the Company Secretary and Compliance Officer of the Company acts as the designated official for handling the investor / stakeholder grievances.

During the financial year 2025-26, the Stakeholders Relationship Committee met once.

Details of meetings held and attendance of Members are as below:

Sl. No.	Date of Meeting	No. of Members entitled to attend the meeting	No. of Members present at the meeting
1.	March 26, 2026	3	3

All the Members of the Stakeholders Relationship Committee were present in the meeting.

7. Director's Responsibility Statement:

Pursuant to Section 134 (3) (c) of the Act your Directors confirm that:

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2026 and of the loss of the Company for financial year ended March 31, 2026;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Directors have prepared the annual accounts on a going concern basis;
- The Directors 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
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

8. Details in respect of frauds reported by auditors

No frauds have been reported by the Auditors of the Company during the financial year 2025-26.

9. Declaration given by Independent Directors

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The Independent Directors of the Company have also registered their names in the data bank for Independent Directors maintained by the Indian Institute of Corporate Affairs ("IICA").

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and are independent of the management.

10. Remuneration Policy

The Board of Directors on the recommendation of the Nomination and Remuneration Committee (“NRC”) 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 Act and SEBI Listing Regulations. The web link for the policy is <https://velsfilminternational.com/PDF/Policy/nomination-and-remuneration-policy.pdf>

11. Auditors and their reports thereon

i. Statutory Auditor:

Pursuant to the provisions of Section 139 of the Act, the members in their 6th (Sixth) Annual General Meeting held on July 07, 2025 re-appointed M/s. S R B R & Associates LLP, Chartered Accountants, Chennai (FRN 004997S / S200051) as Statutory Auditors for a term of 04 (four) years to hold office till the conclusion of AGM of the Company to be held in the year 2029.

The Auditors Report on both standalone and consolidated basis for the financial year 2025-26 does not contain any qualification, reservation or adverse remark or disclaimer.

ii. Secretarial Auditor:

Pursuant to the provisions of Section 204 of the Act, the Board in its Meeting held on April 27, 2026 appointed M/s. Chitra Lalitha & Associates, Practicing Company Secretaries (Peer Review Certificate No. 6325/2024) to undertake the Secretarial Audit for the financial year 2025-26.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer. The said report in Form MR 3 is attached to this report **Annexure II**.

iii. Internal Auditor:

Pursuant to the provisions of Section 138 of the Companies Act, 2013, the Board in its Meeting held on April 27, 2026 appointed M/s. Rajesh Samdaria & Associates, Chartered Accountants, Chennai (FRN 07662S) as Internal Auditor of the Company for conducting internal audit of the Company for the financial year 2025-26.

The Board in its meeting held on May 14, 2026, took note of the consolidated Internal Auditors Report for the financial year 2025-26.

12. Subsidiary and Associate Company

Subsidiary Company - Vels D Studios LLP (55% of Capital Contribution)

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 III**.

During the financial year 2025-26, there were no companies which ceased to be subsidiaries, associates or joint ventures of the Company.

13. Loans, Guarantees or Investments

i. Loans

The Company has not given any Loans during the financial year 2025-26.

ii. Investments

The Board, at its meeting held on November 05, 2025, accorded its approval for an investment of ¹ 55,000/- (Rupees Fifty Five Thousand only), 55% of Capital Contribution in Vels D Studio LLP (LLPIN: ACT-0294) towards capital contribution.

The Company has contributed 55% (fifty-five percent) of the total capital contribution of VDS and accordingly VDS became a subsidiary of the Company.

iii. Guarantees

The Board, at its meeting held on March 26, 2026, accorded its approval for providing a Corporate Guarantee in favour of Bank of Baroda amounting to Rs. 3,44,85,000/- (Rupees Three Crores Forty Four

VELS FILM INTERNATIONAL LIMITED

Lakhs Eighty Five Thousand only) in respect of the credit facilities availed by Vels D Studio LLP, a subsidiary of the Company.

Further, the Company is within the overall limits approved by the members under Section 186 of the Act.

14. Particulars of Contracts or Arrangements with Related Parties

All contracts, arrangements and transactions entered into by the Company with related parties during the financial year 2025-26 were in the ordinary course of business and on an arm's length basis, wherever applicable, and were in compliance with the applicable provisions of Section 188 of the Act.

Further, there were no material contracts or arrangement or transactions not at arm's length basis and hence disclosure in form AOC 2 is not required.

Further, the details of the related party transactions as per AS 18 are set out in Note No. 3(F) to the Standalone Financial Statements of the Company.

15. Amount, which the board proposes to carry any Reserves

During the year, the Company has incurred a loss of Rs. 2193.72 Lakhs (Rupees Twenty One Crore Ninety Three Lakh Seventy Two Thousand Only). Therefore, the Company has not transferred any amount to the reserves during the financial year 2025-26.

16. Dividend

The Board of Directors of the Company have not recommended any dividend for the financial year 2025-26.

17. Material changes and commitments between the date of the Balance Sheet and the Date Of Report

There have been 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.

18. Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo:

The Company is engaged in the business of film production, distribution and entertainment. Since the Company's business does not involve any manufacturing activity and is primarily service oriented, most of the information required to be provided under Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014, is not applicable to the Company. The information, as applicable to the Company, is provided hereunder:

i. Conservation of Energy:

The operations of the Company are primarily in the film production and entertainment sector and are not energy-intensive in nature. Nevertheless, the Company continues to adopt reasonable measures for conservation and optimum utilisation of energy in its office and operational activities. The Company endeavours to use energy efficient equipment and technology, wherever feasible, and encourages responsible use of electricity and other energy resources.

ii. Absorption of Technology:

The Company operates in the film and entertainment industry, wherein technology plays an important role in film production, post-production, content development and related activities. The Company continues to adopt and utilise contemporary technologies and digital tools relevant to its operations, with a view to improving efficiency, quality and productivity. During the year under review, the Company did not undertake any significant indigenous technology development or technology transfer requiring specific disclosure under this clause.

iii. Foreign Exchange Earnings and Outgo

(Rs. in Lakhs)

Particulars	March 31, 2026	March 31, 2025
Foreign Exchange Earnings	601.51	-
Foreign Exchange Outgo	-	129.16

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 the Company. For details, please refer to the Management Discussion and Analysis report which form part of the Board's Report.

20. Annual Evaluation

Pursuant to the provisions of the Act, Nomination and Remuneration Committee has carried out an Annual Performance Evaluation of the Board and of the Individual Directors has been made.

During the financial year 2025-26, the Evaluation was done in following manner based on the criteria approved by NRC:

- (i) The Board as a whole;
- (ii) Each Committee and its members;
- (iii) The performance of the Non-Independent Directors was reviewed and evaluated and
- (iv) The performance of the Managing Director was evaluated by the Board, taking into account the views of the Non-Executive 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.

21. Change in the nature of business

There was no change in the nature of business of the Company during the financial year 2025-26. However, the Company continues to explore new opportunities and ventures within its existing business domain with a view to expanding its operations and strengthening its presence in the film and entertainment industry.

22. Deposits

During the financial year 2025-26, the Company did not accept any deposits in terms of Section 73 of the Act read with the Companies (Acceptance of Deposit) Rules, 2014.

Accordingly, there were no deposits which were not in compliance with the requirements of Chapter V of the Act during the financial year.

23. Details of significant and material orders

There were no significant or material orders passed by any regulators, courts or tribunals during the financial year 2025-26 which have an impact on the going concern status of the Company or its operations in future.

24. Internal Financial Controls

The Company has put in place adequate Internal Financial Controls with reference to the Financial Statements, commensurate with its size and nature of business, which are designed to ensure the orderly and efficient conduct of its business, adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial information. The Board is responsible for ensuring that such controls are adequate and operating effectively in accordance with the requirements of the Companies Act, 2013.

The Audit Committee evaluated the adequacy and operating effectiveness of the Internal Financial Controls with reference to the Financial Statements through discussions with the Statutory Auditors and Key Managerial Personnels. The Statutory Auditors also reviewed the existing Internal Financial Control system.

VELS FILM INTERNATIONAL LIMITED

and its operating effectiveness and expressed their satisfaction thereon. Based on the evaluation and discussions, no reportable material weakness in the operation of the Internal Financial Controls was observed during the financial year.

25. Cost Audit and its Report

The provisions relating to maintenance of cost records and cost audit under Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, are not applicable to the Company, as the nature of activities and business operations carried out by the Company do not fall within the classes of companies or industries specified under the said provisions.

Accordingly, the Company is not required to maintain cost records under Section 148 of the Act and, consequently, the appointment of a Cost Auditor and submission of a Cost Audit Report is not applicable to the Company for the financial year 2025-26.

26. Internal Complaints Committee

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 made thereunder.

Details of complaints during financial year 2025-26 :

Sl. No.	Particulars	Details
a.	Number of complaints of sexual harassment received in the year	NIL
b.	Number of complaints disposed off during the year	NIL
c.	Number of cases pending for more than ninety days	NIL

27. Details of Application made or proceeding pending under Insolvency and Bankruptcy Code, 2016

No application has been made and no proceeding is pending against the Company under the Insolvency and Bankruptcy Code, 2016 ("IBC") during the financial year. Accordingly, the requirement to disclose the details and status of any such application or proceeding is not applicable to the Company.

28. Details of Difference in Valuation at One Time Settlement and Loan Availment

There was no difference between the valuation amount at the time of one-time settlement and the valuation undertaken while availing loans from banks or financial institutions financial year. Accordingly, the requirement to disclose the details is not applicable to the Company.

29. Compliance of the provisions relating to the Maternity Benefit Act, 1961

The Company is in compliance with the applicable provisions of the Maternity Benefit Act, 1961, as amended from time to time. The Company extends the benefits and facilities prescribed under the Act to women employees, wherever applicable.

30. Capital Structure

The Company has only one class of equity shares, having a face value of ¹ 10/- (Rupees Ten only) each. The authorised, issued, subscribed and paid-up share capital of the Company as at March 31, 2026 is as follows:

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

During the financial year 2025-26, there was no change in the Authorised, Issued, Subscribed and Paid-up share capital of the Company and the Company has neither issued any equity shares with differential rights as to dividend, voting or otherwise nor any shares or securities of any other class.

31. Management Discussion and Analysis

A detailed report on Management Discussion and Analysis (“MDA”) Report is included in this Report as **Annexure IV**.

32. Credit Rating

During the financial year 2025-26, the Company neither obtained any Credit Rating nor was required to be obtained by the company.

33. Corporate Governance

Pursuant to Regulation 15(2)(a) of the SEBI Listing Regulations, the provisions relating to corporate governance requirements are not applicable to the Company, as its securities are listed on the SME Platform of National Stock Exchange (“NSE Emerge”). Accordingly, the disclosures prescribed under the said provisions do not form part of this Directors’ Report.

Notwithstanding the aforesaid exemption, the Company remains committed to the highest standards of corporate integrity, transparency, accountability and ethical conduct and has voluntarily adopted appropriate corporate governance principles and practices. The Company has accordingly instituted suitable governance mechanisms, policies, processes and internal controls to ensure effective oversight, prudent decision making, regulatory compliance and protection of the legitimate interests of its stakeholders.

34. Vigil Mechanism

In accordance Section 177 (9) of the Act, the Company has established a Vigil Mechanism / Whistle Blower Policy enabling Directors and employees to report concerns relating to unethical conduct, actual or suspected fraud, misconduct or violation of the Code of Conduct, with adequate safeguards against victimisation.

The Company is committed to maintaining the highest standards of integrity, transparency, accountability and ethical conduct.

All reportable matters may be directly reported to the Chairman of the Audit Committee and the Company confirms that no person has been denied access to the Audit Committee. The Vigil Mechanism / Whistle Blower Policy is available on the Company’s website at <https://velsfilminternational.com/PDF/Policy/whistle-blower-policy.pdf>

35. Details of Remuneration of Employees

Disclosures relating to remuneration and other particulars, as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are set out in **Annexure V** to this Report.

Further, none of the employees of the Company draw remuneration exceeding the thresholds prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Accordingly, the disclosure requirements stipulated under the said Rule is not applicable to the Company.

36. Compliance of Secretarial Standards 1 and 2

Your Directors confirms that pursuant to Section 118(10) of the Act applicable Secretarial Standards, i.e., SS 1 on Meetings of the Board of Directors and SS 2 on General Meetings issued by the Institute of Company Secretaries of India (“ICSI”) have been duly complied with by the Company.

37. Cautionary Statement

Statements in this Report, particularly those which relate to Management Discussion and Analysis as describing the Company’s objectives, projections, estimates and expectations may constitute “forward looking statements” within the meaning of applicable laws and regulations. Actual results might differ from those either expressed or implied in the statement depending on the circumstances.

VELS FILM INTERNATIONAL LIMITED

38. Acknowledgement

The Company, Board of Directors and KMPS place on record their sincere appreciation for the continued support and cooperation extended by its employees, investors, vendors, bankers and other stakeholders.

The Board also acknowledges the valuable cooperation and guidance received from various Government and regulatory authorities, including Ministry of Corporate Affairs, Tax Authorities, NSDL and the National Stock Exchange. The Directors further appreciate the dedication, commitment and contribution of the employees at all levels, whose collective efforts and support have been instrumental in the Company's progress during the year.

