VELS FILM INTERNATIONAL LIMITED

CIN: U74999TN2019PLC132235 PAN: AAHCV1475C

7th September, 2023

To,

The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East),
Mumbai– 400051

Company Trading Symbol: VELS

Subject - Compliance of Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/Madam,

Pursuant to Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to enclose herewith a copy of the Annual Report of the Company for the financial year 2022-23 along with Notice of 4th Annual General Meeting scheduled to be held on Friday, 29th day of August, 2023 at 02.30 P.M.

The Annual Report is also hosted on the Website of the Company i.e., www.velsfilminternational.com under the Investor Section.

Kindly take the above information on record and acknowledge the receipt of the same.

Thanking You

Yours Faithfully,

For VELS FILM INTERNATIONAL LIMITED

ISHARI KADHIRVELAN GANESH

Digitally signed by ISHARI KADHIRVELAN GANESH
DN: c=IN, o=PERSONAL, pseudonym=93337eca22c1f1e8f9d4811070d716f1, 2.5.4.20=6f9014ZEA9D61533387DAD9B4B52972AA9E817ED7025SDB1DDD7CFD6134932C, postalCode=600115, st=TAMIL NADU, serialNumber=f2bbc851e28229bc4144db4c6b15c0af891e6ecddf7bb6b99447339df1a9d2, cn=ISHARI KADHIRVELAN GANESH
Date: 2023.09.07 21:17:17 +05'30'

DR. ISHARI K GANESH
MANAGING DIRECTOR

VELS FILM INTERNATIONAL LIMITED CHENNAI 600035

Encl – Annual Report 2022-23 along with Notice of AGM

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VELS
FILM INTERNATIONAL LTD

Dr. Ishari K. Ganesh

PRESENTS

SUCCESSFUL

25

FILMS PRODUCED WITH BLOCKBUSTERS

VELS
FILM INTERNATIONAL LTD

PRODUCED & RELEASED

BY VELS GROUP

1991 - 2022

VELS FILM INTERNATIONAL LTD

1991 2000 2001 2002 2015 2016

2016 2017 2018 2019 2019 2019

2019 2019 2020 2020 2021 2022

1 9 9 1 - 2 0 2 2

VELS
FILM INTERNATIONAL LTD

READY TO RELEASE

2023

VELS
FILM INTERNATIONAL LTD

SUMO
SHIVA

DIRECTOR : S.P HOSIMIN
DOP : RAJEEV MENON
EDITOR : PRAVEEN K.L
MUSIC : NIVAS K PRASANA

VELS
FILM INTERNATIONAL LTD

JOSHUA
IMAI POL KAAKHA

VARUN

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

VELS
FILM INTERNATIONAL LTD

SINGAPORE SALOON

RJ BALAJI

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

VELS FILM INTERNATIONAL LTD

PROJECTS UNDER POST PRODUCTION

2023 - 2024

VELS FILM INTERNATIONAL LTD

BLACK & WHITE
JEEVA & ARJUN

DIRECTOR : PA.VIJAY

DOP : DEEPAK PADHY

EDITOR : SHAN LOKESH

MUSIC : YUVAN

VELS
FILM INTERNATIONAL LTD

PT SIR
HIP-HOP ADHI

DIRECTOR : KARTHIK VENUGOPAL
DOP : MADESH
EDITOR : G.K PRASANA
MUSIC : HIP HOP ADHI

VELS FILM INTERNATIONAL LTD

PROJECTS ON SHOOT

2023 - 2024

VELS FILM INTERNATIONAL LTD

GENIE

JAYAM RAVI , ADITHI RAO, KRITHI SHETTY, KALYANI PRIYADARSHAN

DIRECTOR : ARJUNAN JR

MUSIC : AR RAHMAN

EDITOR : PRADEEP E.RAGAV

DOP : MAHES MUTHUSWAMI

VELS FILM INTERNATIONAL LTD

CHUTNEY SAMBAR
(WEB SERIES)

YOGI BABU & VANI BHOJAN

DIRECTOR : RADHA MOHAN

MUSIC : AJESH ASHOK

EDITOR : JIJENDRAN

DOP : PRASANNA KUMAR

Disney+ hotstar

BOARD OF DIRECTORS

Dr. Ishari K. Ganesh
Promoter and Managing Director
(DIN : 00269445)

Dr. Arthi Ganesh
Promoter Group and Director
(DIN: 00568101)

Ms. Preethaa Ganesh
Promoter Group and Director
(Din: 07105539)

Mr. Thummala Gangatharan Balaji
Independent Director
(Din : 00580819)

Mr. Sankara Mudaliar Jagadeesan
Independent Director
(DIN : 00580819)

Mrs. Sangeetha santharam
Independent director
(din : 07567200)

Mr. Ashwin Kumar
Promoter Group and Executive Producer

Key Managerial Personnal

Mr. V. R. Arasu
Chief Executive Officer

Mr. S. Rajagopal
Chief Financial Officer

CS S. Sujatha
Company Secretary and Compliance officer

Corporate Identity Number (cin)
U74999TN2019PLC132235

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

Bankers
Bank of Baroda

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

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

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

Registrar & share transfer agent
Cameo Corporate Services Limited
Subramanian Building" No.1 Club
House Road Chennai TN 600002

INVESTOR INFORMATION

CIN	:	U74999tn2019plc132235
Nse Symbol	:	VELS
AGM Date	:	29th september 2023
AGM Time	:	02.30 p.m
AGM Venue	:	To be held via video-conference/other Audio Visual Means

NOTICE

NOTICE is hereby given that the 4th Annual General Meeting (AGM) of the Members of **Vels Film International Limited (**the Company) will be held on Friday, 29th September 2023 at 02.30 p.m. through Video conferencing (VC)/Other Audio-Visual Means (OAVM) and for which purposes, Registered office situated at No.521/2, Anna Salai, Nandanam, Chennai – 600 035 shall be deemed as venue for the meeting and proceedings of the AGM shall be deemed to have taken place thereat to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone Audited Financial Statements for the year ended 31st March 2023 and report of the Directors and Auditors thereon.
2. To receive, consider and adopt the Consolidated Audited Financial Statements for the year ended 31st March 2023 and report of the Directors and Auditors thereon.
3. To consider and if thought fit and desirable, to pass with or without modification(s) resolution under Section 152 and other applicable provision of the Companies Act, 2013, for re appointment of Ms. Preethaa Ganesh, (DIN: 07105539) to the extent she is required to retires by rotation at ensuing AGM and who being eligible, has offered herself for reappointment for further period liable to retire by rotation and such reappointment has been recommended by the nomination and remuneration committee and Board of Directors of the Company .

Notes:

1. Relevant details, pursuant to Regulations 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India (ICSI), in respect of a Director seeking re-appointment at this Annual General Meeting is annexed.
2. At the 2nd Annual General Meeting held on 30th September 2020 the Members approved appointment of M/s. S R B R & ASSOCIATES LLP, Chartered Accountants (Firm Registration No. 004997S) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of AGM to be held in 2025.
3. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs, Government of India ("MCA") issued General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 19/2021 and 21/2021 dated 8th April 2020, 13th April 2020, 5th May 2020, 13th January 2021, 8th December 2021 and 14th December 2021, 02/2022 dated 05th May 2022, 10/2022 dated December 28,2022 issued by "MCA Circulars" and "SEBI Circulars" allowing, inter-alia, conduct of AGMs through Video Conferencing / Other Audio-Visual Means ("VC / OAVM") facility on or before 30th June 2022, in accordance with the requirements provided in paragraphs 3 and 4 of the MCA General Circular No. 20/2020. In compliance with these Circulars, provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the deemed venue for the 04th AGM shall be the Registered Office of the Company. Electronic copy of the Annual Report for the financial year 2023 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 for the financial year 2023 are being sent in the permitted mode. In case any member is desirous of obtaining hard copy of the Annual Report for the financial year 2023 and Notice of the 04th AGM of the Company, may send request to the Company's e-mail address at compliance@velsfilminternational.com mentioning Foilo No./DP ID and Client ID.
4. A Member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote on his/ her behalf and the proxy need not be a Member of the Company. However, pursuant to MCA Circulars and SEBI Circular, the AGM will be held through VC/OAVM and the physical attendance of Members in any case has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Meeting and hence the Proxy Form is not annexed to this Notice.

5. Pursuant to Section 113 of the Act representatives of Corporate Members may be appointed for the purpose of voting through remote e-voting or for participation and voting in the Meeting to be conducted through VC/OAVM. Corporate Members intending to attend the Meeting through their authorised representatives are requested to send a Certified True Copy of the Board Resolution and Power of Attorney, (PDF/ JPG Format) if any, authorizing its representative to attend and vote on their behalf at the Meeting. The said Resolution/ Authorisation shall be sent to the Company by email through its registered email address (ie) compliance@velsfilm international.com.

6. In compliance with the aforesaid MCA Circulars and SEBI Circular, Notice of the Meeting along with the Annual Report for FY 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report for FY 2022-23 will also be available on website of the Company, i.e. www.velsfilminternational.com, website of the Stock Exchanges i.e. NSE Limited and National Stock Exchange of India Limited at www.nseindia.com and, and on the website of the CDSL www.evotingindia.com.

7. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 13.

8. Members attending the Meeting through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

9. Relevant documents referred to in the accompanying Notice and the Explanatory Statement, Registers and all other documents will be available for inspection in electronic mode during business hours on all days except Saturdays, Sundays and public holidays upto the date of the AGM. Members can inspect the same by sending an email to the Company at compliance@velsfilm international.com.

10. 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, 23rd September 2023 to Friday, 29 September 2023 (both days inclusive).

11. Members are requested to intimate changes, if any, pertaining to their name, postal address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, to their Depository Participants ("DPs") in case the shares are held by them in dematerialized form.

12. Members seeking any information/desirous of asking any questions at the Meeting with regard to the accounts or any matter to be placed at the Meeting are requested to send email to the Company at compliance@ velsfilm international.com at least 10 days before the Meeting. The same will be replied by the Company suitably.

13. Information and other instructions relating to e-voting are as under

    i. Pursuant to the provisions of Section 108 and other applicable provisions of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI Listing Regulations, MCA Circulars and SEBI Circular the Company is pleased to provide its Members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means.

    ii. The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") to provide e-voting facility to the Members.

    iii. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member/ beneficial owner (in case of electronic shareholding) as on the cut-off date, i.e., Friday, 22nd September 2023. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

    iv. 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, 22nd September 2023, only shall be entitled to avail the facility of e-voting.

v. Members who have not registered their email address with the Company/ Depository or any person who acquires shares of the Company and becomes a Member of the Company after the Notice has been sent electronically by the Company, and holds shares as on the cut-off date, i.e. Friday, 22nd September 2023;

such Member may obtain the User ID and password by sending a request at helpdesk.evoting@cdslindia.com or may temporarily get their email registered with the Company's Registrar and Share Transfer Agent, Cameo Corporate Services Limited. In case of any queries, members may contact Company's Registrar and Share Transfer Agent, Cameo Corporate Services Limited, Address at Subramanian Building" No.1 Club House Road Chennai Tamilnadu - 600002

It is further clarified that for permanent registration of Email address, Members are required to register their Email address in respect of Electronic holdings with their concerned Depository Participant(s) or at Co's email Id compliance@velsfilm international.com by following due procedure.

However, if a Member is already registered with CDSL for e-voting then existing User ID and password can be used for casting vote.

vi. Mr. C. Prabakar, Practicing Company Secretary, (Membership No. F11722, CP No: 11033) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

vii. The Scrutinizer, after scrutinizing the votes, will, not later than forty eight hours from the conclusion of the Meeting; make a consolidated scrutinizer's report which shall be placed on the website of the Company, i.e. www.velsfilm international.com and on the website of CDSL. The results shall simultaneously be communicated to the Stock Exchanges.

viii. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Meeting, i.e. Friday, 29th September 2023.

ix. Information and other instructions relating to e-voting are as under

a. The remote e-voting facility will be available during the following period:

Commencement of e-voting: From 9:00 a.m. (IST) on Tuesday, 26th September 2023. End of e-voting: Up to 5:00 p.m. (IST) on Thursday, 28th September 2023. The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by CDSL upon expiry of the aforesaid period.

b. The Members who have cast their vote by remote e-voting prior to the Meeting may also attend/ participate in the Meeting through VC/OAVM but shall not be entitled to cast their vote again.

c. Pursuant to SEBI Circular No. SEBI/HO/ CFD/CMD/ CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless

authentication but also enhancing ease and convenience of participating in e-voting process.

d. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/ P/2020/242 dated 9 December 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.

Pursuant to above said SEBI Circular, Login method for e-voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of Share holders	Login Method
Individual Share holders holding securities in demat mode with CDSL	1. Existing users who have opted for CDSL Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia. com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login the Easi / Easiest user will be able to see the e-voting Menu. On clicking the e-voting menu, the user will be able to see the respective e-voting service provider i.e. CDSL/NSDL/ KARVY/ CAMEO CORPORATE SERVICES LIMITED as per information provided by Issuer / Company. Additionally, we are providing links to e-voting Service Providers, so that the user can visit the e-voting service providers' site directly. 3. If the user is not registered for Easi/Easiest, option to register is available at https:// web.cdslindia.com/myeasi/Registration/Easi Registration. 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN from a link in 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 provided links for the respective ESP where the e-Voting is in progress during or before the AGM.
Individual Share holders holding securities in demat mode with NSDL	1. 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. 2. 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

	3. 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. 4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.
Individual Share holders holding securities in demat mode login through their 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.

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. CDSL and NSDL

Login type	Helpdesk details
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 022- 23058738 or 022-23058542-43
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.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

e) Login method for e-voting and joining virtual meeting for shareholders other than individual shareholders & physical shareholders.

1) The shareholders should log on to the e-voting website www.evotingindia.com.
2) Click on "Shareholders" module.
3) Now Enter your User ID
   a. For CDSL: 16 digits beneficiary ID,
   b. For NSDL: 8 Character DP ID followed by 8 Digits
   c. Members holding shares in Physical Form should enter Folio Number registered with the Company OR EASI/EASIEST e-services, you can log-in at https://www.cdslindia.com from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-voting option and proceed directly to cast your vote electronically.
4) Next enter the Image Verification as displayed and Click on Login.
5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

6) If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact company/RTA.

f) After entering these details appropriately, click on "SUBMIT" tab.

g) However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

h) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

i) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

j) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

k) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

l) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

m) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

n) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

o) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

p) If you have any queries or issues regarding attending AGM & e-voting from the e-voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022- 23058542).

q) All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25 Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (E), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43

r) Note for Non - Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting @cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting @cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- o Alternatively Non Individual share holders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; compliance@ velsfilminternational.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

14. 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 Meeting.
15. Share transfer documents and all correspondence relating thereto, should be addressed to the Cameo Corporate Services Limited at Subramanian Building" No.1 Club House Road Chennai Tamilnadu - 600002, Registrars and Transfer Agent of the Company.
16. 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 not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified.
17. SEBI has mandated the submission of PAN by every participant of the securities market. Members holding shares in dematerialised form are, therefore, requested to submit their PAN to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Cameo Corporate Services Limited.
18. As mandated by SEBI, effective 1st April 2019 except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialised mode with a depository. Accordingly, the Members of the Company were requested to open a demat account and submit physical securities to their DPs.
19. As per Regulation 40(7) of the Listing Regulations, read with Schedule VII to the said Regulations, for registration of transfer of shares, the transferee(s) as well as transferor(s) shall mandatorily furnish copies of their Income Tax PAN Card. Additionally, for securities market transactions and / or for off market / private transactions involving transfer of shares in physical mode for listed Companies, it shall be mandatory for the transferee(s) as well as transferor(s) to furnish copies of PAN Card to the Company/ Cameo Corporate Services Limited for registration of such transfer of shares. In case of transmission of shares held in physical mode, it is mandatory to furnish a copy of the PAN Card of the legal heir(s) / nominee(s).
20. Pursuant to Section 72 of the Companies Act, 2013, Members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination, pursuant to the Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 are requested to send their requests in Form No. SH- 13, to Cameo Corporate Services Limited. Further, Members desirous of cancelling/varying nomination pursuant to the Rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in Form No. SH-14, to Cameo Corporate Services Limited. These forms will be made available on request.
21. Since the Meeting will be held through VC/ OAVM, the Route Map and Attendance Slip are not annexed to this Notice

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE MEETING THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the Meeting through VC/OAVM through the CDSL e-voting system. Shareholders may access the same at https://www.evotingindia.com under Shareholders/ Members login by using the remote e-voting credentials.
2. The link for VC/OAVM will be available in Shareholders/Members login where the EVSN of the Company will be displayed.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. The Members can join the Meeting through VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.

   The facility of participation at the Meeting through VC/OAVM will be made available to

at least 1000 members on first come first served basis. However the participation of 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. are not restricted on first come first served basis.

5. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
6. Further Shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the Meeting.
7. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
8. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
9. Those Shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the Meeting.
10. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
11. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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

§ For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)

§ For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-voting & joining virtual meetings through Depository.

· If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

· All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdsl india. com or call toll free no. 1800 22 55 33.

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

Place : Chennai
Date : 31.8.2023

- Sd -
SAMPATH KUMAR SUJATHA
Company Secretary &
Compliance Officer

Registered Office:
521/2, Anna Salai,
Nandanam,
Chennai – 600 042
EmailID:
compliance@velsfilminternational.com
Website: www.velsfilminternational.com
Contact No: +91 81483 52197

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

Name of Director	Ms. Preethaa Ganesh
Date of Birth	25th August 1996
Date of Appointment	25th October 2019
Expertise in specific functional areas & Qualifications	Under Graduation in Computer Science from SSN College of Engineering, and Post-Graduation in Management & Political Science from London School of Economics. At our company she overlooks operations & distribution of films. She has been involved in project overview, script finalization, project cost analysis.
Whether related party or not	Yes
Directorship in other companies	Vels Studios and Entertainment Private Limited
Chairmanships/ Memberships of the Committees of the Board of Directors of other listed companies (As on March 31, 2022)	NIL
Remuneration drawn	NIL
No. of meetings of the Board attended during the year	12
No. of shares held as on 31.03.2023	
(a) Own	9,000 SHARES
(b) For other persons on a beneficial basis	NA

BOARD'S REPORT

To,

The Members of

VELS FILM INTERNATIONAL LIMITED

Your Directors are pleased to present the 4TH Annual Report of your company together with Audited Financial statements for the year ended March 31, 2023.