For and behalf of the Board

Vels Film International Limited

Sd/-

Dr. Ishari K Ganesh

Managing Director

DIN: 00269445

Sd/-

Arthi

Director

DIN: 00568101

Place: Chennai

Date: August 27, 2026

Annual Report on Corporate Social Responsibilities (“CSR”) Activities

1. Brief outline on CSR Policy of the Company:

Vels Film International Limited (“VFIL” or “Company”) believes that responsible business growth goes hand in hand with its responsibility towards society and the communities it serves. The CSR Policy aims to provide guidelines for conducting the Company’s business in an economically, socially and environmentally sustainable manner, while reinforcing its commitment towards creating a positive and socially responsible image. Being part of the Vels Group of Institutions and Companies, with a strong presence across education, medical, sports and other sectors, the Company endeavors to leverage its institutional capabilities and ecosystem for the welfare and development of society.

The Company recognises the importance of **education, skill development, healthcare, community welfare, social and cultural development** in promoting inclusive growth and improving the quality of life of individuals and communities. Accordingly, VFIL contributes towards and supports various **social, educational, cultural, community-oriented and welfare initiatives**, including education, training, development and skill enhancement programmes aimed at empowering individuals, promoting community development and creating opportunities for sustainable livelihood and income generation. The Company endeavours to align its CSR initiatives with the needs of the community and the activities specified under **Schedule VII of the Companies Act, 2013 (“Act”)**.

The **CSR Policy of VFIL** has been formulated in accordance with **Section 135 of the Act** read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII of the Act. The Policy provides a framework for the identification, implementation and monitoring of CSR projects and programmes undertaken or supported by the Company. Through its continued participation in and support of various initiatives, VFIL remains committed to fulfilling its social responsibilities and contributing meaningfully towards the overall well-being, development and empowerment of society and the communities it serves.

2. The Composition of the CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	No. of meetings of CSR committee held during the year	No. of meetings of CSR committee attended during the year
1.	Mr. Thummala Gangatharan Balaji	Chairman, Independent Director	2	2
2.	Dr. Ishari K Ganesh	Member, Managing Director	2	2
3.	Mr. Sivakumar Rangasamy	Member, Independent Director	2	2

3. 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://VFILfilminternational.com/csr-policy-2/>

4. Details 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.

5. (Amount in Rs.)

a.	Average net profit of the company as per section 135(5) of the Act	3,26,98,336
b.	Two percent of average net profit of the company as per section 135(5) of the Act	6,53,967
c.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	NIL
d.	Amount required to be set off for the financial year, if any	15,122
e.	Total CSR obligation for the financial year (5a+5b-5c)	6,38,845

6. _____ (Amount in Rs.)

6. (Amount in Rs.)

e. CSR amount spent or unspent for the financial year:	
--	--

Total Amount	Amount Unspent (in Rs.)
---------------------	---------------------------------

f. Excess amount for set-off, if any:					
---------------------------------------	--	--	--	--	--

Sl. No.	Particular	Amount (in Rs.)
---------	------------	------------------

7. Details of Unspent CSR amount for the preceding three financial years : Not Applicable

1	2	3	4	5	6	7	8
---	---	---	---	---	---	---	---

				NIL				
--	--	--	--	-----	--	--	--	--

NIL

9. Reason(s), if the company has failed to spend two per cent of the average net profit as per section

For and behalf of the Corporate Social Responsibility Committee of the Board of Directors of **Vels Film**

Sd/- **Sd/-**

Directors Report 2025 - 2026

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9
of the Companies (Appointment and Remuneration Personnel) Rules, 2014]
SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026

To

The Members

Vels Film International Limited

CIN: L74999TN2019PLC132235

No. 521/2, Anna Salai, Nandanam,

Chennai - 600 035.

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**"). The 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 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 the secretarial audit, we hereby report that, in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2026, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2026 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (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 which has been generally complied with and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**') (as amended from time to time):-
 - (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) *The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) *The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (e) *The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;

VELS FILM INTERNATIONAL LIMITED

(g) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and

(h) *The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018.

We have also examined whether adequate systems and processes are in place to monitor and ensure compliance with general laws applicable to the Company.

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

1. Secretarial Standards viz., SS 1 on Meetings of the Board of Directors & SS 2 on General Meetings issued by The Institute of Company Secretaries of India.
2. The Listing Agreement entered into by the Company with National Stock Exchange of India Limited ("**NSE**") in respect of listing of equity shares of the company on NSE EMERGE Platform.

Note: *denotes "**NOT APPLICABLE**".

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

We further report that

- i. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman 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.
- ii. Adequate notice including shorter notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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.
- iii. Majority decision is carried through while the dissenting members' views, if any are captured and recorded as part of the minutes.

We further report that there are reasonably 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.

We further report that during the audit period, there were no specific events / actions having a major bearing on Company's affairs in pursuance of the above-referred laws, rules, regulations, guidelines, standards, etc.

This report has to be read along with our statement furnished in Annexure A

For **Chitra Lalitha & Associates**

Peer Review Certificate Number: 6325/2024

Firm Registration No. P2021TN085400

Sd/-

Mirza Ismail Irshad Ahmed

Partner

CP No. 24586

FCS: 11458

UDIN: F011458H001226452

Place: Chennai

Date: 26.08.2026

To

The Members

Vels Film International Limited

CIN: L74999TN2019PLC132235

No. 521/2, Anna Salai, Nandanam,

Chennai – 600 035.

Dear Sir(s),

Sub. : Secretarial Audit Report for the Financial Year ended March 31, 2026

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 Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management of the Company. Our examination was limited to the verification of procedures on test basis.
6. We further report that the compliance by the Company of other applicable laws like direct and indirect tax laws have not been reviewed in this audit, since the same have been subject to review under statutory financial audit and other designated professionals.
7. 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 **Chitra Lalitha & Associates**

Peer Review Certificate Number: 6325/2024

Firm Registration No. P2021TN085400

Sd/-

Mirza Ismail Irshad Ahmed

Partner

CP No. 24586

FCS: 11458

UDIN: F011458H001226452

Place: Chennai

Date: 26.08.2026

Form AOC 1**Statement containing salient features of the financial statement of
Subsidiaries / Associate companies / Joint Ventures***[Pursuant to first proviso of section 129(3) of the Act read with Rule 5 of the
Companies (Accounts) Rules, 2014]***Part "A": Subsidiaries**1. Number of subsidiaries: **01 (One)***(Rs. in Lakhs)*

Particulars	Details
Name of the Subsidiary	Vels D Studio LLP
LLPIN	ACT-0294
Date since when subsidiary was acquired	November 27, 2025
Provisions pursuant to which the company has become a subsidiary (Section 2(87)(i) / Section 2(87)(ii))	Section 2(87)(ii)
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as Holding Company i.e., April 01, 2025 to March 31, 2026
Reporting currency	Indian Rupees (Rs.)
Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Not Applicable
Share capital / contribution	Rs. 0.55 (Rupees Fifty Five Thousand Only)
Reserves & surplus	-
Total assets	819.19
Total Liabilities	371.17
Investments	-
Turnover	18.08
Profit before taxation	(106.98)
Provision for taxation	-
Profit after taxation	(106.98)
Proposed Dividend	NIL
% of shareholding / contribution	55%

2. Number of subsidiaries which are yet to commence operations: **NIL**3. Number of subsidiaries which have been liquidated or have ceased to be a subsidiary during the year: **NIL****Part "B": Associates and Joint Ventures**4. Number of Associate / Joint Venture: **NIL**

For and behalf of the Board

Vels Film International Limited**Sd/-****Dr. Ishari K Ganesh**

Managing Director

DIN: 00269445

Place: Chennai

Date: August 27, 2026

Sd/-**Arthi**

Director

DIN: 00568101

Management Discussion & Analysis (MD&A)**A. Industry Overview**

The Media and Entertainment (“M&E”) sector in India registered an expansion in Financial Year 2025–26, growing 9.1% year-on-year to reach Rs. 2.78 trillion (gross of taxes), outpacing India’s nominal GDP per capita growth. Growth across the broader ecosystem was primarily driven by digital media, live experiential events, and out-of-home media.

Concurrently, the sector has entered a buyer’s market characterized by platform consolidation, recalibrated content budgets, and a transition from speculative commissioning to return-on-investment (ROI)-driven monetization models.

INDIAN MEDIA & ENTERTAINMENT (“M&E”) INDUSTRY SEGMENT VALUES (FICCI-EY 2026)*(Rs. in Crores)*

Segment	CY 2024	CY 2025	CY 2028E	Projected CAGR (2025–28)
Digital Media	85,100	1,11,000	1,64,000	14.0%
Television	67,900	61,700	53,500	-5.0%
Filmed Entertainment	18,700	20,500	25,300	7.0%
Print	25,700	25,900	26,400	1.0%
Online Gaming & Video Games	23,600	19,500	9,200	-22.0%
Live Events	10,100	14,500	19,600	10.0%
Animation and VFX	10,300	10,500	13,800	10.0%
Out-of-Home Media	5,900	6,700	8,500	8.0%
Music	5,300	5,900	7,500	9.0%
Radio	2,500	2,300	2,200	-2.0%
Total M&E Industry	2,55,300	2,78,500	3,30,100	6.0%

Source: FICCI-EY 2026. CY 2028E represents estimates; CAGR refers to projected CAGR for CY 2025–CY 2028.

B. Indian Media & Entertainment Industry:

- **Digital Overtaking Linear Mediums:** Digital media crossed the Rs. 1 trillion threshold in 2025 to reach Rs. 1.11 trillion, comprising 39.8% of aggregate M&E revenues. Digital video subscription revenues grew by 60% to Rs. 163 billion, supported by 21.6 Crore paid subscriptions across 14.3 Crore households.
- **Shift towards Hybrid Distribution:** Linear television households faced subscription churn (Rs. 1.1 Crore pay TV homes migrated to Free-to-Air DD Free Dish or Connected TV), leading to a 9% contraction in linear television revenues. However, the addressable “AND” consumer base viewers engaging concurrently with linear broadcast and digital streaming reached 47% of all video consumers.

C. Film Industry and Regional Cinema

- **Theatrical Resurgence:** The Indian filmed entertainment segment surpassed Rs. 200 billion for the first time, reaching Rs. 205 billion in 2025. Domestic gross box office collections expanded by 14% to Rs. 130 billion across 1,972 theatrical releases (including 270 dubbed titles).
- **Dominance of South Indian Regional Cinema:** Regional-language content accounted for 56% of digital video content produced in India and represented over 65% of all theatrical film releases. Tamil cinema led the volume of releases with 325 titles, followed by Telugu (313), Kannada (267), Hindi (226), and Malayalam (203).

VELS FILM INTERNATIONAL LIMITED

- **Mid-Scale Content Viability:** Mid-budget films grossing Rs. 100–200 crore grew their share of aggregate box office revenues from 12% to 20%, signaling an audience preference for narrative strength over star-driven budgets.

D. Industry Trends

- **Rationalisation of Digital / OTT Rights Values:** Digital licensing values fell by 8% to 10% as OTT platforms prioritized bottom-line profitability and curtailed direct-to-digital acquisitions (halving from 60 in 2024 to 30 in 2025). Rights valuation models have transitioned to tiered pricing pegged to actual theatrical performance.
- **Escalation in Talent and Production Costs:** As highlighted across studio peer filings, disproportionately high artist compensation has exerted margin pressures on production companies. Studios are restructuring contracts toward performance-linked incentives and co-production risk-sharing.
- **Ancillary Rights Monetisation:** Music and digital syndication rights have become essential revenue-hedging components. Music segment revenues grew 10% to ¹ 59 billion, with digital licensing contributing 58% of the mix.

E. Business Environment and Competitive Landscape

VFIL operates primarily in the production, acquisition, and distribution of Tamil feature films and digital content

Peer Group Comparative Summary: FY 2025–26

(Rs. in Crores)

Company	Primary Focus	Total Revenue	Profit / (Loss) After Tax
Zee Entertainment Enterprises Limited	Broadcast, Digital & Films	8,098.90	271.30
Saregama India Limited*	Film Production, Music, Video & Events	1,171.30	204.30
Sun TV Network Limited*	Broadcast, Digital & Films	454.40	165.45
Tips Films Limited	Film Production & Distribution	159.56	(15.85)

* Relates to Financial Year 2024–25

F. Competitive Pressures

- **Scale Disparity:** National players viz., Zee Studios, Jio Studios and established regional studios such as Sun Pictures, Lyca Productions, AGS Entertainment possess balance sheet strength that enables them to bid aggressively for marquee talent and lock in theatrical distribution networks.
- **Independent Producer Squeeze:** Independent film banners face elongated monetization cycles and working-capital constraints when digital buyers delay pre-release commitments.

G. Financial Performance

➤ Standalone Operating Statement Overview

During Financial Year 2025–26, VFIL reported a standalone revenue from operations of Rs. 1.58 crores, compared to Rs. 34.27 crores in Financial Year 2024–25.

Total standalone income in FY 2024–25 of Rs. 59.77 Crores included a one-time non-operating gain of Rs. 23.01 Crores arising from the divestment of Vels Studio and Entertainment Private Limited (**"VSEPL / Jollywood"**).

The reduction in consolidated operating revenue during FY 2025–26 was a result of:

- Extended production schedules and release deferrals of tentpole projects into FY 2026–27.
- Deconsolidation of the studio/theme park operating revenues following the divestment of majority control in Vels Studios and Entertainment Private Limited (VSEPL) in late FY 2024–25.

➤ **Expenditure Profile**

- **Direct Production Expenses:** Direct film production expenses stood at Rs. 69.9 Crores in Financial Year 2025. In FY26, operational expenses remained tied to carrying capitalized Work-In-Progress (WIP) on the balance sheet rather than immediate P&L charging, as principal photography on major slates continued.
- **Finance Costs:** Finance charges continued to represent an operational expense (Rs. 54.12 million in FY25) due to outstanding promoter and related-party loans utilized to fund film production work-in-progress.
- **Profitability:** Reflecting lower operational revenue recognition and ongoing finance costs, the Company recorded a standalone net loss for FY 2025–26, compared to a net profit after tax of Rs. 136.02 million in FY 2024–25 (which had been boosted by the Rs. 23.01 crore investment sale).

➤ **Balance Sheet and Capital Structure**

- **Share Capital:** Issued, subscribed, and paid-up capital remained unchanged at Rs. 12.90 crores (12,908,000 equity shares of Rs. 10 each).
- **Borrowing Profile:** The Company's debt structure consists primarily of unsecured borrowings from promoters and promoter-group entities (**Dr. Ishari K. Ganesh, Arthi Associates Pvt Ltd, VG Park Beach Resorts Pvt Ltd, Kushmitha Foundations Pvt Ltd**) totaling over Rs. 567.74 million across long-term and short-term categories.
- **Film Inventories (Work-in-Progress):** Work-in-progress inventories representing capitalized production costs for unreleased films stood at Rs. 104.05 crores as of March 31, 2025 and remained above Rs. 100 crores through FY 2025–26, reflecting capital deployed in upcoming tentpoles.

H. Operational Performance

During FY 2025–26, VFIL focused resources on advancing production milestones across its pipeline, navigating the changing dynamics of the post-theatrical windowing ecosystem:

- Theatrical exploitation schedules for major projects were realigned to optimize release windows and prevent crowded holiday-weekend clashes.
- The Company continued to execute its core single-segment business model: creation, marketing, and monetization of Tamil feature film IP and associated rights (theatrical, satellite broadcast, digital streaming, music, and overseas distribution).

• **Key Business Developments during FY 2025–26**

- **Deconsolidation of Non-Core Studio Asset:** Following the disinvestment of 4,500,000 equity shares in Vels Studios and Entertainment Private Limited (VSEPL) at Rs. 61.14 per share (aggregating Rs. 27.51 crore) and non-participation in its rights issue, VFIL's holding reduced to 19.01%. Consequently, VSEPL ceased to be a subsidiary/associate under the Companies Act, 2013, allowing VFIL to streamline operations into a pure-play film production business.
- **Releases:** During the FY 2025-26, VFIL released Sumo movie and after the financial till the date of this report, Kara and Gatta Kushthi 2.
- **Project Portfolio on the Floor:** Production and post-production workflows progressed on several projects, including Dayangaram, Genie, Mookuthi Amman 2, Unkill and a Untitled project with Premkumar.

J. Opportunities and Growth Prospects

- **Expansion of Pan-India & Dubbed Content:** As evidenced by national box-office trends, dubbed South Indian films are capturing growing viewership shares in North Indian and overseas circuits.
- **Ancillary Rights Pre-Sales:** Structuring multi-territory pre-licensing arrangements for satellite, music, and digital rights allows independent producers to recover a baseline of capital prior to theatrical release.

VELS FILM INTERNATIONAL LIMITED

- **Co-Production Frameworks:** Partnering with national media conglomerates enables risk-mitigated co-financing models while retaining regional creative control.
- **OTT Release Window:** All production houses and theatrical owners have decided for a 08 (eight) weeks OTT release period from the date of release of movie. Hence, the ticket sales in theatre would increase.

K. Risks and Challenges

- **Revenue Lumpiness and Box-Office Volatility:** Financial performance is dependent on the commercial outcome and theatrical timing of individual projects.
- **Working-Capital & Finance Cost Drag:** Carrying large work-in-progress inventories funded through unsecured borrowings creates fixed interest obligations that impact margins during periods between major releases.
- **Digital Buyer Caution:** Tighter OTT acquisition budgets require films to prove theatrical traction before securing premium digital licensing values.
- **Digital Piracy:** Unauthorised distribution remains a risk across the theatrical window and early streaming release dates.

RISK MATRIX & MITIGATION STRATEGY

Risk Category	Impact on VFIL	Mitigation Approach
Box-Office & Content Performance	Box-office volatility impacting revenue realisations.	Focus on concept-driven scripts, genre diversity, and disciplined mid-budget production control.
Digital Licensing Realisation	Lower OTT pre-sale valuations and extended payment terms.	Adopt multi-platform windowing across satellite, digital, music and dubbing rights.
Financial Leverage & Working Capital	Interest cost drag on the balance sheet and pressure on working capital	Monetise completed WIP/ content inventories and utilise operating cash flows to reduce debt.
Content Piracy	Loss of theatrical and digital streaming revenues.	Deploy technological anti-piracy measures, geo-blocking and timely legal enforcement.

L. Outlook

The outlook for VFIL in FY 2026-27 is tied to the monetization of its Work-in-Progress content slate. With the non-core studio business deconsolidated, management is focused on completing and releasing its queued pipeline, realizing theatrical and non-theatrical revenues and deleveraging its balance sheet.

M. Management Perspective

The Management of VFIL remains confident in the long-term value of original storytelling in the South Indian market. While FY 2025-26 was a transitional year characterized by pipeline investment and operational rationalization, the upcoming release slate positions the Company to rebuild revenues, convert WIP assets into operational cash flows and generate overall value for all the stakeholders.

For and behalf of the Board

Vels Film International Limited

Sd/-

Dr. Ishari K Ganesh

Managing Director

DIN: 00269445

Place: Chennai

Date: August 27, 2026

Sd/-

Arthi

Director

DIN: 00568101

Disclosures on Remuneration

[In terms of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i. The ratio of the remuneration of each director to the median remuneration of employees of the Company for the financial year 2025-26:

Name	Designation	Median Remuneration
Dr. Ishari K Ganesh	Managing Director	6.67:1

- ii. Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year: **NIL**

- iii. Percentage increase in the median remuneration of employees in the financial year: **NIL**

- iv. Number of permanent employees on the rolls of company: **08 (Eight)** as on March 31, 2026.

- v. Average percentile 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:

During the financial year 2025-26, the average percentile increase in the remuneration of employees other than managerial personnel was 29.03%. The increase was determined based on the employees' performance, experience, responsibilities and prevailing remuneration levels.

There was no increase in managerial remuneration during the financial year 2025-26. Accordingly, the increase in remuneration of employees other than managerial personnel was 29.03%, as compared to NIL increase in managerial remuneration. There were no exceptional circumstances warranting any increase in managerial remuneration during the financial year.

vi. Affirmation:

We hereby affirmed that the remuneration paid during the year is as per the Remuneration policy of the Company.

For and behalf of the Board

Vels Film International Limited

Sd/-

Dr. Ishari K Ganesh
Managing Director
DIN: 00269445

Sd/-

Arthi
Director
DIN: 00568101

Place: Chennai

Date: August 27, 2026

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, 2026, 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, 2026, its Profit and its 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 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	Audit Procedures
Revenue Recognition: (Refer Note 20 to the Standalone Financial Statements) The Company recognizes income from license fees, when control of the underlying products has been transferred along with satisfaction of performance obligation.	Our audit procedures to assess the appropriateness of revenue recognized included the following: - 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.
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. 322.55 crores on 31st March 2026. This was identified as a Key Audit Matter as it forms a significant portion of the financial statements.	The following audit procedures were performed: - 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.

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.

Information other Standalone 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.

The Annual report is expected to be made available to us after the date of this Auditor's report. Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance or conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and will take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

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

VELS FILM INTERNATIONAL LIMITED

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 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 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2026 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, except as disclosed in Note I (3).
 - 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.

VELS FILM INTERNATIONAL LIMITED

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 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, 2026 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year 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. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.

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

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

Sd/-
R. Sundararajan
Partner
M. No. 029814
UDIN: 26029814EFGSMN6952

**“Annexure A” to the Independent Auditors’ Report on the Standalone Financial Statements of
Vels Film International Limited for the year ended 31st March 2026**

Place: Chennai

Date: August 27, 2026

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, 2026:

(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 of the Company comprises films under production which are intangible in nature and therefore, it cannot be physically verified by the management. Accordingly, the requirements relating to physical verification of inventory are not applicable to the Company.

(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 year, except as disclosed below.

Particulars	Year ended 31 st March 2026 (in Lakhs)
Investment made during the year	
Vels D Studios LLP	254.00
Investment as at balance sheet date in respect of above	
Vels D Studios LLP	189.07

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

(A) No loans or advances or guarantees or securities to parties other than subsidiaries, joint ventures, and associates were provided during the period, except the company had given loan to its subsidiary Vels D Studio LLP for Rs. 87.80 Lakhs during the year.

(a) The terms and conditions of the grant of the loans are not prejudicial to the company’s interest.

(b) In respect of loans to subsidiary, the agreement does not specify a schedule of repayment and hence the question of commenting on regularity in repayment of principal and Interest does not arise.

(c) 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.

(d) 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.

(e) The company has granted loans without specifying any terms and conditions or period of

VELS FILM INTERNATIONAL LIMITED

repayment only to its subsidiary amounting to Rs. 87.8 Lakhs(Financial Year-2025-26). This constitutes 100% of the total loans. However, interest is charged on the said loan at 12%.

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.

Financial Year 2025 - 26	Loans (in Lakhs)
Aggregate amount granted during the year	
Vels D Studio LLP	87.80
Balance outstanding as at balance sheet date in respect of above	
Vels D Studio LLP	87.80

(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 Income-tax, 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 2026, 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 not obtained any term loans during the year. Hence reporting under this clause is not applicable.

(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.

(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.

(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.

VELS FILM INTERNATIONAL LIMITED

(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) (i) (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 incurred cash losses during the current financial year to the extent of Rs. 1,991.82 (Previous year – NIL).

(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

UDIN: 26029814SYVZVQ7763

Sd/-

R. Sundararajan

Partner

M. No. 029814

**“Annexure B” to the Independent Auditors’ Report on the Standalone Financial Statements of
Vels Film International Limited for the year ended 31st March 2026**

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, 2026, 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

VELS FILM INTERNATIONAL LIMITED

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, 2026, 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

Chartered Accountants

FRN: 004997S/S200051

UDIN: 26029814SYVZVQ7763

Sd/-

R. Sundararajan

Partner

M. No. 029814

Date: 30th May 2026

Place: Chennai

VELS FILM INTERNATIONAL LIMITED

VELS FILM INTERNATIONAL LIMITED

CIN : U74999TN2019PLC132235

Registered Office : No.521/2, Anna Salai, Nandanam, Chennai 600035

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2026 (Rupees in Lakhs)

Particulars	Note No.	As at 31 March, 2026	As at 31 March 2025
I. Equity and Liabilities			
(1) Shareholders' funds			
(a) Share capital	4	1290.80	1290.80
(b) Reserves and surplus	5	2573.51	4767.23
(2) Non-current liabilities			
(a) Long-term borrowings	6	6115.49	4741.49
(b) Other Long term liabilities	7	400.00	400.00
(3) Current liabilities			
(a) Short-term borrowings	8	7667.32	935.92
(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		846.13	396.55
(c) Other current liabilities	10	21294.15	7599.29
TOTAL		40187.40	20131.29
II. Assets			
(1) Non-current assets			
(a) Property, Plant and Equipment and Intangible Assets	11		
(i) Property, Plant and Equipment		19.34	26.02
(b) Non-current investments	12	2185.30	1989.59
(c) Deferred tax assets (net)		3.40	5.15
(d) Long-term loans and advances	13	1182.36	1142.01
(e) Other non-current assets	14	412.95	417.95
(2) Current assets			
(a) Inventories	15	32366.62	10405.38
(b) Trade receivables	16	1273.94	1459.78
(c) Cash and bank balances	17	196.55	2370.62
(d) Short-term loans and advances	18	14.62	271.53
(e) Other current assets	19	2532.32	2048.48
TOTAL		40187.40	20131.29

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 M.No. 029814	Sd/- Ishari Ganesh Kadhivelan Managing Director DIN: 00269445	Sd/- Arthi Director DIN: 00568101	Sd/- Muthukrishnan Srinivasan Chief Financial Officer	Sd/- Praveen Kumar Company Secretary ACS: 76575
--	--	--	---	--

Place : Chennai
Date : 30th May 2026

VELS FILM INTERNATIONAL LIMITED

VELS FILM INTERNATIONAL LIMITED

CIN : U74999TN2019PLC132235

Registered Office : No.521/2, Anna Salai, Nandanam, Chennai 600035

STANDALONE STATEMENT OF PROFIT & LOSS AS AT 31ST MARCH, 2026

(Rupees in Lakhs)

Particulars	Note No.	For the year ended 31 March, 2026	For the year ended 31 March 2025
I. Revenue from operations	20	150.98	3426.61
II. Other income	21	150.25	2550.12
III. Total Income (I+II)		301.22	5976.72
IV. Expenses			
Direct Costs	22	22293.95	6989.57
Changes in inventories of work-in-progress	23	(21961.24)	(3643.97)
Employee benefit expenses	24	61.94	72.64
Finance costs	25	582.64	541.16
Depreciation and amortization expense	11	8.49	10.23
Other expenses	26	1298.39	230.15
Total Expenses (IV)		2284.17	4199.78
V. Profit before exceptional and extraordinary items and tax (III - IV)		(1982.94)	1776.94
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		(1982.94)	1776.94
IX. Profit before tax (VII- VIII)		(1982.94)	1776.94
X. Tax expense:			
(a) Current Tax Expense for the year		-	51.00
(b) Deferred Tax		(1.75)	(353.62)
(c) Excess/ Short provision of tax relating to earlier years		(209.03)	(12.14)
XI. Profit (Loss) for the period from continuing operations (IX-X)		(2193.72)	1360.19
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)		(2193.72)	1360.19
XVI. Earnings per equity share:			
(1) Basic		(17.00)	10.54
(2) Diluted		(17.00)	10.54

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 M.No. 029814	Sd/- Ishari Ganesh Kadhivelan Managing Director DIN: 00269445	Sd/- Arthi Director DIN: 00568101	Sd/- Muthukrishnan Srinivasan Chief Financial Officer	Sd/- Praveen Kumar Company Secretary ACS: 76575
--	--	--	---	--