1. FINANCIAL PERFORMANCE AND HIGHLIGHTS

Your Company's performance during the year ended March 31, 2023 as compared to the previous financial year, is summarized as below-

STANDALONE:

(**Rs.** In '000)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Turnover	54,43,66.21	26,44,25.50
Other Income	32,512.63	9,157.56
Total Income (Gross)	**5,76,878.84**	**2,73,583.06**
Total Expenditure	4,88,572.17	2,10,433.59
Profit / (Loss)before Tax	88,306.67	63,149.46
Less: Tax expenses:		
1. Current Tax	22,500	11,400
2. Deferred tax	(39.73)	4,801.66
Profit/ (Loss) after tax	**65,846.40**	**46,947.80**

CONSOLIDATED:

(**Rs.** In '000)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Turnover	5,99,212.43	2,66,206.37
Other Income	12,737.67	5,585.74
Total Income (Gross)	**6,11,950.10**	**2,71,792.11**
Total Expenditure	5,84,248.87	2,23,063.02
Profit / (Loss)before Tax	27,701.23	48,729.09
Less: Tax expenses:		
1. Current Tax	22,500	11,400
2. Deferred tax	39.73	4,801.66
Minority's share of interest	-9,121.73	-1,295.38
Profit/ (Loss) after tax	**14,362.69**	**33,822.81**

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

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

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

During the year, the Company does not propose to tranfer any amount to reserve. The Total reserves & surplus for the year ended 31st March 2023 stood at Rs. 475.22 (In Lakhs).

4. DIVIDEND

The Board of Directors of the Company have not recommended any dividend for the FY 2022-23. Accordingly, the profits has been transferred to general reserves and the Company would like to retain its profit this year to strengthen its business.

5. PERFORMANCE REVIEW

The Company's Revenue from operation for 2022-23 was Rs.5443.66 Lakhs as compared with Rs.2644.25 Lakhs during the previous year. The year has resulted in a net profit after tax of Rs.658.46 lakhs compared with Rs.469.47 Lakhs during the last year.

6. STATE OF AFFAIRS AND FUTURE OUTLOOK

a) State of the company's affairs: During the year under review ended on 31st March 2023, your Company has earned Standalone profit of Rs. 65,846.40/- (in Thousands) and Consolidate profit of Rs.5240.96 against the Standalone profit of Rs. 46,947.80/- (in Thousands) for the corresponding period ended 31st March 2022 and Consolidate Profit of Rs. 32,527.43 (in thousands).

b) The Earnings per share (basic) were at Rs. 6.86 stood as on 31st March 2023 against Rs. 4.94 for the previous year. The company is planning for an Initial Public Offering of Equity shares which are to be listed and traded at the SME platform of a nationwide Stock Exchange.

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

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

7. CAPITAL STRUCTURE

The share capital of the Company as on 31st March 2023 is as mentioned below:

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

Increase in Authorised Share capital:

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

Further during the Company has not issued

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

8. LISTING

The company went for Listing and raised money from public through Initial Public Offer process and after the completion of the listing process. The Company has successfully launched its SME-IPO (Initial Public Offering), The Public issue consisted of 34,08,000 Equity Shares for cash at a price of '99.00 per Equity Shares (including a premium of ' 89/- per Equity Shares), aggregating to Rs.33.73 crores. The company received overwhelming response for said IPO issue got over subscribed and said shares got listed on NSE-Emerge platform on 22nd March 2023. Subsequent to completion of IPO, The paid up share capital of the Company increased to Rs.12,90,80,000/- (Rupees Tweleve Crores ninety lakhs eighty thousand only)

9. MANAGEMENT DISCUSSION AND ANALYSIS

A detailed report on Management Discussion and Analysis (MDA) Report is included in this Report as Annexure-I

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

During the year under review, the Company has come up with Initial Public offer of 34,08,000 Equity Shares for cash at a price of ' 99.00 per Equity Shares (including a premium of ' 89/- per Equity Shares), aggregating to Rs.33.73 crores. Pursuant to Regulation 32(1)(a) and 32(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company hereby states that: There was no deviation(s) or variation(s) in the utilization of public issue proceeds from the objects as stated in the prospectus dated 27th February 2023.

11. ANNUAL RETURN

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

12. NUMBER OF BOARD MEETINGS

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

The Directors of the Company met 12 Times during the financial year 2022-2023.

S. No	Date of Meeting	No of Director entitled to attend the Meeting	No of Director present at the meeting
1.	16.04.2022	3	3
2.	30.04.2022	3	3
3.	26.05.2022	6	5
4.	06.07.2022	6	6
5.	09.09.2022	6	6
6.	30.09.2022	6	5
7.	16.11.2022	6	6
8.	21.12.2022	6	5
9.	06.01.2023	6	5
10.	10.02.2023	6	6
11.	25.02.2023	6	6
12.	17.03.2023	6	5

13. CREDIT RATING

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

14. COMPOSITION OF AUDIT COMMITTEE

Your Company has formed an Audit Committee as per the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. All members of the Audit Committee possess strong knowledge of accounting and financial management. During the year 04 (Four) meeting of an Audit committee was held during the year ended 31st March, 2023, i.e. on 05.07.2022, 09.09.2022, 21.12.2022 and 15.03.2023. The primary objective of the Audit Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the Management, the statutory auditor and notes the processes and safeguards employed by each of them. Further, the Audit Committee is also functional as per the provision of Section 177 of Companies Act, 2013 and Rules made thereunder and as per Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

15. COMPOSITION OF NOMINATION & REMUNERATION COMMITTEE

Your Company has formed a Nomination & Remuneration Committee to lay down norms for determination of remuneration of the executive as well as non-executive directors and executives at all levels of the Company. The Nomination & Remuneration committee has been assigned to approve and settle the remuneration package with optimum blending of monetary and non-monetary outlay. During the year 01 (One) meeting of Nomination & Remuneration committee was held during the year ended 31st March, 2023, i.e. on 10.02.2023.

16. DISCLOSURES PERTAINING TO CORPORATE SOCIAL RESPONSIBILITY

The Company has actively supported various initiatives in the areas of Health and Education during the Year. Details about the CSR policy and initiatives taken by the Company during the year 2022-23 is annexed to this report (Annexure II).

17. COMPOSITION OF STAKEHOLDERS RELATIONSHIP COMMITTEE

The terms of reference are in line with Section 178 of the Companies Act, 2013 and Regulation 20 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year 01 (One) meeting of a Stakeholders Relationship Committee was held during the year ended 31st March, 2023, i.e. on 20.03.2023.

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

S. No	Boardof Directors	B.M	Audit Committee	NRC	Stake holders Committee	CSR Commi-ttee
No of Meetings		12	4	1	1	1
1	Ishari Ganesh Kadhirvelan	12	4	1	1	1
2	Arthi	12	NA	1	1	NA
3	Preethaa Ganesh	12	NA	NA	NA	NA
4	Sankara Mudaliar Jagadeesan	10	4	1	NA	1
5	Thummala Gangatharan Balaji	7	4	1	1	1
6	Sangeetha Santharam	8	NA	NA	1	1

18. RELATED PARTY TRANSACTIONS

All contracts/ arrangements/ transactions entered by the Company during the FY 2022-23 with related parties were on an arm's length basis and in the ordinary course of business. Brief of Related Party Transaction's pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are attached in Form AOC-2 as Annexure-III.

19. CORPORATE GOVERNANCE

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

20. RISK MANAGEMENT

The Company has in place a mechanism to identify, assess, monitor and mitigate various

risks to key business objectives. Major risks identified are systematically addressed through mitigating actions on a continuing basis. These are discussed at the Meetings of the Audit Committee and the Board of Director of the Company.

21. DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S. No	Name of the Director	Designation	Date of Appt	Date of Cessation
1.	Ishari Ganesh Kadhirvelan	Managing Director	25/10/2019	-
2.	Arthi Ganesh	Director	25/10/2019	-
3.	Preethaa Ganesh	Director	25/10/2019	-
4.	Thummala Gangatharan Balaji	Director	30/04/2022	-
5.	Sankara Mudaliar Jagadeesan	Director	30/04/2022	-
6.	Sangeetha Santharam	Director	30/04/2022	-
7.	Sampath Kumar Sujatha	Company Secretary	30/04/2022	-
8	Srinivasan Rajagopal	Chief Financial Officer	20/07/2023	-
9	Vadasiruvelur Rajavelu Arasu	Chief Executive Officer	31/07/2023	-
10	Ganesan Thiyagarajan	Chief Financial Officer	30/04/2022	05/07/2023

Dr. Ishari Ganesh Kadhirvelan as been re designated has Manging Director w.e.f. 30th April 2022.

22. STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS

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

23. BOARD EVALAUTION:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 the Nomination and Remuneration Committee has carried out an Annual Performance Evaluation of the Board and of the Individual Directors has been made. During the year, the Evaluation cycle was completed by the Company internally which included the evaluation of the Board as a whole, Board Committees and Directors. The Evaluation process focused on various aspects of the Board and Committees functioning such as composition of the Board and Committees, experience, performance of duties and governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors on parameters such as contribution, independent judgment and guidance and support provided to the Management.

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

24. REMUNERATION POLICY

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

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

25. DISCLOSURE REGARDING FRAUDS

There are no frauds reported during 2022-2023.

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

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

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

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

28. LOAN FROM DIRECTORS AND RELATIVES:

The Company has outstanding loan as on 31st March 2023 from the directors as follows;

Name of Director	Diector Relative	Amount Outstanding (Rs. In 000)
Ishari Ganesh Kadhirvelan	Managing Director	3,10,916.60
Vels Film International (Proprietor)	Proprietor concern of Director	45,978.28

29. AUDITORS

Statutory Auditor:

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

Secretarial Auditor:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. BP and Associates Practicing Company Secretaries to undertake the Secretarial Audit for F.Y 2022-23. The secretarial audit report does not contain any qualifications, reservations, or adverse remarks or disclaimer. The said report is attached to this report Annexure-IV.

Internal Auditor:

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014, the Board based on the Recommendation of Audit Committee, appointed M/s. S B N & Co., Chartered Accountants, Chennai as Internal Auditor of the Company for conducting internal audit of the Company for F.Y 2022-23.

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

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

31. SUBSIDIARY AND ASSOCIATE COMPANY

Subsidiary Company- Vels Studios and Entertainment Private Limited (Percentage of Holding-77.20%)

Associate Company- Nil

A statement containing salient features of the financial statements of Company's Subsidiary is given in the prescribed Form AOC-1 as an Annexure-V

32. MATERIAL ORDERS OF REGULATORS

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

33. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM

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

34. DETAILS OF REMUNERATION OF EMPLOYEES

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

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

35. DEPOSITS

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

37. LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loan or provided any guarantee or security in favour of other parties and has also not made any investment of its fund with any other party during the year under Section 186 of Companies Act, 2013.

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

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

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

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

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

(a) Conservation of Energy:

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

(b) Absorption of Technology:

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

(c) Foreign Exchange Earnings and Outgo:

Foreign Exchange Earnings 163.12 Lakhs and Foreign Exchange Outgo Nil during the F.Y 2022-23.

(d) Research &Development:

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

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

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

39. DETAILS OF SICKNESS OF THE COMPANY

Not Applicable to the company

40. FAILURE TO COMPLETE BUY BACK

Not Applicable to the company

41. COST AUDITOR AND COST AUDIT REPORT

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

42. EXPLANATIONS IN RESPONSE TO AUDITORS' QUALIFICATIONS

The Auditors' Report on the Balance Sheet and Profit and Loss Account for the Year ending 31st March 2023 is self-explanatory and contains no qualification, reservations, adverse remarks and disclaimer.

43. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

44. INTERNAL FINANCIAL CONTROLS

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

45. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees including directors of the Company to report genuine concerns. The provisions of this policy are in line with the provisions of the Section 177(9) of the Act and as per SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

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

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. The below table provides details of complaints received/disposed during financial year 2022-23:

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

No. of complaints filed during the financial year: Nil

No. of complaints disposed during the financial year: Nil

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

47. DIRECTOR'S RESPONSIBILITY STATEMENT:

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

i. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.

ii. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

iii. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv. They have prepared the annual accounts on a going concern basis;

v. They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively ; and

vi. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

48. COMPLIANCE OF SECRETARIAL STANDARDS 1 AND 2

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

49. CEO AND CFO CERTIFICATION

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

50. ACKNOWLEDGEMENT

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

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

-sd-	-sd-
Dr. Ishari K Ganesh	**Dr. Arthi Ganesh**
Managing Director	Director
(Din: 00269445)	(Din:00568101)

Place : Chennai
Date : 31.08.2023

ANNEXURE - I

MANAGEMENT DISCUSSION ANAYLSIS REPORT

INDIAN ECONOMY INSIGHTS

India to witness GDP growth of 6.0 per cent to 6.8 per cent in 2023-24, depending on the trajectory of economic and political developments globally.

Economic survey 2022-23 projects a baseline GDP growth of 6.5 per cent in real terms in FY24

Economy is expected to grow at 7 per cent (in real terms) for the year ending March 2023, this follows an 8.7 per cent growth in the previous financial year

Credit growth to the Micro, Small and Medium Enterprises (MSME) sector has been remarkably high, over 30.5 per cent, on average during Jan-Nov 2022.

Capital expenditure (capex) of the Central Government, which increased by 63.4 per cent in the first eight months of FY23, was another growth driver of the Indian economy in the current year.

RBI projects headline inflation at 6.8 per cent in FY23, which is outside its target range

return of migrant workers to construction activities helped housing market witnessing a significant decline in inventory overhang to 33 months in Q3 of FY23 from 42 months last year

Surge in growth of exports in FY22 and the first half of FY23 induced a shift in the gears of the production processes from mild acceleration to cruise mode

Private consumption as a percentage of GDP stood at 58.4 per cent in Q2 of FY23, the highest among the second quarters of all the years since 2013-14, supported by a rebound in contact-intensive services such as trade, hotel and transport.

Survey points to the lower forecast for growth in global trade by the world trade organisation, from 3.5 per cent in 2022 to 1.0 per cent in 2023.

The optimistic growth forecasts stem from a number of positives like the rebound of private consumption given a boost to production activity, higher capital expenditure (capex), near-universal vaccination coverage enabling people to spend on contact-based services, such as restaurants, hotels, shopping malls, and cinemas, as well as the return of migrant workers to cities to work in construction sites leading to a significant decline in housing market inventory, the strengthening of the balance sheets of the corporates, a well-capitalised public sector banks ready to increase the credit supply and the credit growth to the Micro, Small and Medium Enterprises (MSME) sector to name the major ones.

The Union Minister for Finance & Corporate Affairs Smt. Nirmala Sitharaman tabled the Economic Survey 2022-23 in the Parliament, which projects a baseline GDP growth of 6.5 per cent in real terms in FY24. The projection is broadly comparable to the estimates provided by multilateral agencies such as the World Bank, the IMF, and the ADB and by RBI, domestically.

It says, growth is expected to be brisk in FY24 as a vigorous credit disbursal, and capital investment cycle is expected to unfold in India with the strengthening of the balance sheets of the corporate and banking sectors. Further support to economic growth will come from the expansion of public digital platforms and path-breaking measures such as PM Gati Shakti, the National Logistics Policy, and the Production-Linked Incentive schemes to boost manufacturing output.

The Survey says, in real terms, the economy is expected to grow at 7 per cent for the year ending March 2023. This follows an 8.7 per cent growth in the previous financial year.

Despite the three shocks of COVID-19, Russian-Ukraine conflict and the Central Banks across economies led by Federal Reserve responding with synchronised policy rate hikes to curb inflation, leading to appreciation of US Dollar and the widening of the Current Account Deficits (CAD) in net importing economies, agencies worldwide continue to project India as the fastest-growing major economy at 6.5-7.0 per cent in FY23.

According to Survey, India's economic growth in FY23 has been principally led by private consumption and capital formation and they have helped generate employment as seen in the declining urban unemployment rate and in the faster net registration in Employee Provident Fund. Moreover, World's second-largest vaccination drive involving more than 2 billion doses also served to lift consumer sentiments that may prolong the rebound in consumption. Still, private capex soon needs to take up the leadership role to put job creation on a fast track.

It also points out that the upside to India's growth outlook arises from (i) limited health and

economic fallout for the rest of the world from the current surge in Covid-19 infections in China and, therefore, continued normalisation of supply chains; (ii) inflationary impulses from the reopening of China's economy turning out to be neither significant nor persistent; (iii) recessionary tendencies in major Advanced Economies (AEs) triggering a cessation of monetary tightening and a return of capital flows to India amidst a stable domestic inflation rate below 6 per cent; and (iv) this leading to an improvement in animal spirits and providing further impetus to private sector investment.

The Survey says, the credit growth to the Micro, Small, and Medium Enterprises (MSME) sector has been remarkably high, over 30.6 per cent, on average during Jan-Nov 2022, supported by the extended Emergency Credit Linked Guarantee Scheme (ECLGS) of the Union government. It adds that the recovery of MSMEs is proceeding apace, as is evident in the amounts of Goods and Services Tax (GST) they pay, while the Emergency Credit Linked Guarantee Scheme (ECGLS) is easing their debt servicing concerns.