Place : Chennai
Date : 30th May 2026

VELS FILM INTERNATIONAL LIMITED

VELS FILM INTERNATIONAL LIMITED

CIN : U74999TN2019PLC132235

Registered Office : No.521/2, Anna Salai, Nandanam, Chennai 600035

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2026

(Rupees in Lakhs)

Particulars	For the year ended 31st March 2026		For the year ended 31st March 2025	
Cash Flow From Operating Activities				
Net Profit before Tax and Extra-ordinary Items		(1982.94)		1776.94
Adjustments for:				
Depreciation	8.49		10.23	
Interest and Finance Charges	582.64		541.16	
Share of loss from investment	58.84		(2301.30)	
Interest Income	(3.01)		(247.29)	
		646.95		(1997.20)
Operating Profit Before Working Capital Change		(1335.99)		(220.26)
Adjustments For				
(Increase)/Decrease in Inventory	(21961.24)		(3643.97)	
(Increase)/Decrease in Trade Receivables	185.84		(802.76)	
(Increase)/Decrease in short term loans and advances	256.91		(209.64)	
(Increase)/Decrease in Non-Current Assets	5.00		18.24	
(Increase)/Decrease in Current Assets	(483.84)		680.58	
Increase/(Decrease) in Trade Payables	449.58		(665.71)	
Increase/(Decrease) in other Current Liabilities	13694.86		1762.83	
Increase/(Decrease) in short term borrowings / provisions	6731.40		(2241.98)	
Increase/(Decrease) in non-current liabilities		(1121.48)		(5102.40)
Income Tax paid/ provision		(209.03)		(183.16)
Net Cash Used in / from operating Activities (A)		(2666.51)		(5505.81)
Cash Flow From Investing Activities				
Purchase of Property, Plant and Equipment and Intangible Assets	(7.05)		(4.99)	
Receipts from the repayment of Loans and Advances	47.45		4163.34	
Loans given during the year	(87.80)			
Proceed from sale on Investment	-		2751.30	
Purchase of Investment	(254.55)		247.29	
Interest received	3.01			
Net Cash flow from Investing Activities (B)		(298.93)		7156.95
Cash Flow from Financing Activities				
Proceeds from Borrowings	1374.00		697.04	
Interest and Finance Charges	(582.64)		(541.16)	
Netcash flow from Financing Activities (C)		791.36		155.87
Net Increase / (Decrease) in Cash & Cash Equivalents		(2174.07)		1807.01
Cash and Cash Equivalent sat the Begining of the year		2370.62		563.61
Cash and CashEquivalents at the end of the year		196.55		2370.62
Note : Cash and Cash Equivalents				
Cash and cash Equivalents as above		196.55		2370.62
Cash and Bank Balances asper Note 15		196.55		2370.62

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

Sd/-
Ishari Ganesh Kadhivelan
Managing Director
M.No. 029814
DIN: 00269445

Sd/-
Arthi
Director
DIN: 00568101

Sd/-
Muthukrishnan Srinivasan
Chief Financial Officer

Sd/-
Praveen Kumar
Company Secretary
ACS: 76575

Place : Chennai
Date : 30th May 2026

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

CIN : U74999TN2019PLC132235

No.521/2, Anna Salai, Nandanam, Chennai 600035

Notes forming part of the Standalone financial statements for the year ended 31 March 2026

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

Note 4 : Share capital

Particulars	As at 31st March 2026	As at 31st March 2025
(a) Authorized Capital		
No. of shares (in numbers)	2,00,00,000	2,00,00,000
Authorized Equity Capital (in thousands)	2,000	2,000
(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)	1,290.80	1,290.80
(c) Par value per equity share	10	10
(d) Reconciliation of shares		
Shares at the beginning of the reporting period	1,29,08,000	1,29,08,000
Number of shares issued during the period	-	-
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	As at 31st March 2026	As at 31st March 2025
<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:	As at 31st March 2026		As at 31st March 2025		
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	73.10%	0.00 %

VELS FILM INTERNATIONAL LIMITED

VELS FILM INTERNATIONAL LIMITED

CIN : U74999TN2019PLC132235

No.521/2, Anna Salai, Nandanam, Chennai 600035

Notes forming part of the Standalone financial statements for the year ended 31st March 2026

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

Particulars	As at 31st March 2025		As at 31st March 2024		
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	73.10%	0.00 %
Note 5 : Reserves and surplus			As at 31st March 2026	As at 31st March 2025	
(a) Surplus/ (Debit) balance in Statement of Profit and Loss					
Opening balance			1734.11	373.93	
Add: Profit / (Loss) for the year			(2193.72)	1360.19	
			(459.61)	1734.11	
Add: Securities Premium			3033.12	3033.12	
			3033.12	3033.12	
			2573.51	4767.23	
Note 6 : Long-term borrowings					
<u>Secured Loan :</u>					
(a) Term Loans					
(i) From Banks			-	-	
<u>Unsecured Loan :</u>					
(i) Loans and advances from related parties			6115.49	4741.49	
			6115.49	4741.49	
The details of long term borrowings are as under:			As at 31st March 2026	As at 31st March 2025	
- 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)			-	-	
- Arthi Associates Private Limited Amount borrowed - Rs 14,16,00,000; Interest @ 12% per annum and repayable on demand without any specified repayment schedule			545.28	1863.28	
- Kushmitha Foundations Private Limited Amount borrowed - Rs 10,24,00,000; Interest @ 12% per annum and repayable on demand without any specified repayment schedule			2406.60	511.60	
- VG Park beach Resorts Private Limited Amount borrowed - Rs 10,50,00,000; Interest @ 12% per annum and repayable on demand without any specified repayment schedule			3163.61	2366.61	
TOTAL			6115.49	4741.49	

VELS FILM INTERNATIONAL LIMITED
VELS FILM INTERNATIONAL LIMITED
CIN : U74999TN2019PLC132235
No.521/2, Anna Salai, Nandanam, Chennai 600035
Notes forming part of the Standalone financial statements for the year ended 31st March 2026
(All Amounts are in Rs. in Lakhs unless otherwise stated)

Particulars	As at 31st March 2026	As at 31st March 2025
Note 7 : Other Long term liabilities		
(a) Sublease deposit	400.00	400.00
TOTAL	400.00	400.00
Note 8 : Short Term borrowings		
(a) Short term Loans and advances from related parties	7667.32	935.92
	7667.32	935.92
The details of short term borrowings are as under:		
- Vels film International (Propreitor) Repayable on demand without any specified repayment schedule	-	8.81
- Dr. Ishari K Ganesh Repayable on demand without any specified repayment schedule	7259.37	162.17
- Arthi Associates Private Limited Repayable on demand without any specified repayment schedule	407.95	764.95
TOTAL	7667.32	935.92
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	846.13	396.55
	846.13	396.55
Refer Note 3(G) 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	-	32.40
(b) Project receipts	1200.00	-
(c) Trade advances	10.00	10.00
(d) Expenses Payable	33.07	86.05
(e) Advance received from customer	4730.55	109.92
(f) Income Received in advance	13511.52	6030.00
(g) Current maturities of Long Term Loan	-	2.44
(h) Interest on loan Payable	1809.01	1328.48
	21294.15	7599.29

VELS FILM INTERNATIONAL LIMITED
VELS FILM INTERNATIONAL LIMITED
CIN : U74999TN2019PLC132235
No.521/2, Anna Salai, Nandanam, Chennai 600035
Notes forming part of the Standalone financial statements for the year ended 31st March 2026
(All Amounts are in Rs. in Lakhs unless otherwise stated)
Note 11 : Property Plant and Equipment and Intangible Assets for current year

Description	GROSS BLOCK			DEPRECIATION						
	As at 31st Mar 2026	Additions during the year	Deletions during the year	As at 31st Mar 26	As at 31st Mar 25	Additions during the year	Deletions during the year	As at 31st Mar 26	WDV As at 31 st Mar 2026	WDV As at 31 st Mar 2025
(a) Plant and Equipment	2.39	-	-	2.39	1.34	0.19	-	1.53	0.86	1.05
(b) Computer and Data Processing	9.45	6.06	-	15.51	6.82	2.82	-	9.64	5.87	2.63
(c) Office Equipment	4.34	0.40	-	4.74	3.18	0.67	-	3.85	0.89	1.16
(d) Furniture and Fixtures	11.03	0.59	-	11.62	4.33	1.87	-	6.20	5.42	6.70
(e) Vehicles	23.59	-	-	23.59	14.65	2.75	-	17.40	6.19	8.94
(f) Building	1.83	-	-	1.83	1.53	0.19	-	1.72	0.11	0.30
TOTAL	52.64	7.05	-	59.69	31.86	8.49	-	40.34	19.34	20.78

Note 11 : Property Plant and Equipment and Intangible Assets for previous year

Description	GROSS BLOCK			DEPRECIATION						
	WDV As at 31st Mar 2026	Additions during the year	Deletions during the year	As at 31st Mar 26	As at 31st Mar 24	Additions during the year	Deletions during the year	As at 31st Mar 26	WDV As at 31 st Mar 2026	WDV As at 31 st Mar 2025
(a) Plant and Equipment	2.39	-	-	2.39	1.11	0.23	-	1.34	1.05	1.28
(b) Computer and Data Processing	2.33	2.33	-	9.45	4.19	2.63	-	6.82	2.63	2.93
(c) Office Equipment	4.25	0.09	-	4.34	2.29	0.90	-	3.18	1.16	1.97
(d) Furniture and Fixtures	8.46	2.57	-	11.03	2.38	1.95	-	4.33	6.70	6.08
(e) Vehicles	23.59	-	-	23.59	10.65	4.00	-	14.65	8.94	12.94
(f) Building	1.83	-	-	1.83	1.01	0.52	-	1.53	0.30	0.82
TOTAL	47.65	4.99	-	52.64	21.63	10.23	-	31.86	20.78	26.02

Note 12 : Non-current investments
**As at
31st March 2026**
**As at
31st March 2025**

(a) Investments in Equity shares	1989.59	1989.59
(b) Investments in LLP	254.55	-
Less : Loss on share from partnership firm	(58.84)	-
	2185.30	1989.59
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	1182.36	1142.01
	1182.36	1142.01

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.

VELS FILM INTERNATIONAL LIMITED

VELS FILM INTERNATIONAL LIMITED

CIN : U74999TN2019PLC132235

No.521/2, Anna Salai, Nandanam, Chennai 600035

Notes forming part of the Standalone financial statements for the year ended 31st March 2026

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

Note 14 : Other non-current assets	As at 31st March 2026	As at 31st March 2025
(a) Lease Deposit	410.50	415.50
(b) Advances paid	2.45	2.45
	412.95	417.95
Note 15 : Inventories		
(a) Work-in-progress - Films under production	32366.62	10405.38
	32366.62	10405.38
Note 16 : Trade receivables		
Unsecured, considered good Trade Receivables	1273.94	1459.78
Unsecured, considered doubtful Trade Receivables	300.00	-
Less: Provision for Doubtful Debt	(300.00)	-
	1273.94	1459.78
Refer Note No 3(H) for ageing analysis of Trade Receivables.		
Note 17 : Cash and bank balances		
(a) Balances with banks	166.18	2362.98
(b) Cash on hand	30.37	7.64
	196.55	2370.62
Note 18 : Short-term loans and advances		
<u>Unsecured, considered good</u>		
(a) Other short tem loans and advances	4.61	4.47
(b) Advance to suppliers	10.01	267.07
	14.62	271.53
Note 19 : Other current assets		
(a) Prepaid Taxes (net of provisions)	775.49	591.05
(b) Project Advance	175.00	175.00
(c) Income Accured but bill not booked	-	1000.00
(d) Others	-	37.83
(e) Balance with revenue authorities	1580.76	244.60
(f) Interest receivable on loan	1.07	-
	2532.32	2048.48
Note 20 : Revenue from operations		
(a) Sale of services	150.98	3426.61
	150.98	3426.61
Note 21 : Other income		
(a) Interest income	3.01	247.29
(b) Forex Gain	-	0.20
(c) Others	147.24	1.33
(d) Profit on sale of Investment	-	2301.30
	150.25	2550.12
Note 22 : Direct Costs		
Direct Cost	22293.95	6989.57
	22293.95	6989.57

VELS FILM INTERNATIONAL LIMITED

VELS FILM INTERNATIONAL LIMITED

CIN : U74999TN2019PLC132235

No.521/2, Anna Salai, Nandanam, Chennai 600035

Notes forming part of the Standalone financial statements for the year ended 31st March 2026

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

Note 23 : Changes in inventories of work-in-progress	As at 31st March 2026	As at 31st March 2025
Closing balance of: work-in-progress	32366.62	10405.38
Opening balance of: work-in-progress	10405.38	6761.41
	(21961.24)	(3643.97)
Note 24 : Employee benefit expenses		
Salaries and wages	61.86	72.62
Staff welfare expenses	0.08	0.02
	61.94	72.64
Note 25 : Finance costs		
Interest expense	582.64	541.16
	582.64	541.16
Note 26 : Other expenses		
(a) Payments to the auditors as:		
(i) auditor	7.00	5.50
(ii) for taxation matters	2.50	1.50
(b) Unbilled revenue written off*	600.00	-
(c) Provision for Doubtful Debt	300.00	-
(d) Office Expenses	107.89	31.10
(e) Share of loss from partnership firm	58.84	-
(f) GST Inputs Written off	52.09	-
(g) Rates and taxes, excluding, taxes on income	20.77	12.64
(h) Movie promotion expenses	-	69.39
(i) Professional charges	89.48	60.75
(j) Bad debts written off	13.35	-
(k) CSR Expenditure	6.45	-
(l) Donation	1.50	-
(m) Rent	1.20	8.00
(n) Refreshment expenses	16.41	13.29
(o) Repairs and Maintenance	4.70	3.30
(p) Distribution Expenses	2.43	1.09
(q) Business promotion	5.00	18.01
(r) Power and fuel	3.91	1.63
(s) Forex Loss	0.72	-
(t) Bank Charges	0.76	0.33
(u) Miscellaneous expenses	3.39	3.62
	1298.39	230.15

*Note : Unbilled revenue pertaining to previous year has been written off in the current year pursuant to a revision in the agreement of Wide Angle Media. In the connection with the said revision, the originally agreed consideration of INR 10 Crores has been revised. Accordingly Unbilled revenue has been reversed to the extent that billing has been carried out under revised terms.

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

CIN : U74999TN2019PLC132235

No.521/2, Anna Salai, Nandanam, Chennai 600035

Notes forming part of the Standalone financial statements for the year ended 31st March 2026*(All Amounts are in Rs. in Lakhs unless otherwise stated)***Notes forming part of the standalone financial statements****Note 25 : Ratio**

S. No.	Ratio	Formula In words	Current Year Ratio	Previous Year Ratio	Variance
1.	Current Ratio	Current Assets	1.22	1.85	-34%
		Current Liabilities			
2.	Debt Equity Ratio	Total Debt	3.57	0.94	281%
		Shareholders Equity			
3.	Debt Service Coverage Ratio	Earnings Available for Debt Service	(0.30)	939.86	-100%
		Debt Service			
4.	Return On Equity Ratio	Net Profit After Taxes-Preference Dividend	(0.44)	0.25	-275%
		Average Shareholders Equity			
5.	Inventory Turnover Ratio	Cost of Goods sold/Sales	0.01	0.40	-99%
		Average Inventory			
6.	Trade Receivables Turnover Ratio	Net Credit Sales	0.11	3.24	-97%
		Average Accounts Receivable			
7.	Trade Payables Turnover Ratio	Net Credit Purchases	35.88	9.58	274%
		Average Trade Payables			
8.	Net Capital Turnover Ratio	Net Sales	0.02	0.84	-97%
		Average Working Capital			
9.	Net Profit Ratio	Net Profit	(13.13)	0.52	- 2633%
		Net Sales			
10.	Return on capital employed	Earnings Before Interest and taxes Capital Employed	(0.13)	0.23	-157%
11.	Return On Investment	Operating income Cost of Investment	Not applicable		

Reason for Variance :

The Company incurred losses during the current year primarily due to the absence of any movie releases. Additionally, the Company witnessed increased reliance on borrowed funds, lower operational efficiency, and a weakened liquidity position, which adversely impacted its overall financial performance.

VELS FILM INTERNATIONAL LIMITED

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

CIN: U74999TN2019PLC132235

Notes forming part of the financial statements

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) Cost 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 also includes cost of abandoned films but does not include administrative and general expenses.

Cost of Films Released represents the net cost charged to the Statement of Profit and Loss in respect of films commercially released during the year. The same is determined after adjusting the direct production and related costs incurred during the year with the change in film inventory/work-in-progress, being the difference between opening and closing balances of unreleased film costs. Accordingly, the excess of direct costs over the change in inventories represents the cost attributable to films released during the reporting period.

E) 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.

F) 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.

G) Revenue Recognition

Revenue from sale or licensing of film is recognized

VELS FILM INTERNATIONAL LIMITED

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)
- (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.

Income from Social Media platforms received are recognised in the profit & loss account on receipt basis.

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

VELS FILM INTERNATIONAL LIMITED

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 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, 2026 there are no contingencies.

3) Notes on Accounts

A) Inventories:

The Company holds work in progress of movie projects amounting to Rs 33,35,553.88 (PY : 10,40,537.64) 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.

VELS FILM INTERNATIONAL LIMITED**B) Investments**

The Company has invested in Unquoted Equity shares of M/s Vels Studios and Entertainment Private Limited on various dates, & it also a partner in M/s. Vels D Studio LLP.

Type of instrument	As at 31 st March 2026		As at 31 st March 2025	
	No of shares	Value of Shares (in Lakhs)	No of Shares	Value of shares (in Lakhs)
Unquoted Equity Shares	1,98,95,900	1,989.59	1,98,95,900	1,989.59
Investment in Body Corporate (LLP)	-	-	-	-
TOTAL	1,98,95,900	1,98,959	1,98,95,900	1,989.59

- 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.
- During the previous year, the Company converted Rs.2,39,900 (in lakhs) its Compulsorily Convertible Preference Shares (CCPS) in M/s Vels Studios and Entertainment Private Limited into equity shares and subsequently sold a portion of resulting equity which amounts to Rs.2,75,130 (in lakhs) costing Rs.45,000 (in lakhs) which led to a profit of Rs.2,30,130 (in lakhs).
Additionally, the Company did not participate in the rights issue offered M/s Vels Studios and Entertainment Private Limited, leading to a further reduction in its shareholding percentage.
- Consequently, the Company's holding fell below the threshold required for classification as a subsidiary or an associate, and M/s Vels Studios and Entertainment Private Limited (Previously known as M/s Innovative Studio Private Limited) ceased to be a subsidiary with effect from 25-03-2025.
- The remaining investment has been reclassified as a long-term investment in accordance with Accounting Standard (AS) 13 – *Accounting for Investments*.
- During the current financial year, the Company has made an investment in Vels D Studio LLP by way of capital contribution amounting to 254 lakhs. Pursuant to the said investment, the Company holds 55% partnership interest/profit-sharing ratio in the LLP.

C) 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 2026 (in Lakhs)	For the year ended 31 st March 2025 (in Lakhs)
Sale of rights	601.51	-

Expenditure in Foreign Exchange:

Type of service	For the year ended 31 st March 2026 (in Lakhs)	For the year ended 31 st March 2025 (in Lakhs)
Import of professional charges of stunt master	-	129.16

VELS FILM INTERNATIONAL LIMITED
D) Earnings per share

Type of service	For the year ended 31 st March 2026 (in Lakhs)	For the year ended 31 st March 2025 (in Lakhs)
Profit for the year (in Lakhs)	(2,127.83)	1,360.18
Weighted average number of equity shares	1,29,08,000	1,29,08,000
Basic and Diluted EPS	(16.48)	10.54
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

Type of service	As at 31 st March 2026	As at 31 st March 2025
Opening Deferred tax Asset (A)	5.14	358.76
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	13.50	12.07
(ii) Rule 9A (Allowance) / Disallowance		1,416.99
Closing balance of Deferred Tax Asset (B)	0.01	5.14
Net deferred tax Asset/(Liability) provided (A)-(B)	3.39	(353.61)

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:

Nature of Relationship	Name of Related Parties
Key Management Personnel (KMP) / Director	• Mr. Ishari Ganesh Kadhivelan, Managing Director • Ms. Arthi, Director • Mr. Thummala Gangatharan Balaji, Director • Ms. Sangeetha Ganesh, Director • Ms. Preethaa Ganesh, Director • Ms. Kushmitha Ganesh, Director • Mr. Lushvin Kummar, Director • Mr. Rangasamy Sivakumar, Director • Mr. Rajagopal Srinivasan, Chief Financial Officer (Resigned with effect from 31-05-2025) • Mr. Muthukrishnan Srinivasan Chief Financial Officer (Joined with effect from 09-10-2025) • Ms. Sampath Kumar Sujatha (Resigned with effect from 31-01-2026), Company Secretary • Mr. Praveen Kumar, Company Secretary (Joined with effect from 15-04-2026)
Subsidiary	• Vels D Studio LLP (With effect from 27-11-2025) • Vels Studios and Entertainment Private Limited (Ceased from 25-03-2025)

VELS FILM INTERNATIONAL LIMITED

Company in which KMP / Relatives of KMP can exercise significant influence	• Kushmitha Foundations Private Limited • Arthi Associates Private Limited • VGS Estates Private Limited • VG Park Beach Resorts Private Limited • Prabhudeva Studios Private Limited • Vel Ganesh Foundations Private Limited • Vels Educational Investment Co LLC, Dubai • Vels Film International (Proprietor) • BMMT Institute of Education • Vel Chennai Warriors LLP • Vels Aviation Services IFSC Private Limited • Kindle Kids International School Pte Limited, Singapore • Vels Studios and Entertainment Private Limited • Vels Education Limited, England • Vels Educational FC Private Limited • Higglo Private Ltd • Vels D studio LLP
Enterprises in which Directors/ relatives of Directors exercise control/ significant influence	• Vels Institute of Science Technology and Advance Studies (VISTAS) • Vael's Education Trust • Vetri Educational Trust • Vel Ganesh Educational Trust • Amarar Ishari Velan Charitable Trust • Vels Education Society • Mahavir Institute of Education • Vael's RB Education Trust • Ganesh HUF

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 31 st March 2026 (Rs in Lakhs)	As at 31 st March 2025 (Rs in Lakhs)
Name of the related Party 1. Mr. Ishari Ganesh Kadhivelan	Nature of Relationship Managing Director and Promoter	
LOANS BORROWED		
<u>Volume of Transactions (during the year)</u>		
Amount Received	15,015.80	3,236.50
Amount Paid	7,854.00	5,735.00
<u>Amount Payable (for the year end)</u>		
Closing balance	7,323.97	162.17
REMUNERATION		
<u>Volume of Transactions (during the year)</u>		
Remuneration during the year	24.00	24.00
<u>Amount Payable (for the year end)</u>		
Closing balance	15.14	33.02

VELS FILM INTERNATIONAL LIMITED

2. Vels Film International (Proprietor)	Entities in which KMP have significant influence.	
LOANS BORROWED		
<u>Volume of Transactions (during the year)</u>		
Amount Received	-	-
Amount Paid	73.40	474.48
<u>Amount Payable (for the year end)</u>		
Closing balance	64.59	(8.81)
3(a) Mr. Rajagopal Srinivasan (Till 31.05.2025)	Chief Financial Officer	
REMUNERATION		
<u>Volume of Transactions (during the year)</u>		
Salary for the year		9.00
<u>Amount Payable (for the year end)</u>		
Closing balance	-	0.75
3. (b) Mr. Muthukrishnan Srinivasan (With effect from 09.10.2025)	Chief Financial Officer	
REMUNERATION		
<u>Volume of Transactions (during the year)</u>		
Salary for the year	4.50	-
<u>Amount Payable (for the year end)</u>		
Closing balance	0.75	-
4. Ms. Sampath Kumar Sujatha (Till 31.01.2026)	Company Secretary	
REMUNERATION		
<u>Volume of Transactions (during the year)</u>		
Salary for the year	11.60	11.60
<u>Amount Payable (for the year end)</u>		
Closing balance	0.85	0.85
5. Vels Studios and Entertainment Private Limited (*)	Entities in which / relatives of KMP have significant influence.	
LOANS GIVEN		
<u>Volume of Transactions (during the year)</u>		
Loan given	1,142.01	147.00
Loan repayment received during the year	47.45	5,379.90
<u>Amount Receivable (for the year end)</u>		
Closing balance	1,094.56	1,142.01
INTEREST ON LOAN		
<u>Volume of Transactions (during the year)</u>		
Interest Income recognized 0.44	244.09	
Amount received	0.45	234.10
<u>Amount Receivable (for the year end)</u>		
Closing balance	-	3,718.27
INVESTMENTS		
<u>Volume of Transactions (during the year)</u>		
Amount Invested	-	-
Amount Received	-	
Amount Disinvested	-	450.00
<u>Amount Receivable (for the year end)</u>		
Closing balance	1,989.59	1,989.59

VELS FILM INTERNATIONAL LIMITED

6. Arthi Associates Private Limited	Entities in which KMP / relatives of KMP have significant influence.	
LOANS BORROWED		
<u>Volume of Transactions (during the year)</u>		
Amount Received	438.00	736.00
Amount Paid	795.00	5.00
<u>Amount Payable (for the year end)</u>		
Closing balance	407.95	764.95
7. Arthi Associates Private Limited	Entities in which KMP / relatives of KMP have significant influence.	
LOANS BORROWED		
<u>Volume of Transactions (during the year)</u>		
Loan Received	1,416.00	-
Loan Repaid	2,734.00	190.00
<u>Amount Payable (for the year end)</u>		
Closing balance	545.30	1,863.28
INTEREST PAYABLE		
<u>Volume of Transactions (during the year)</u>		
Interest Expense	178.03	231.28
Interest Paid	-	-
<u>Amount Payable (for the year end)</u>		
Closing balance	326.54	599.97
8. Kushmitha Foundations Private Limited	Entities in which KMP /relatives of KMP have significant influence.	
LOANS BORROWED		
<u>Volume of Transactions (during the year)</u>		
Loan Received	2,920.00	-
Loan Repaid	1,025.00	270.00
<u>Amount Payable (for the year end)</u>		
Closing balance	2,406.60	511.60
INTERST PAYABLE		
<u>Volume of Transactions (during the year)</u>		
Interest Expense	95.87	72.31
Interest Paid	-	-
<u>Amount Payable (for the year end)</u>		
Closing balance	325.64	240.26
9. VG Park Beach Resorts Private Limited	Entities in which KMP / relatives of KMP have significant influence.	
LOANS BORROWED		
<u>Volume of Transactions (during the year)</u>		
Loan Received	105.00	1,160.00
Loan Repaid	253.00	-
<u>Amount Payable (for the year end)</u>		
Closing balance	3,163.61	2,366.61