Apart from this, increase in the overall bank credit has also been influenced by the shift in borrower's funding choices from volatile bond markets, where yields have increased, and external commercial borrowings, where interest and hedging costs have increased, towards banks. If inflation declines in FY24 and if real cost of credit does not rise, then credit growth is likely to be brisk in FY24.

The Capital Expenditure (Capex) of the central government, which increased by 63.4 per cent in the first eight months of FY23, was another growth driver of the Indian economy in the current year, crowding in the private Capex since the January-March quarter of 2022. On current trend, it appears that the full year's capital expenditure budget will be met. A sustained increase in private Capex is also imminent with the strengthening of the balance sheets of the Corporates and the consequent increase in credit financing it has been able to generate.

Dwelling on halt in construction activities during the Pandemic, the Survey underscores that vaccinations have facilitated the return of migrant workers to cities to work in construction sites as the rebound in consumption spilled over into the housing market. This is evident in the housing market witnessing a significant decline in inventory overhang to 33 months in Q3 of FY23 from 42 months last year.

It also says that the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) has been directly providing jobs in rural areas and indirectly creating opportunities for rural households to diversify their sources of income generation. Schemes like PM-Kisan and PM Garib Kalyan Yojana have helped in ensuring food security in the country, and their impact was also endorsed by the United Nations Development Programme (UNDP). The results of the National Family Health Survey (NFHS) also show improvement in rural welfare indicators from FY16 to FY20, covering aspects like gender, fertility rate, household amenities, and women empowerment.

The Survey notes with optimism that Indian economy appears to have moved on after its encounter with the pandemic, staging a full recovery in FY22 ahead of many nations and positioning itself to ascend to the pre-pandemic growth path in FY23. Yet in the current year, India has also faced the challenge of reining in inflation that the European strife accentuated. Measures taken by the government and RBI, along with the easing of global commodity prices, have finally managed to bring retail inflation below the RBI upper tolerance target in November 2022.

It, however, cautions that the challenge of the depreciating rupee, although better performing than most other currencies, persists with the likelihood of further increases in policy rates by the US Fed. The widening of the CAD may also continue as global commodity prices remain elevated and the growth momentum of the Indian economy remains strong. The loss of export stimulus is further possible as the slowing world growth and trade shrinks the global market size in the second half of the current year.

Therefore, the Global growth has been projected to decline in 2023 and is expected to remain generally subdued in the following years as well. The slowing demand will likely push down global commodity prices and improve India's CAD in FY24. However, a downside risk to the Current Account Balance stems from a swift recovery driven mainly by domestic demand, and to a lesser extent, by exports. It also adds that the CAD needs to be closely monitored as the growth momentum of the current year spills over into the next.

The Survey brings to the fore an interesting fact that in general, global economic shocks in the past were severe but spaced out in time, but this

changed in the third decade of this millennium, as at least three shocks have hit the global economy since 2020.

It all started with the pandemic-induced contraction of the global output, followed by the Russian-Ukraine conflict leading to a worldwide surge in inflation. Then, the central banks across economies led by the Federal Reserve responded with synchronised policy rate hikes to curb inflation. The rate hike by the US Fed drove capital into the US markets causing the US Dollar to appreciate against most currencies. This led to the widening of the Current Account Deficits (CAD) and increased inflationary pressures in net importing economies.

The rate hike and persistent inflation also led to a lowering of the global growth forecasts for 2022 and 2023 by the IMF in its October 2022 update of the World Economic Outlook. The frailties of the Chinese economy further contributed to weakening the growth forecasts. Slowing global growth apart from monetary tightening may also lead to a financial contagion emanating from the advanced economies where the debt of the non-financial sector has risen the most since the global financial crisis. With inflation persisting in the advanced economies and the central banks hinting at further rate hikes, downside risks to the global economic outlook appear elevated.

Macroeconomic and Growth Challenges in the Indian Economy

After the impact of the two waves of the pandemic seen in a significant GDP contraction in FY21, the quick recovery from the virus in third wave of Omicron contributed to minimising the loss of economic output in the January-March quarter of 2022. Consequently, output in FY22 went past its pre-pandemic level in FY20, with the Indian economy staging a full recovery ahead of many nations. However, the conflict in Europe necessitated a revision in expectations for economic growth and inflation in FY23. The country's retail inflation had crept above the RBI's tolerance range in January 2022 and it remained above the target range for ten months before returning to below the upper end of the target range of 6 per cent in November 2022.

It says that the Global commodity prices may have eased but are still higher compared to pre-conflict levels and they have further widened the CAD, already enlarged by India's growth momentum. For FY23, India has sufficient forex reserves to finance the CAD and intervene in the forex market to manage volatility in the Indian rupee.

Outlook: 2023-24

Dwelling on the Outlook for 2023-24, the Survey says, India's recovery from the pandemic was relatively quick, and growth in the upcoming year will be supported by solid domestic demand and a pickup in capital investment. It says that aided by healthy financials, incipient signs of a new private sector capital formation cycle are visible and more importantly, compensating for the private sector's caution in capital expenditure, the government raised capital expenditure substantially.

Budgeted capital expenditure rose 2.7 times in the last seven years, from FY16 to FY23, re-invigorating the Capex cycle. Structural reforms such as the introduction of the Goods and Services Tax and the Insolvency and Bankruptcy Code enhanced the efficiency and transparency of the economy and ensured financial discipline and better compliance, the Survey added.

Global growth is forecasted to slow from 3.2 per cent in 2022 to 2.7 per cent in 2023 as per IMF's World Economic Outlook, October 2022. A slower growth in economic output coupled with increased uncertainty will dampen trade growth. This is seen in the lower forecast for growth in global trade by the World Trade Organisation, from 3.5 per cent in 2022 to 1.0 per cent in 2023.

On the external front, risks to the current account balance stem from multiple sources. While commodity prices have retreated from record highs, they are still above pre-conflict levels. Strong domestic demand amidst high commodity prices will raise India's total import bill and contribute to unfavourable developments in the current account balance. These may be exacerbated by plateauing export growth on account of slackening global demand. Should the current account deficit widen further, the currency may come under depreciation pressure.

Entrenched inflation may prolong the tightening cycle, and therefore, borrowing costs may stay 'higher for longer'. In such a scenario, global economy may be characterised by low growth in FY24. However, the scenario of subdued global growth presents two silver linings – oil prices will stay low, and India's CAD will be better than currently projected. The overall external situation will remain manageable.

India's Inclusive Growth

The Survey emphasises that growth is inclusive when it creates jobs. Both official and unofficial sources confirm that employment levels have risen in the current financial year, as the Periodic Labour Force Survey (PLFS) shows that the urban unemployment rate for people aged 15 years and above declined from 9.8 per cent in the quarter ending September 2021 to 7.2 per cent one year later (quarter ending September 2022). This is accompanied by an improvement in the labour force participation rate (LFPR) as well, confirming the emergence of the economy out of the pandemic-induced slowdown early in FY23.

In FY21, the Government announced the Emergency Credit Line Guarantee Scheme, which succeeded in shielding micro, small and medium enterprises from financial distress. A recent CIBIL report (ECLGS Insights, August 2022) showed that the scheme has supported MSMEs in facing the COVID shock, with 83 per cent of the borrowers that availed of the ECLGS being micro-enterprises. Among these micro units, more than half had an overall exposure of less than Rs10 lakh.

Furthermore, the CIBIL data also shows that ECLGS borrowers had lower non-performing asset rates than enterprises that were eligible for ECLGS but did not avail of it. Further, the GST paid by MSMEs after declining in FY21 has been rising since and now has crossed the pre-pandemic level of FY20, reflecting the financial resilience of small businesses and the effectiveness of the pre-emptive government intervention targeted towards MSMEs.

Moreover, the scheme implemented by the government under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) has been rapidly creating more assets in respect of "Works on individual's land" than in any other category. In addition, schemes like PM-KISAN, which benefits households covering half the rural population, and PM Garib Kalyan Anna Yojana have significantly contributed to lessening impoverishment in the country.

The UNDP Report of July 2022 stated that the recent inflationary episode in India would have a low poverty impact due to well-targeted support. In addition, the National Family Health Survey (NFHS) in India shows improved rural welfare indicators from FY16 to FY20, covering aspects like gender, fertility rate, household amenities, and women empowerment.

So far, India has reinforced the country's belief in its economic resilience as it has withstood the challenge of mitigating external imbalances caused by the Russian-Ukraine conflict without losing growth momentum in the process. India's stock markets had a positive return in CY22, unfazed by withdrawals by foreign portfolio investors. India's inflation rate did not creep too far above its tolerance range compared to several advanced nations and regions.

India is the third-largest economy in the world in PPP terms and the fifth-largest in market exchange rates. As expected of a nation of this size, the Indian economy in FY23 has nearly "recouped" what was lost, "renewed" what had paused, and "re-energised" what had slowed during the pandemic and since the conflict in Europe.