VELS FILM INTERNATIONAL LIMITED

INTERST PAYABLE		
<u>Volume of Transactions (during the year)</u>		
Interest Expense	9,586.53	23,708.51
Interest Paid	-	-
<u>Amount Payable (for the year end)</u>		
Closing balance	7,22,27.05	48,824.64
10. Ms. Preethaa Ganesh	Relative of KMP	
RENT EXPENSE		
<u>Volume of Transactions (during the year)</u>		
Rent Expense	0.60	0.60
<u>Amount Payable (for the year end)</u>		
Closing balance	2.40	1.80
11. Ms. Kushmitha Ganesh	Relative of KMP	
RENT EXPENSE		
<u>Volume of Transactions (during the year)</u>		
Rent Expense	0.60	0.60
<u>Amount Payable (for the year end)</u>		
Closing balance	2.40	1.80
12. Vels D Studio LLP	Entities in which KMP / relatives of KMP have significant influence.	
LOANS GIVEN		
<u>Volume of Transactions (during the year)</u>		
Loan Given	87.80	
Loan repayment received	-	
<u>Amount Payable (for the year end)</u>		
Closing balance	87.80	
INTEREST RECEIVABLE		
<u>Volume of Transactions (during the year)</u>		
Interest Income	1.18	
Interest Income Received -		
<u>Amount Payable (for the year end)</u>		
Closing balance	1.18	
INVESTMENT		
<u>Volume of Transactions (during the year)</u>		
Amount Invested	2.54	
Amount Received	(56.72)	
Amount Disinvested		
<u>Amount Receivable (for the year end)</u>		
Closing balance	197.82	
SERVICE RENDERED		
<u>Volume of Transactions (during the year)</u>		
Service Received	10.72	
Amount Paid	-	
<u>Amount Payable (for the year end)</u>		
Closing balance	10.72	

VELS FILM INTERNATIONAL LIMITED

(*) Note : During the previous financial year, the Company has sold a portion of its investment in Vels Studios and Entertainment Private Limited. Additionally, the Company opted not to participate in the rights issue undertaken by Vels Studios. As a result of these actions, the Company's shareholding in Vels Studios has decreased, leading to the loss of control and, consequently, its status as a subsidiary. Furthermore, as the voting power has decreased to below 20%, it also does not meet the criteria to be classified as an associate under applicable accounting standards.

However, Vels Studios and Entertainment Private Limited continues to be classified as a related party under Accounting Standard (AS) 18, by virtue of the significant influence exercised by key management personnel (KMP) or their relatives over the entity.

G) Trade Payables ageing:

This ageing is with reference to Note 9 of the Standalone Balance Sheet as at 31st March 2026

(in Lakhs)

Ageing of Trade Payables for the year ended 31st March 2026					
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro, Small and Medium Enterprises	-	-	-	-	-
(ii) Others	597.02	47.19	38.28	163.89	846.38
(iii) Disputed dues - Micro, Small and Medium Enterprises	-	-	-	-	-
(iii) Disputed dues – Others	-	-	-	-	-
Ageing of Trade Payables for the year ended 31st March 2025					
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro, Small and Medium Enterprises	-	-	-	-	-
(ii) Others	127.42	62.85	7.04	199.23	396.55
(iii) Disputed dues - Micro, Small and Medium Enterprises	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-

H) Trade Receivables ageing:

This ageing is with reference to Note: 16 of the Standalone Balance Sheet as at 31st March 2026

VELS FILM INTERNATIONAL LIMITED**Ageing of Trade Receivables for the year ended 31st March 2026**

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	11.25	41.52	805.60	372.46	43.20	1,273.94
(ii) Undisputed Trade receivables considered doubtful	-	-	-	-	300	300
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
Less : Provision for Doubtful Debt	-	-	-	-	(300)	(300)

Ageing of Trade Receivables for the year ended 31st March 2025

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	1,097.55	3.60	1.62	17.17	339.85	1,459.7
(ii) Undisputed Trade receivables - considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

I) Contingent Liabilities:

1. Vels Film International Limited is a co-applicant for a loan obtained by M/s. 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.

2. During the previous year, 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 obligation 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 of Rs.8.5 crores towards compensatory damages.

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

VELS FILM INTERNATIONAL LIMITED

date of approval of financial statement. During the current year, the company has provided a corporate guarantee in favour of the lenders of its subsidiary Vels D Studio LLP towards cash credit facilities of 200 Lakhs and Term Loan of 144.85 Lakhs.

3. During the current year, the company has provided a corporate guarantee in favour of the lenders of its subsidiary Vels D Studio LLP towards cash credit facilities of 200 Lakhs and Term Loan of 144.85 Lakhs.

J) 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 Lakhs)

Corporate Social Responsibility	For the year ended 31 st March 2026	For the year ended 31 st March 2025
(a) amount required to be spent	6.53	Not Applicable
(b) amount of expenditure incurred,	6.53*	Not Applicable
(c) shortfall at the end of the year,	-	Not Applicable
(d) total of previous years shortfall,	-	Not Applicable
(e) reason for shortfall,	-	Not Applicable
(f) nature of CSR activities,	Education and Skill Development	Not Applicable
(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

Note*: During the Financial year 2022-23, the company spend CSR in excess to the extent of Rs. 13,280 which has been set-off during the current financial year and remaining was paid.

K) 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 2026	As at 31 st March 2025
(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

VELS FILM INTERNATIONAL LIMITED**L) 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.

a) Loans and Advances that are repayable on demand and given without specifying any terms of repayment

Type of Borrower	Amount of Loan or advance in the nature of loan outstanding	Percentage to the total and Advances in the Loans nature of loans
Related Party M/s Vels D Studio LLP	Rs 87.80 Lakhs	100%

a) 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. The loan facility obtained for vehicle is fully discharged and closed on 10-07-2025.

b) During the year, the agreement entered into with IVY Entertainment in connection with the movie 'Genie' was terminated consequent to delays in completion of the project. Subsequently, buyback agreement was entered into between IVY Entertainment and Vels Film International limited, and the settlement obligations under the said agreement were discharged by Vels Film International in favour of IVY Entertainment amounting to INR 47.40 crores during the year.

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: 004997S/S200051

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
R. Sundararajan Ishari	Ganesh Kadhivelan	Arthi	Muthukrishnan Srinivasan	Praveen Kumar
Partner	Managing Director	Director	Chief Financial Officer	Company Secretary
M.No. 029814	DIN : 00269445	DIN : 00568101		ACS 76575

Place : Chennai

Date : 30th May 2026

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, 2026, 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, 2026, of its Consolidated Loss 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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
Revenue Recognition: (Refer Note 20 to the Consolidated Financial Statements) The Company recognizes income from license fees, when control of the underlying products have been transferred along with satisfaction of performance obligation.	Our audit procedures to assess the appropriateness of revenue recognized included the following: - 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.
Valuation of Work-in-Progress (Refer Note 15 to the Consolidated Financial Statements) The balance of work-in-progress represented by movies under production, stands at Rs 32,355.54 Lakhs on 31st March 2026. This was identified as a Key Audit Matter as it forms a significant portion of the financial statements.	The following audit procedures were performed: - 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 Holding Company's Annual Report but does not include the consolidated financial statements and our auditor's report thereon.

The Annual report is expected to be made available to us after the date of this Auditor's report. Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance or conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and will take appropriate actions necessitated by the circumstances and the applicable laws and regulations

Responsibility of Management and those Charged with Governance for the Consolidated 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.

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 :

VELS FILM INTERNATIONAL LIMITED

- 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, we report that there are no qualifications/ adverse remarks in the report of the Holding Company and CARO 2020 does not apply to the subsidiary.

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 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2026 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 A.**
- 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:

VELS FILM INTERNATIONAL LIMITED

- i) The Company has disclosed the impact of pending litigations on its financial position in Note no 2(I) 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 11 clause (f) of Companies (Audit and Auditors) Rules, 2014
- vi) Based on our examination, which included test checks, the group has used accounting software for maintaining its books of account for the financial year ended March 31, 2026 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year 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. Further, the audit trail has been preserved by the holding company as per the statutory requirements for record retention. Since the subsidiary is incorporated in the current year, the requirement relating to retention of records 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. Section 197 does not apply to the subsidiary

For S R B R & Associates LLP

Chartered Accountants
FRN: 004997S/S200051

Sd/-

R. Sundararajan

Partner

M. No. 029814

UDIN: 26029814EFGSMN6952

Date: 30" May 2026

Place: Chennai

“Annexure A” to the Independent Auditor’s Report on the Consolidated Financial Statements of Vels Film International Limited for the year ended 31st March 2026

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, 2026.

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 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.

VELS FILM INTERNATIONAL LIMITED

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 Group 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, 2026, 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
Chartered Accountants
FRN: 004997S/S200051

Sd/-
R. Sundararajan
Partner
M. No. 029814
UDIN: 26029814EFGSMN6952

Date: 30th May 2026
Place: Chennai

VELS FILM INTERNATIONAL LIMITED

VELS FILM INTERNATIONAL LIMITED

CIN : U74999TN2019PLC132235

Registered Office : No.521/2, Anna Salai, Nandanam, Chennai 600035

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2026

(Rupees in Lakhs)

Particulars	Note No.	As at 31 st March, 2026	As at 31 st March 2025
I. Equity and Liabilities			
(1) Shareholders' funds			
(a) Share capital	4	1,290.80	1,290.80
(b) Reserves and surplus	5	2,563.03	4,767.23
(2) Minority Interest	6	252.31	-
(3) Non-current liabilities			
(a) Long-term borrowings	7	6,260.34	4,741.49
(b) Other Long term liabilities	8	514.56	400.00
(4) Current liabilities			
(a) Short-term borrowings	9	7,667.32	935.92
(b) Trade payables	10		
(A) total outstanding dues of micro enterprises and small enterprises		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		833.31	396.55
(c) Other current liabilities	11	21,321.38	7,599.29
TOTAL		40,703.06	20,131.29
II. Assets			
(1) Non-current assets			
(a) Property, Plant and Equipment and Intangible Assets	12		
(i) Property, Plant and Equipment		820.27	20.78
(b) Non-current investments	13	1,989.59	1,989.59
(c) Deferred tax assets (net)		3.40	5.15
(d) Long-term loans and advances	14	1,094.56	1,142.04
(e) Other non-current assets	15	412.95	417.95
(2) Current assets			
(a) Inventories	16	32,355.54	10,405.38
(b) Trade receivables	17	1,273.94	1,459.78
(c) Cash and bank balances	18	208.09	2,370.62
(d) Short-term loans and advances	19	14.62	271.53
(e) Other current assets	20 (a)	2,530.11	2,048.46
TOTAL		40,703.06	20,131.29

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	Muthukrishnan Srinivasan	Praveen Kumar
Partner	Managing Director	Director	Chief Financial Officer	Company Secretary
M.No. 029814	DIN: 00269445	DIN: 00568101		ACS: 76575

Place : Chennai
Date : 30th May 2026

VELS FILM INTERNATIONAL LIMITED

VELS FILM INTERNATIONAL LIMITED

CIN : U74999TN2019PLC132235

Registered Office : No.521/2, Anna Salai, Nandanam, Chennai 600035

CONSOLIDATED PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2026

(Rupees in Lakhs)

Particulars	Note No.	As at 31 March, 2026	As at 31 March 2025
I. Revenue from operations	20	157.98	6,874.20
II. Other income	21	149.66	2,320.98
III. Total Income (I+II)		307.64	9,195.18
IV. Expenses			
Direct Costs	22	22,282.87	7,642.78
Changes in inventories of work-in-progress	23	(21,950.16)	(3,643.97)
Employee benefit expenses	24	103.61	1,207.08
Finance costs	25	582.64	984.08
Depreciation and amortization expense	12	73.56	1,695.45
Other expenses	26	1,256.69	1,694.98
Total Expenses		2,349.20	9,580.40
V. Profit before exceptional and extraordinary items and tax (III - IV)		(2,041.56)	(385.22)
VI. Exceptional items			
VII. Profit before extraordinary items and tax (V - VI)		(2,041.56)	(385.22)
VIII. Extraordinary items			4,612.79
IX. Profit before tax (VII- VIII)		(2,041.56)	4,227.56
X. Tax expense:			
(a) Current Tax Expense for the year		-	51.00
(b) Deferred Tax		(1.75)	(353.62)
(c) Excess/ Short provision of tax relating to earlier years		(209.03)	(12.14)
XI. Profit (Loss) for the period from continuing operations (IX-X)		(2,252.34)	3,810.81
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)		(2,252.34)	3,810.81
XVI. Total Profit (Loss) for the period attributable to:			
- Owners of the company		(2,204.20)	4,303.78
- Non-controlling interest		(48.14)	(492.97)
XVII. Earnings per equity share:			
(1) Basic		(17.45)	33.34
(2) Diluted		(17.45)	33.34

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	Muthukrishnan Srinivasan	Praveen Kumar
Partner	Managing Director	Director	Chief Financial Officer	Company Secretary
M.No. 029814	DIN: 00269445	DIN: 00568101		ACS: 76575

Place : Chennai
Date : 30th May 2026

VELS FILM INTERNATIONAL LIMITED

VELS FILM INTERNATIONAL LIMITED

CIN : U74999TN2019PLC132235

Registered Office : No.521/2, Anna Salai, Nandanam, Chennai 600035

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2026

(Rupees in Lakhs)

Particulars	For the year ended 31 st March 2026	For the year ended 31 st March 2025
Cash Flow From Operating Activities		
Net Profit before Tax and Extra-ordinary Items	(2,041.56)	(385.22)
Adjustments for:		
Depreciation	73.56	1,695.45
Interest and Finance Charges	582.64	984.08
Interest Income	1.83	
	654.37	0.03
Operating Profit Before Working Capital Change	(1,387.19)	(0.00)
Adjustments For		
(Increase) / Decrease in Inventory	(21,950.16)	(3,546.50)
(Increase) / Decrease in Trade Receivables	185.84	(724.61)
(Increase) / Decrease in short term loans and advances	256.91	(182.21)
(Increase) / Decrease in Non-Current Assets	5.00	78.32
(Increase) / Decrease in Current Assets	(481.65)	1,078.04
Increase / (Decrease) in Trade Payables	436.76	(940.40)
Increase / (Decrease) in other Current Liabilities	13,722.09	1,039.50
Increase / (Decrease) in short term borrowings/ provisions	6,731.40	-
Increase / (Decrease) in non-current liabilities	114.56	(495.89)
	(979.24)	(3,693.76)
Income Tax paid/ provision	(209.03)	-
Cash Used in / from operating activities before extraordinary item	-	(1,399.45)
Extraordinary item	-	4,612.79
Net Cash Used in/ from operating Activities (A)	(2,575.46)	3,213.33
Cash Flow From Investing Activities		
Derecognition of assets on deconsolidation	-	9,830.06
Purchase of Property, Plant and Equipment and Intangible Assets	(873.05)	-
Receipts from the repayment of Loans and Advances	47.48	-
Loan provided to Third Parties	-	(1,117.04)
Investment	-	(1,989.59)
Interest received	1.83	-
Net Cashflow from Investing Activities (B)	(823.74)	6,723.43
Cash Flow from Financing Activities		
Repayment of Loan	-	(8,465.91)
Borrowings Taken	1,518.85	-
Minority Interest	300.45	1,256.10
Finance Charges paid	(582.64)	(984.08)
Net cashflow from Financing Activities (C)	1,236.66	(8,193.90)
Net Increase/(Decrease) in Cash & Cash Equivalents (A)+(B)+(C)	(2,162.53)	1,742.87
Cash and Cash Equivalents at the Beginning of the year	2,370.62	627.75
Cash and Cash Equivalents at the end of the year	208.09	2,370.62
Note : Cash and Cash Equivalents		
Cash and cash Equivalents as above	211.71	2,370.62
Cash and Bank Balances as per Note 15	208.09	2,370.62

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
M.No. 029814

Sd/-
Ishari Ganesh Kadhivelan
Managing Director
DIN: 00269445

Sd/-
Arthi
Director
DIN: 00568101

Sd/-
Muthukrishnan Srinivasan
Chief Financial Officer

Sd/-
Praveen Kumar
Company Secretary
ACS: 76575

VELS FILM INTERNATIONAL LIMITED

Notes forming part of the consolidated financial statements
for the year ended 31st March 2026

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

Note 4 : Share capital

Particulars	As s at 31 st March 2026	As at 31 st March 2025
(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	95,00,000
Issued, subscribed and fully paid-up capital (in thousands)	1,29,080	95,000
(c) Par value per equity share	10	10
(d) Reconciliation of shares		
Shares at the beginning of the reporting period	1,29,08,000	1,29,08,000
Number of shares issued during the period	-	-
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 2026	31st March 2025
<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:	31st March 2026		31st March 2025		
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	73.10%	0.0%
	31st March 2025		31st March 2024		
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	73.10%	0.0%

VELS FILM INTERNATIONAL LIMITED

Notes forming part of the consolidated financial statements
for the year ended 31st March 2026

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

Particulars	As at 31 st March 2026	As at 31 st March 2025
Note 5 : Reserves and surplus		
(a) Surplus/ (Debit) balance in Statement of Profit and Loss		
Opening balance	1,734.11	(2,569.67)
Add: Profit / (Loss) for the year	(2,204.20)	1,360.19
Add: Post-acquisition reserves of subsidiary	-	2,943.59
	(470.09)	1,734.11
(a) Securities Premium	3,033.12	3,033.12
Note 6 : Minority Interest		
Paid up value	300.45	8,478.32
Share of pre-acquisition profits and reserves		-
Share of post-acquisition profits and reserves		
- Opening Balance	-	(763.13)
- Current year share	(48.14)	(492.97)
Less : Dercognition on loss of control	-	(7,222.22)
	252.31	-
Note 7 : Long-term borrowings		
<u>Secured Loan :</u>		
(a) Term Loans		
(i) From Banks	144.85	-
<u>Unsecured Loan :</u>		
(i) Loans and advances from related parties	6,115.49	4,714.49
	6,260.34	4,714.49
The details of long term borrowings are as under:	As at 31st March 2026	As at 31st March 2025
Vels D Studio LLP		
- Bank of Baroda	144.85	-
Term Loan- Rs 1,44,85,000; Interest @ 9.65% per annum and repayable in 47 equal monthly instalments beginning from April 2026.; Hypothecated by Plant and Machinery		
- Arthi Associates Private Limited	545.28	1,863.28
Amount borrowed - Rs 11,50,00,000; Interest @ 12% per annum and repayable on demand without any specified repayment schedule		
- Kushmitha Foundations Private Limited	2,406.06	511.60
Amount borrowed - Rs 10,60,00,000; Interest @ 12% per annum and repayable on demand without any specified repayment schedule		
- VG Park beach Resorts Private Limited	3,163.61	2,366.61
Amount borrowed - Rs 14,96,00,000; Interest @ 12% per annum and repayable on demand without any specified repayment schedule		
Total	6,260.34	4,741.49

VELS FILM INTERNATIONAL LIMITED

Notes forming part of the consolidated financial statements
for the year ended 31st March 2026

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

Particulars	As at 31st March 2026	As at 31st March 2025
Note 8 : Other Long term liabilities		
(a) Sublease deposit	400.00	400.00
(b) Capital Creditors	114.56	-
TOTAL	514.56	400.00
Note 9 : Short-term borrowings		
(a) Short term Loans and advances from related parties	7,667.32	935.92
	7,667.32	935.92
The details of Short term borrowings are as under:		
- Vels film International (Proprietorship) Repayable on demand without any specified repayment schedule	-	8.81
- Dr. Ishari K Ganesh Repayable on demand without any specified repayment schedule	7,259.37	162.17
- Arthi Associates Private Limited Repayable on demand without any specified repayment schedule	407.95	764.95
TOTAL	7,667.32	935.92
Note 10 : 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	833.31	396.55
	833.31	396.55
Refer Note 3(G) for ageing analysis of Trade Payables and Note 3(J) for disclosure relating to Micro, Small and Medium Enterprises		
Note 11 : Other current liabilities		
(a) Statutory Remittances	1.72	32.40
(b) Project receipts	1,200.00	-
(c) Trade advances	10.00	10.00
(d) Expenses Payable	57.59	1,414.53
(e) Advance received from customer	4,731.55	6,139.92
(f) Income Received in advance	13,511.52	-
(g) Current maturities of Long Term Loan	-	-
(g) Interest on loan Payable	1,809.01	-
(h) Current maturities of Long Term Loan	-	2.44
	21,321.38	7,599.29

VELS FILM INTERNATIONAL LIMITED

Notes forming part of the consolidated financial statements
for the year ended 31st March 2026

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

Note 12 : Property, Plant and Equipment and Intangible Assets for current year**(i) Property, Plant and Equipment**

Description	GROSS BLOCK				DEPRECIATION				WDV as at 31st March 2026	WDV as at 31st March 2025
	As at 31st March 2025	Additions during the Year	Deletions during the Year	As at 31st March 2026	As at 31st March 2025	Additions during the Year	Deletions during the year	As at 31st March 2026		
(i) Property, Plant and Equipment										
(a) Plant and Equipment	2.39	865.00	-	867.39	1.34	65.07	-	66.41	800.99	1.05
(b) Computer and Data Processing	9.45	7.06	-	16.51	6.82	3.02	-	9.84	6.67	2.63
(c) Office Equipment	4.34	0.40	-	4.74	3.18	0.67	-	3.85	0.89	1.16
(d) Furniture and Fixtures	11.03	0.59	-	11.62	4.33	1.87	-	6.20	5.42	6.70
(e) Vehicles	23.59	-	-	23.59	14.65	2.75	-	17.40	6.19	8.94
(f) Building	1.83	-	-	1.83	1.53	0.19	-	1.72	0.11	0.30
TOTAL	52.68	873.05	-	925.69	31.86	73.56	-	105.42	820.27	20.78

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

Description	GROSS BLOCK				DEPRECIATION				WDV as at 31st March 2025	WDV as at 31st March 2024
	As at 31st March 2024	Additions during the year	Deletions during the Year	As at 31st March 2025	As at 31st March 2024	Additions during the Year	Deletions during the Year	As at 31st March 2025		
(i) Property, Plant and Equipment										
(a) Plant and Equipment	2.39	-	-	2.39	1.11	0.23	-	1.34	1.05	1.28
(b) Computer and Data Processing	7.12	2.33	-	9.45	4.19	2.63	-	6.82	2.63	2.93
(c) Office Equipment	4.25	0.09	-	4.34	2.29	0.90	-	3.18	1.16	1.97
(d) Furniture and Fixtures	8.46	2.57	-	11.03	2.38	1.95	-	4.33	6.70	6.08
(e) Vehicles	23.59	-	-	23.59	10.65	4.00	-	14.65	8.94	12.94
(f) Building	1.83	-	-	1.83	1.01	0.52	-	1.53	0.30	0.82
TOTAL	47.65	4.99	-	52.64	21.63	10.23	-	31.86	20.78	26.02

Note 13 : Non-current investments	As at 31st March 2026	As at 31st March 2025
(a) Investments in Equity shares	1,989.59	1,989.59
(b) Investments in LLP	-	-
	1,989.59	1,989.59
Refer Note 3(B) for details of investments made		
Note 14 : Long-term loans and advances		
<u>Unsecured, considered good</u>		
Loans and advances to related parties		
(a) Loans and advances to related party	1,094.56	1,142.04
	1,094.56	1,142.04
Note 15 : Other non-current assets		
(a) Lease Deposit	410.50	415.50
(b) Advances Paid	2.45	2.45
	412.95	417.95
Note 16 : Inventories		
(a) Work-in-progress	32,355.54	10,405.38
- Films under production		
	32,355.54	10,405.38

VELS FILM INTERNATIONAL LIMITED

Notes forming part of the consolidated financial statements
for the year ended 31st March 2026

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

Note 17 : Trade receivables	As at 31st March 2026	As at 31st March 2025
<u>Unsecured, considered good</u>		
Trade Receivables	1,273.94	1,459.78
<u>Unsecured, considered Doubtful</u>		
Trade Receivables	300.00	-
Less: Provision for Doubtful Debt	(300.00)	-
	1,273.94	1,459.78
Refer Note No 3(H) for ageing analysis of Trade Receivables.		
Note 18 : Cash and bank balances		
(a) Balances with banks	177.72	2,362.98
(b) Cash on hand	30.37	7.64
	208.09	2,370.62
Note 19 : Short-term loans and advances		
<u>Unsecured, considered good</u>		
(a) Other short tem loans and advances	4.61	4.47
(b) Advance to suppliers	10.01	267.07
	14.62	271.53
Note 20 : Revenue from operations		
(a) Sale of services	150.98	5,979
(b) Post production works & Digital Intermediate Works	7.00	-
(c) Other operating revenues	-	895.31
	157.98	6,874.20
Note 20 (a) : Other current assets		
(a) Prepaid Taxes (net of provisions)	775.48	591.05
(b) Project advance	175.00	175.00
(c) Income Accured but bill not booked	-	1,000.00
(d) Others	0.60	37.80
(e) Balance with revenue authorities	1,579.03	244.60
	2,530.11	2,048.46
Note 21 : Other income		
Interest income	1.83	9.17
Forex Gain	147.84	0.20
Youtube Income		1.33
Rental Income		6.53
Profit on sale of Investment	-	2,303.75
	149.66	2,320.98
Note 22 : Direct Costs		
Direct Cost	22,282.87	7,642.78
	22,282.87	7,642.78
Note 23 : Changes in inventories of work-in-progress		
Closing balance of: work-in-progress	32,355.54	10,405.38
Opening balance of: work-in-progress	10,405.38	6,761.41
	(21,950.16)	(3,643.97)

Consolidated Financial Statement 2025 - 2026

VELS FILM INTERNATIONAL LIMITED

Notes forming part of the consolidated financial statements
for the year ended 31st March 2026

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

Note 24 : Employee benefit expenses	As at 31st March 2026	1As at 31st March 2025
Salaries and wages	103.53	135.44
Staff welfare expenses	0.08	1,030.09
Subcontract expenses	-	41.56
	103.61	1,207.08
Note 25 : Finance costs		
Interest expense	582.64	953.94
Others	-	30.15
	582.64	984.08
Note 26 : Other expenses		
Payments to the auditors as:		
(i) auditor	7.30	5.50
(ii) for taxation matters	2.50	1.50
(iv) for management services	-	69.39
(iii) for other services	-	60.75
(vi) for reimbursement of expenses	-	31.10
Provision for Doubtful Debt	300.00	-
Professional charges	89.48	158.22
Refreshment expenses	16.41	13.29
Office Expenses	107.89	322.39
Bad debts	13.35	-
Donation	1.50	-
Rent	7.39	8.00
Repairs and Maintenance	5.79	364.40
CSR Expenditure	6.45	-
Business promotion	5.00	18.01
Distribution Expenses	2.43	1.09
Forex Loss	0.72	-
GST Expense Written off	52.09	-
Rates and taxes, excluding, taxes on income	20.77	224.56
Bank Charges	0.77	0.87
Travelling and Conveyance	-	19.96
Transportation charges	-	2.31
Subcontracting charges	-	42.64
Marketing expenses	-	4.78
Communication Expenses	-	19.37
Revenue sharing fees	-	50.77
Unbilled revenue written off *(Refer Note)	600.00	-
Power and fuel	3.91	209.00
Miscellaneous expenses	12.94	51.16
Insurance	-	15.92
	1,256.69	1,694.98
*Note : Unbilled revenue pertaining to the previous year has been written off in the current year pursuant to a revision in the agreement with Wide Angle Media. In connection with the said revision, the originally agreed consideration of INR 10 Crores has been revised. Accordingly, unbilled revenue has been reversed to the extent that billing has not been carried out under the revised terms.		