The global economy battles through a unique set of challenges

The Survey narrates about six challenges faced by the Global Economy. The three challenges like COVID-19 related disruptions in economies, Russian-Ukraine conflict and its adverse impact along with disruption in supply chain, mainly of food, fuel and fertilizer and the Central Banks across economies led by Federal Reserve responding with synchronised policy rate hikes to curb inflation, leading to appreciation of US Dollar and the widening of the Current Account Deficits (CAD) in net importing economies. The fourth challenge emerged as faced with the prospects of global stagflation, nations, feeling compelled to protect their respective economic space, thus slowing cross-border trade affecting overall growth. It adds that all along, the fifth challenge was festering as China experienced a considerable slowdown induced by its policies. The sixth medium-term challenge to growth was seen in the scarring from the pandemic brought in by the loss of education and income-earning opportunities.

The Survey notes that like the rest of the world, India, too, faced this extraordinary set of challenges but withstood them better than most economies.

In the last eleven months, the world economy has faced almost as many disruptions as caused by the pandemic in two years. The conflict caused the prices of critical commodities such as crude oil, natural gas, fertilisers, and wheat to soar. This strengthened the inflationary pressures that the global economic recovery had triggered, backed by massive fiscal stimuli and ultra-

accommodative monetary policies undertaken to limit the output contraction in 2020. Inflation in Advanced Economies (AEs), which accounted for most of the global fiscal expansion and monetary easing, breached historical highs. Rising commodity prices also led to higher inflation in the Emerging Market Economies (EMEs), which otherwise were in the lower inflation zone by virtue of their governments undertaking a calibrated fiscal stimulus to address output contraction in 2020.

The Survey underlines that Inflation and monetary tightening led to a hardening of bond yields across economies and resulted in an outflow of equity capital from most of the economies around the world into the traditionally safe-haven market of the US. The capital flight subsequently led to the strengthening of the US Dollar against other currencies – the US Dollar index strengthened by 16.1 per cent between January and September 2022. The consequent depreciation of other currencies has been widening the CAD and increasing inflationary pressures in the net importing economies.

INDUSTRY REVIEW

The Indian Media and Entertainment Sector - Outlook

Five trends shaping a new ecosystem of engagement Streaming video, social media, and gaming are helping to enable new business models and reshaping media and entertainment. But the real story for 2023 is that these three sectors are increasingly becoming more interdependent as part of a broader and richer media and entertainment ecosystem. Successful companies will likely develop strong visions that span these sectors and pull their entire industries forward.

Adapting to continuous change in the industry

In 2023, indications show that change in the media and entertainment business is likely to continue. Studios and video streamers face the reality of their own market disruption, trying to find profits in a less profitable business. They not only compete with each other for attention, time, and revenues, but with social media, user-generated content, and video games. The latter have evolved more quickly, staying close to younger demographics.

While streaming video on demand (SVOD) services spend billions on content to tempt fickle subscribers, social media services have more free video content than they can manage. Top social media services are leaning into user-generated video content (UGC), emphasizing users' interests more than their connections—and looking more like a new kind of personalized TV. While the creator economy has supported social media and brought independent creators closer to their audiences, creator incomes are still lean and unreliable. Leading UGC services seem unsure how best to support their content creators and brand ambassadors while keeping their own costs down. At the same time, more socializing may be shifting into messaging services that lean into utility more than entertainment.

This year's outlook doesn't have its own chapter on video games. Instead, gaming is represented throughout. In 2023, the story of gaming is that it is impacting every part of the media and entertainment industry. All entertainment strategies should consider video games, from simple mobile games to massively multiplayer services and rich hyper-realistic narrative game worlds. Gaming may also highlight the tight communities and fandoms that can help sustain and amplify entertainment franchises. In 2023, it may become clear that video, social, messaging, and interactive are all part of the same ecosystem of engagement.

FILM INDUSTRY

Every year, the Indian film industry churns out movies in multiple languages, but only a select few achieve the status of being a box office hit by crossing the Rs. 100-crore mark. In 2023, several Indian movies accomplished this remarkable feat and entered the prestigious [1] 100-crore club at the worldwide box office. Here are top 20 movie hits across various languages that achieved the feat.

Hindi films

In the realm of Hindi cinema, 2023 saw several movies making a mark in the 100 crore Club. Leading the charge was Pathaan, an action-packed film featuring the iconic Shah Rukh Khan alongside Dipika Padukone and John Abraham. The movie performed exceptionally well at the box office, crossing an impressive Rs. 1,050.05 crore according to sacnilk. Followed by Adipurush, starring Prabhas, Kriti Sanon, and Saif Ali Khan, earned Rs. 392.7 crore. Tu Jhoothi Main Makkaar starring Ranbir Kapoor, Shradhaa Kapoor, Dimple Kapadia had worldwide gross collection of Rs. 223 crore.

The Kerala Story, starring Adah Sharma, Yogita Bihani and Sonia Balani, had worldwide gross collection of Rs. 302 crore. Kisi Ka Bhai Kisi Ki Jaan starring Salman Khan, Puja Hegde and Venkatesh D had worldwide gross collection: Rs. 184.6 crore.

Rocky Aur Rani Kii Prem Kahaani, starring Ranveer Singh, Alia Bhatt and Jaya Bachchan, is the latest Hindi movie to enter the club with worldwide gross collection of Rs. 180.10 crore.

Zara Hatke Zara Bachke, starring Vicky Kaushal, Sara Ali Khan and Rakesh Vedi, had worldwide gross collection of Rs. 116 crore. Bholaa, starring Ajay Devgn, Tabu and Deepak Dobriyal, had worldwide gross collection of Rs. 123 crore.

Tamil films

The Tamil film industry also witnessed some remarkable achievements in the 100-crore Club like Ponniyin Selvan: II, Varisu, Thunivu and Vaathi.

Bollywood movies saw a jump in revenue in 2023, as compared to last year

Meanwhile, South Indian movies saw a decline, which can mostly be attributed to the Kannada industry.

The overall box office performance for all Indian films has marginally decreased in comparison to 2022 at the same point, even though Hindi movies have shown an improvement. According to analyst firm Ormax Media's bi-annual report charting the film industry's commercial performance, Indian movies have grossed a total of Rs 4868 crore between the months of January and June.

This represents a 15% year-on-year decline, but the margin is expected to reduce by December. 2023 is projected to end at Rs 9736 crore, with major titles such as Jawan, Salaar and Tiger 3 lined up for release. Only two years have generated more than Rs 10000 in gross revenue — 2019, and 2022. This year's highest-grossing film remains Shah Rukh Khan-starrer Pathaan.

The action spy film contributed to 13% of overall collections this year. The Hindi language share rose from 33% in 2022 to 37% this year, while Kannada movies dropped from 8% to 2% this year. January was the biggest month of the year, followed by June, which saw the release of Adipurush, Satyaprem Ki Katha and Zara Hatke Zara Bachke.

OUR BUSINESS

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

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

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

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

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

Following are the produced and upcoming films by our company since our incorporation in 2019 :-

Mookuthi Amman , Kutty Story , Sumo , Joshua Imai Pol Kaakha , Vendhu Thanindhathu Kaadu

1. The various ongoing projects are:
    a. Black & White
    b. PT Sir
    c. Corana Kumar
    d. Singapore Saloon
    e. Chutney Sambar
    f. Genie

SWOT ANALYSIS

a. Strengths:

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

A. Weakness:

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

B. Opportunities:

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

C. Threats:

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

INFORMATION SECURITY

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

SALES AND MARKETING

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

COMPETITION

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

COLLABORATIONS / JOINT VENTURES

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

HUMAN RESOURCE

We believe that our employees are the key to the success of our business. As on January 31, 2023, we have the total strength of 12 full-time employees in various departments.

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

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

FINANCIAL REVIEW

In FY 23, the Company's total consolidated income stood at Rs.5992.12 lakhs as against Rs. 2662.06 Lakhs in FY 22. The company registered an EBIT profit of Rs. 277.01 lakhs during the year as compared to a profit of Rs.487.29 lakhs in the previous year. The consolidated profit for the year stood at Rs.52.40 lakhs as compared to Rs.325.27 lakhs in FY 22.

RISK MANAGEMENT

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

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

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

INTERNAL CONTROL SYSTEMS

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

OUTLOOK

The disruption brought in by COVID-19 has forced people to stay indoors and has led to restrictions on social gatherings and greatly reduced people to people contact. The new normal has led to the increase in demand for content as people are spending most of their time indoors. Even the pattern of content consumption and consumer behaviour has changed. As the cinema halls and malls remain shut, the audience has converged on the OTT platforms (digital platforms) and these platforms continue to gain popularity at the expense of other sources of entertainment, including television channels.

The pandemic has made the Company re-strategize operational and legal aspects of the business, such as project timelines, production costs and schedules. The Company has a large content library, of its own as well as on its group OTT platform Eros Now, and with the rise in new content consumption patterns, its existing content is becoming more valuable.

We expect the resumption of normalcy to be marked by the recovery of the sector and provide all the players in the M&E space, across mediums and segments, a much-needed boost and the Company is well prepared with its existing huge content library to exploit any and all digital opportunities that come its way in the meantime.

Cautionary Statements

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning of applicable securities, laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could influence the Company's operations include economic developments in India or globally, demand and supply conditions in the industry, changes in Government regulations, tax laws, litigations, employee relations and others.

ANNEXURE II

Annual Report on Corporate Social Responsibilities (CSR) Activities

1. Outline of the CSR Policy:

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

2. The Composition of the CSR Committee.

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

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

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

4. Provide the 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 to the company.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any – *Nil.*

6. Average net profit of the company as per section 135(5) – Rs. 47407.91 (in Thousands)

7.

a. Two percent of average net profit of the company as per section 135(5) – Rs. 948.15 (in Thousands)

b. Surplus arising out of the CSR projects or programmes or activities of the previous financial years – Nil

c. Amount required to be set off for the financial year, if any- Nil

d. Total CSR obligation for the financial year (7a+7b-7c) - Rs. 948.15 (in Thousands)

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

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

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

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

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

Sl No.	CSR Project or Program Name	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Amount Spent on the Project or Programme	Location of project or Programme	Amount spent directly or through external agency	Mode of Implementation– Through Implementing Agency Name & CSR Registration Number
	Education	Education	Yes	950.00	Chennai	Directly by Company	

(d) Amount spent in Administrative Overheads: Nil

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

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

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

9.

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

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

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year - Nil

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

S/d
ISHARI GANESH KADHIRVELAN
DIN: 00269445
Managing Director

S/d
SANKARA MUDALIAR JAGADEESAN
DIN: 06999498
Chairman of CSR Committee

Place: Chennai
Date: 31.08.2023

ANNEXURE – III
Form No. AOC -2
FOR THE FINANCIAL YEAR 2022-23

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

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

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

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

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

Name(s) of the related party and nature of of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements including the value, if any (Amount in Rs.)	Date of Approval by the Board	Amount paid as advances, if any
Vels Film International	Film Distribution	2022-23	15,77,820	16/04/2022	NA
Ms. Preethaa Ganesh	Rent paid	2022-23	60,000	16/04/2022	NA
Ms. Kushmitha Ganesh	Rent Paid	2022-23	60,000	16/04/2022	NA

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

Place: Chennai
Date: 31.08.2023

- Sd -
Dr. Ishari K. Ganesh
Managing Director
DIN : 00269445

- Sd -
Dr. Arthi Ganesh
Director
DIN : 00568101

ANNEXURE - IV

Form No. MR-3

Secretarial Audit Report

For the Financial Year Ended 31st March 2023

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

To,

The Members,

VELS FILM INTERNATIONAL LIMITED

No.521/2, Anna Salai, Nandanam,

Chennai 600035.

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

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

We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by VELS FILM INTERNATIONAL LIMITED for the financial year ended on 31st March, 2023 according to the applicable provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;

   d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

   e. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

vi. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;

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

With respect to Fiscal laws such as Income Tax and Goods and Service Tax we have reviewed the systems and mechanisms established by the Company for ensuring compliances under various acts

and based on the information and explanation provided to us by the management and officers of the company and also on verification of compliance reports taken on record by the Board of Directors of the Company, we report that adequate systems are in place to monitor and ensure compliance of fiscal laws as mentioned above.

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

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

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

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

i. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

iii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the board meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

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

1. **Change in designation of Mr. Ishari Ganesh Kadhirvelan (DIN: 00269445) from Director to Managing Director for period of 5 years.** Mr. Ishari Ganesh Kadhirvelan was appointed as Managing Director of the Company for a period of Five years from 30th April 2022 to 29th April, 2027 in the Board Meeting held on 30th April 2022 and subsequently his appointment was approved through special resolution passed by the members of the company at the Extra Ordinary general meeting held on 03rd June 2022.

2. **Appointment of Mr. Sankara Mudaliar Jagadeesan, Mr. Thummala Gangatharan Balaji and Ms. Sangeetha Santharam as Non- Executive Director and Independent Directors** Mr. Sankara Mudaliar Jagadeesan, (DIN: 01799607), Mr. Thummala Gangatharan Balaji (DIN: 00580819) and Ms. Sangeetha Santharam (DIN: 07567200) were appointed as an additional director (Non-Executive & Independent Director) for a period of Five years from 30th April 2022 to 29th April, 2027 in the Board meeting held on 30th April, 2022 and subsequently their appointments were approved by the members in the Extra Ordinary general meeting held on 03rd June 2022.

3. **Appointment of Mr. Ganesan Thiyagarajan as a Chief Financial Officer of the Company** Mr. Ganesan Thiyagarajan was appointed as Chief Financial Officer of the company with effect from 30th April 2022.

4. **Appointment of Ms. Sampath Kumar Sujatha as a Company Secretary and Compliance Officer of the Company** Ms. Sampath Kumar Sujatha (M.No. A32181) was appointed as Company Secretary and Compliance Officer of the Company with effect from 30th April 2022.

5. Initial Public Offer on NSE EMERGE SME Platform The Company has issued and allotted 34,08,000 Equity shares of Rs.10/- each at an issue price of Rs. 99/- aggregating Rs. 33,73,92,000/- on 17th March 2023 through Initial Public offer and the securities of the company has been listed on NSE EMERGE SME Platform w.e.f. 22nd March 2023.

For BP & Associates
Company Secretaries
C. Prabhakar
Partner
M.NO:F11722| CP NO: 11033
UDIN: F011722E000904614
Peer Review No: P2015TN040200

Date: Date: 31.8.2023
Place: Chennai

ANNEXURE A

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

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Account of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Date: 31.8.2023
Place: Chennai

For BP & Associates
Company Secretaries
C. Prabhakar
Partner
M.NO: F11722| CP NO: 11033
UDIN: F011722E000904614
Peer Review No: P2015TN040200

ANEEXURE - V

Form AOC-1

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

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

Part "A": Subsidiaries

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

Sl. No.	Particulars	Details
1.	Name of the subsidiary	VELS STUDIOS AND ENTERTAINMENT PRIVATE LIMITED
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	SAME PERIOD
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA
4.	Share capital	24,51,50,000
5.	Reserves & surplus	5,35,21,260
6.	Total assets	107,12,56,230
7.	Total Liabilities	107,12,56,230
8.	Investments	4,25,53,050
9.	Turnover	5,48,46,230
10.	Profit/(Loss) before taxation	(4,00,07,590)
11.	Provision for taxation	nil
12.	Profit after taxation	(4,00,07,590)
13.	Proposed Dividend	NA
14.	% of shareholding	77.20%

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

1. Names of subsidiaries which are yet to commence operations –
   The above subsidiary has commenced it operations on August 27th 2023
2. Names of subsidiaries which have been liquidated or sold during the year – NOT APPLICABLE

Part "B"
Associates and Joint Ventures

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

Name of associates/Joint Ventures			
1. Latest audited Balance Sheet Date			
2. Shares of Associate/Joint Ventures held by the company on the year end			
No.			
Amount of Investment in Associates/Joint Venture			
Extend of Holding%			
3. Description of how there is significant influence			
4. Reason why the associate/joint venture is not consolidated			
5. Net worth attributable to shareholding as per latest audited Balance Sheet			
6. Profit/Loss for the year			
i. Considered in Consolidation			
ii. Not Considered in Consolidation			

1. Names of associates or joint ventures which are yet to commence operations.
2. Names of associates or joint ventures which have been liquidated or sold during the year.

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

ANNEXURE VI

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

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

(Rs. in Lakhs)

Name	Designation	Remuneration Paid FY 2022 - 2023	Remuneration Paidremuneration FY 2021 - 2022	Increase in Remuneration from Previous year	Ratio of
Dr. Ishari K Ganesh	Managing Director	22,00,000	Nil	100%	11.19
Dr. Arthi Ganesh	Director	Nil	Nil	-	-
Ms. Preethaa Ganesh	Director	Nil	Nil	-	-
Mr. Ganesan Thiagarajan	Chief Financial Officer	11,00,000	Nil	-	-
Mrs. Sampath Kumar Sujatha	Company Secretary	5,00,000	Nil	-	-

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

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

As on 31st March 2023 there were 17 employees on the roles of your Company.

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

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

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

Sr. No.	Name	Designation	Ratio

(For this purpose, sitting fees paid to the Directors have not been considered as Remuneration)

The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year: NIL

Sr. No.	Name	Designation	Ratio

ANNEXURE - VII

CEO AND CFO CERTIFICATION

To,

The Members,

Vels Film International Limited

A. We have reviewed financial statements and the cash flow statement of Vels Film International Limited for the year ended 31st March 2023 and that to the best of their knowledge and belief:

   i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of their knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of company's internal control systems pertaining to financial reporting and we have not come across any reportable deficiencies in the design or operation of such internal controls.

D. We have indicated to the auditors and the Audit committee: i. There are no significant changes in internal control over financial reporting during the year; ii. There are no Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   iii. There are no instances of significant fraud of which we have become aware.