VELS FILM INTERNATIONAL LIMITED 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 has invested in Vels D Studio LLP (Subsidiary) by way of capital contribution amounting to Rs.2,54,55,000. Pursuant to the said investment, the company holds 55% partnership interest /Profit- sharing ratio in the LLP, thus Vels D studio attains a subsidiary status.

Vels Film International along with its subsidiary M/s Vels D Studio LLP 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 holding Company holds work in progress of movie projects which are in 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.

There are no inventories in Vels D Studio LLP.

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

VELS FILM INTERNATIONAL LIMITED

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)

Revenue from post production:

The Subsidiary recognises income from various activities, including, but not limited to, dubbing, mixing and digital intermediate services on accrual basis, as agreed between the parties and is reasonably expected to be realised as per the applicable terms and conditions with the customers.

Other income :

- i. All other income is recognised based on the terms of contract with third parties and corresponding billings made.
- ii. Subsidies received from the Government are recognised in the profit & loss account where there are no conditions attached to the subsidy.
- iii. Income from Social Media platforms received are recognised in the profit & loss account on receipt basis.
- iv. 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

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 also includes cost of abandoned films but does not include administrative and general expenses.

Cost of Films Released represents the net cost charged to the Statement of Profit and Loss in respect of films commercially released during the year. The same is determined after adjusting the direct production and related costs incurred during the year with the change in film inventory/work-in-progress, being the difference between opening and closing balances of unreleased film costs. Accordingly, the excess of direct costs over the change in inventories represents the cost attributable to films released during the reporting period.

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. 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.

VELS FILM INTERNATIONAL LIMITED

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 Group; hence no provision is made. The Group 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 group 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 group 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 group 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.

3. Notes on Accounts

A) Inventories:

VELS FILM INTERNATIONAL LIMITED

The Group holds work in progress of movie projects amounting to Rs 3,23,55.53 (in Lakhs) 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. During the end of this financial year, no inventories of the subsidiary will be part of the Group.

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 2026 (in Lakhs)	For the year ended 31 st March 2025 (in Lakhs)
Sale of rights	601.52	

II. Expenditure in Foreign Exchange:

Type of service	For the year ended 31 st March 2026 (in Lakhs)	For the year ended 31 st March 2025 (in Lakhs)
Import of professional charges of stunt master	-	129.17

C) Earnings per share

Type of service	For the year ended 31 st March 2026 (in Lakhs)	For the year ended 31 st March 2025 (in Lakhs)
Profit for the year	(2,199.21)	4,303.73
Weighted average number of equity shares (in numbers)	1,29,08,000	1,29,08,000
Basic and Diluted EPS	(17.54)	33.34
Face value per equity share	10	10

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

D) Deferred Tax	As at 31 st March 2026	As at 31 st March 2025
Opening Deferred tax Asset (A)	5.15	358.77
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	13.51	12.08
(ii) Rule 9A disallowance	-	(1,417.00)
Closing balance of Deferred Tax Asset (B)	1.75	5.15
Net deferred tax Asset/(Liability) provided (A)-(B)	3.40	(353.62)

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	- Mr. Ishari Ganesh Kadhivelan, Managing Director - Ms. Arthi, Director - Ms. Preethaa Ganesh, Director - Mr. Lushvin Kummar, Director - Ms. Kushmitha Ganesh, Director - Mr. Thummala Gangatharan Balaji, Independent Director

VELS FILM INTERNATIONAL LIMITED

	• Ms. Sangeetha Santharam, Independent Director • Mr. Rangasamy Sivakumar, Independent Director • Mr. Rajagopal Srinivasan, Chief Financial Officer (Resigned with effect from 31-05-2025) • Mr. Muthukrishnan Srinivasan, Chief Financial Officer (Joined with effect from 09-10-2025) • Ms. Sampath Kumar Sujitha (Resigned with effect from 31-01-2026), Company Secretary • Mr. Praveen Kumar, Company Secretary (Joined with effect from 15-04-2026)
Company in which KMP / Relatives of KMP can exercise significant influence	• Kushmitha Foundations Private Limited • Arthi Associates Private Limited • VGS Estates Private Limited • VG Park Beach Resorts Private Limited • Prabhudeva Studios Private Limited • Vel Ganesh Foundations Private Limited • Vels Film International (Proprietor) • BMMT Institute of Education • Vel Chennai Warriors LLP • Vels Aviation Services IFSC Private Limited • Kindle Kids International School Pte Limited, Singapore • Vels Studios and Entertainment Private Limited • Vels Education Limited, England • Higglo Private Ltd • Vels D studio LLP

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 31 st March 2026 (Rs in Lakhs)	As at 31 st March 2025 (Rs in Lakhs)
Name of the related Party	Nature of Relationship	
1. Mr. Ishari Ganesh Kadhivelan	Managing Director and Promoter	
<u>Volume of Transactions (during the year)</u>		
Amount Received	15,015.80	3,236.50
Amount Paid	7,854.00	5,735.00
<u>Amount Payable (for the year end)</u>		
Closing balance	7,323.97	162.17
REMUNERATION		
<u>Volume of Transactions (during the year)</u>		
Remuneration during the year	24.00	24.00
<u>Amount Payable (for the year end)</u>		
Closing balance	15.14	33.02

VELS FILM INTERNATIONAL LIMITED

2. Vels Film International (Proprietor)	Entities in which KMP have significant influence.	
LOANS BORROWED		
<u>Volume of Transactions (during the year)</u>		
Amount Received	-	-
Amount Paid	73.40	474.48
<u>Amount Payable (for the year end)</u>		
Closing balance	64.59	(8.81)
3(a) Mr. Rajagopal Srinivasan (Till 31.05.2025)	Chief Financial Officer	
REMUNERATION		
<u>Volume of Transactions (during the year)</u>		
Salary for the year		9.00
<u>Amount Payable (for the year end)</u>		
Closing balance	-	0.75
3. (b) Mr. Muthukrishnan Srinivasan (With effect from 09.10.2025)	Chief Financial Officer	
REMUNERATION		
<u>Volume of Transactions (during the year)</u>		
Salary for the year	4.50	-
<u>Amount Payable (for the year end)</u>		
Closing balance	0.75	-
4. Ms. Sampath Kumar Sujatha	Company Secretary	
REMUNERATION		
<u>Volume of Transactions (during the year)</u>		
Salary for the year	11.60	11.60
<u>Amount Payable (for the year end)</u>		
Closing balance	0.85	0.85
5. Vels Studios and Entertainment Private Limited (*)	Entities in which KMP have significant influence.	
LOANS GIVEN		
<u>Volume of Transactions (during the year)</u>		
Loan given	1,142.01	147.00
Loan repayment received during the year	47.45	5,379.90
<u>Amount Receivable (for the year end)</u>		
Closing balance	1,094.56	1,142.01
INTEREST ON LOAN		
<u>Volume of Transactions (during the year)</u>		
Interest Income recognized 0.44	244.09	
Amount received	0.45	234.10
<u>Amount Receivable (for the year end)</u>		
Closing balance	-	37.18
INVESTMENTS		
<u>Volume of Transactions (during the year)</u>		
Amount Invested	-	-
Amount Received	-	
Amount Disinvested	-	450.00
<u>Amount Receivable (for the year end)</u>		
Closing balance	1,989.59	1,989.59

VELS FILM INTERNATIONAL LIMITED

6. Arthi Associates Private Limited		Entities in which KMP have significant influence.	
LOANS BORROWED			
<u>Volume of Transactions (during the year)</u>			
Amount Received	438.00	736.00	
Amount Paid	795.00	5.00	
<u>Amount Payable (for the year end)</u>			
Closing balance	407.95	764.95	
7. Arthi Associates Private Limited		Entities in which KMP have significant influence.	
LOANS BORROWED			
<u>Volume of Transactions (during the year)</u>			
Loan Received	1,416.00	-	
Loan Repaid	2,734.00	190.00	
<u>Amount Payable (for the year end)</u>			
Closing balance	545.30	1,863.28	
INTEREST PAYABLE			
<u>Volume of Transactions (during the year)</u>			
Interest Expense	178.03	231.28	
Interest Paid	-	-	
<u>Amount Payable (for the year end)</u>			
Closing balance	326.54	599.97	
8. Kushmitha Foundations Private Limited		Entities in which KMP have significant influence.	
LOANS BORROWED			
<u>Volume of Transactions (during the year)</u>			
Loan Received	2,920.00	-	
Loan Repaid	1,025.00	270.00	
<u>Amount Payable (for the year end)</u>			
Closing balance	2,406.60	511.60	
INTERST PAYABLE			
<u>Volume of Transactions (during the year)</u>			
Interest Expense	95.87	72.31	
Interest Paid	-		
<u>Amount Payable (for the year end)</u>			
Closing balance	325.64	240.26	
9. VG Park Beach Resorts Private Limited		Entities in which KMP have significant influence.	
LOANS BORROWED			
<u>Volume of Transactions (during the year)</u>			
Loan Received	105.00	1,160.00	
Loan Repaid	253.00	-	
<u>Amount Payable (for the year end)</u>			
Closing balance	3,163.61	2,366.61	

VELS FILM INTERNATIONAL LIMITED

INTERST PAYABLE		
<u>Volume of Transactions (during the year)</u>		
Interest Expense	95.87	237.09
Interest Paid	-	-
<u>Amount Payable (for the year end)</u>		
Closing balance	722.27	488.25
10. Ms. Preethaa Ganesh	Relative of KMP	
RENT EXPENSE		
<u>Volume of Transactions (during the year)</u>		
Rent Expense	0.60	0.60
<u>Amount Payable (for the year end)</u>		
Closing balance	2.40	1.80
11. Ms. Kushmitha Ganesh	Relative of KMP	
RENT EXPENSE		
<u>Volume of Transactions (during the year)</u>		
Rent Expense	0.60	0.60
<u>Amount Payable (for the year end)</u>		
Closing balance	2.40	1.80

F) Trade Payables ageing:

This ageing is with reference to Note 9 of the Standalone Balance Sheet as at **31st March 2026**

(in Lakhs)

Ageing of Trade Payables for the year ended 31st March 2026					
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro, Small and Medium Enterprises	-	-	-	-	-
(ii) Others	583.95	47.19	38.28	163.89	833.31
(iii) Disputed dues - Micro, Small and Medium Enterprises	-	-	-	-	-
(iii) Disputed dues – Others	-	-	-	-	-

Ageing of Trade Payables for the year ended 31st March 2025					
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro, Small and Medium Enterprises	-	-	-	-	-
(ii) Others	127.42	62.85	7.04	199.23	396.55
(iii) Disputed dues - Micro, Small and Medium Enterprises	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-

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

This ageing is with reference to Note: 16 of the Standalone Balance Sheet as at **31st March 2026**

Ageing of Trade Receivables for the year ended 31st March 2026

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	11.25	41.52	805.60	372.46	43.20	1,273.94
(ii) Undisputed Trade receivables considered doubtful	-	-	-	-	300	300
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
Less : Provision for Doubtful Debt	-	-	-	-	(300.00)	(300.00)

Ageing of Trade Receivables for the year ended 31st March 2025

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	1,097.26	3.60	1.62	17.16	339.85	1,459.78
(ii) Undisputed Trade receivables - considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

H) Contingent Liabilities:

1. During previous year 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 obligation 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 of Rs.8.5 crores towards compensatory damages.
2. The company (claimant) withdrew the petition as per the order 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 statement.
3. During the current year, the company has provided a corporate guarantee in favour of the lenders of its subsidiary Vels D Studio LLP towards cash credit facilities of 200 Lakhs and Term Loan of 144.85 Lakhs.

VELS FILM INTERNATIONAL LIMITED

J) 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 Lakhs)

Corporate Social Responsibility	For the year ended 31 st March 2026	For the year ended 31 st March 2025
(a) amount required to be spent	6.53	Not Applicable
(b) amount of expenditure incurred,	6.53*	Not Applicable
(c) shortfall at the end of the year,	-	Not Applicable
(d) total of previous years shortfall,	-	Not Applicable
(e) reason for shortfall,	-	Not Applicable
(f) nature of CSR activities,	Education and Skill Development	Not Applicable
(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

During the financial year 2022-23, the Holding company spent CSR in excess to the extent of Rs. 13,280, which has been set off during the current financial year, and the balance has been paid. CSR provisions do not apply to the subsidiary.

J) 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	
Parent Subsidiaries Indian: M/s Vels D Studios LLP	As a % of consolidated net assets	Amount (in Lakhs)	As a % of consolidated profit or loss (post-acquisition)	Amount (in Lakhs)
31 st March 2026	1.98%	806.12	5.24%	(118.06)
31 st March 2025*	-	-	-	-

*Refer Note 1 for details.

VELS FILM INTERNATIONAL LIMITED**K) 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 2026	As at As at 31st March 2025
(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

l) 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
M.No. 029814

Sd/-
Ishari Ganesh Kadhivelan
Managing Director
DIN: 00269445

Sd/-
Arthi
Director
DIN: 00568101

Sd/-
Muthukrishnan Srinivasan
Chief Financial Officer

Sd/-
Praveen Kumar
Company Secretary
ACS : 76575

Place : Chennai

Date : 30th May 2026