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

-Sd-
Vadasiruvelur Rajavelu Arasu
Chief Executive Officer

-Sd-
Srinivasan Rajagopal
Chief Financial Officer

Place: Chennai

Date: 31.08.2023

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, 2023, 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, 2023, its Profit and its Cash Flows for the period ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key Audit Matters	Audit Procedures
Revenue Recognition: (Refer Note 18 to the Standalone 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.
Investment in Subsidiary: (Refer Note 11 to the Standalone Financial Statements) The Company has an investment in a Subsidiary named 'Vels Studios and Entertainments Private Limited' amounting to Rs.24.39 Crores, whose shares were acquired through NCLT order. The subsidiary is in the process of renovation of shooting floors and improvising of theme park. In connection with this, further Loans were given to the subsidiary carrying an interest rate of 6% to the extent of Rs 54.90 crores during the year. To assess if any impairment provision is required.	The following audit procedures were performed to assess the requirement of impairment provision: • Examination and analysis of the Financial Statements of the Subsidiary for year ended March 31, 2023 • Analyzing the physical verification report of the Assets of the subsidiary. • Assessing Management's business plans, assumptions and analyzing the projected cash subsidiary.

Valuation of Work-in-Progress	The following audit procedures were performed:
(Refer Note 13 to the Standalone Financial Statements) The balance of work-in-progress represented b movies under production, stands at Rs 42.12 crores on 31st March 2023. This was identified as a Key Audit Matter as it forms a significant portion of the financial statements.	• 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 financial statements and auditors' report thereon

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

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

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

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

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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

• 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 allrelationships 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 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the Report on adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B.

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

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

ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii) There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

iv) (i) The management has represented that, to the best of it's 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 it's 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) As proviso to Rule 3(1) of the Companies (Accounts) Rules 2014 is applicable for the company only with effect from 1st April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

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

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

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

Date: 25th May 2023
Place: Chennai
UDIN:23029814BGYMTF5447

R. Sundararajan
Partner
M. No. 029814

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

As Referred in 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2023:

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

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

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

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

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

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

(ii)(a) The inventory has been physically verified by the management during the period. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification.

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

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

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

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

	Loans (in thousands)
Aggregate amount granted during the period	
- Subsidiary	
M/s Vels Entertainment and Studios Private Limited	4,08,400.00

Balance outstanding as at balance sheet date in respect of above

- Subsidiary	
M/s Vels Entertainment and Studios Private Limited	5,49,004.31

(B) No loans or advances or guarantees or securities to parties other than subsidiaries, joint ventures, and associates were provided during the period.

(b) The terms and conditions of the grant of the loans are not prejudicial to the company's interest, as these loans were provided to its subsidiary whose objects and line of business are similar to that of the Company.

(c) In respect of loans to subsidiary, the payment of interest is regular as per the terms of the agreement. As regards repayment of principal, the agreement does not specify a schedule of repayment and hence the

question of commenting on regularity in repayment of principal does not arise.

(d) There are no amounts overdue with regard to interest payment. As stated above, as the agreement does not specify a schedule of repayment, the question of amounts overdue does not arise.

(e) In respect of loans and advances, no loans/ advances have been renewed or extended or no fresh loans were granted to settle the overdue of existing loans given to the subsidiary.

(f) The company has granted loans without specifying any terms and conditions or period of repayment only to its subsidiary amounting to Rs 4,08,400.00 thousand [PY: 2,71,788.69 thousand]. This constitutes 100% of the total loans. However, interest is charged on the said loan.

(iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to loans given and investments made.

(v) the Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products manufactured by it and/ or services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, undisputed statutory dues including Incometax, Goods and Services tax, cess and other statutory dues have been regularly deposited during the period by the Company with the appropriate authorities though there has been slight delay in few cases. Provident Fund, Employees State Insurance, Service Tax, Value Added Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income-tax, Goods and Services tax, cess and other statutory dues were in arrears as at 31st March 2023, for a period of more than six months from the date they became payable. Provident Fund, Employees State Insurance, Service Tax, Value Added Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise are not applicable to the Company.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year. Accordingly, reporting under clause 3(viii) is not applicable.

(ix) (a) In our opinion, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us, the company has utilized the money obtained by way of term loans during the period for the purposes for which it was obtained.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds were raised on short-term basis during the year. Hence, reporting under this clause is not applicable.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken funds from any entities and persons on account of or to meet the obligations of its subsidiaries, associates, or joint venture, except the following:

Nature of Fund taken	Name of lender	Amount involved	Name of the subsidiary, associate, joint venture	Relation	Nature of Transaction for which funds utilized
Loan	Director	Rs.4,08,400 thousand	M/s Vels Studios and Entertainment Private Limited	Subs idiary	Project of the Subsidiary

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

(x) (a) The Company has raised Rs 33.74 Crores by way of an initial public offer of equity shares at a face value of Rs 10 and premium of Rs 89 during the year. Moneys raised during the year have not been fully utilized because moneys were raised at the fag-end of the year on 22nd March 2023. Moneys to the extent of Rs 21.28 crores were utilized before end of the reporting period for the purpose for which it was raised. There was no other money raised through further public offer (including debt instruments) during the year.

(b) the company has not made any preferential allotment or private placement of shares or

convertible debentures (fully, partially, or optionally convertible) during the period. Hence, reporting under this sub - clause is not applicable.

(xi) (a) According to the explanations and information given to us, no fraud by the company or fraud on the company has been noticed or reported during the period.

(b) no report was required to be filed under sub-section (12) of section 143 of the Companies Act by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistleblower complaints received by the company during the period.

(xii) The company is not a Nidhi Company as defined under Section 406 of the Act. Hence reporting under sub – clauses (a) to (c) of this clause is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Accounting Standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) According to the information and explanations given to us, in our opinion during the period the company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company.

(xvi) (a) the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934), hence reporting under this sub-clause is not applicable.

(b) the company has not conducted any Non-Banking Financial or Housing Finance activities as per the Reserve Bank of India Act, 1934, hence reporting under this sub-clause is not applicable

(c) the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, hence reporting under this sub-clause is not applicable.

(d) the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, hence reporting under this sub-clause is not applicable.

(xvii) the company has not incurred cash losses during the audit period and in the immediately preceding financial year.

(xviii) There has not been any resignation of the statutory auditors during the period and accordingly this clause is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) the company does not have any unspent amount as per the provisions of Section 135 of the Companies Act 2013, hence reporting under sub-clause (a) and (b) of this clause is not applicable.

Date: 25th May 2023
Place: Chennai
UDIN:23029814BGYMTF5447

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

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

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

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, 2023, in conjunction with our audit of the financial statements of the Company for the period ended on that date.

Management's responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of internal financial controls over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management of override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, 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.

Date: 25th May 2023
Place: Chennai
UDIN:23029814BGYMTF5447

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

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

VELS FILM INTERNATIONAL LIMITED

Corporate Identity Number (CIN) U74999TN2019PLC132235

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

STANDALONE BALANCE SHEET AS AT 31st March, 2023

(Rupees in Thousands)

Particulars	Note No.	As at 31 March, 2023	As at 31 March 2022
I. Equity and Liabilities			
(1) Shareholders' funds			
(a) Share capital	4	1,29,080.00	95,000.00
(b) Reserves and surplus	5	4,75,225.19	1,06,066.79
(2) Non-current liabilities			
(a) Long-term borrowings	6	4,14,942.29	3,57,209.20
(3) Current liabilities			
(a) Short-term borrowings	7	3,60,289.88	2,22,195.00
(b) Trade payables	8		
(A) total outstanding dues of micro enterprises and small enterprises		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		1,15,088.66	99,078.01
(c) Other current liabilities	9	1,26,335.06	1,82,090.44
TOTAL		**16,20,961.09**	**10,61,639.44**
II. Assets			
(1) Non-current assets			
(a) Property, Plant and Equipment and Intangible Assets	10		
(i) Property, Plant and Equipment		2,989.96	269.24
(b) Non-current investments	11	2,43,959.00	2,43,959.00
(c) Deferred tax assets (net)		52.77	13.03
(d) Long-term loans and advances	12	5,51,504.55	1,98,107.83
(e) Other non-current assets			-
(2) Current assets			
(a) Inventories	13	4,21,257.53	2,46,006.38
(b) Trade receivables	14	25,605.76	1,88,177.50
(c) Cash and bank balances	15	74,612.64	6,171.99
(d) Short-term loans and advances	16	373.87	358.00
(e) Other current assets	17	3,00,605.02	1,78,576.46
TOTAL		**16,20,961.09**	**10,61,639.44**

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 Kadhirvelan**	**Arthi**	**Sampath Kumar Sujatha**	**Ganesan Thiagarajan**
Partner	Managing Director	Director	Company Secretary	Chief Financial Officer
M.No. 029814	DIN : 00269445	DIN : 00568101	A32181	

Place : Chennai

Date : 25th May 2023

VELS FILM INTERNATIONAL LIMITED

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

STANDALONE PROFIT & LOSS FOR THE YEAR ENDED AS AT 31st March, 2023

(Rupees in Thousands)

Particulars	Note No.	As at 31 March, 2023	As at 31 March 2022
I. Revenue from operations	18	5,44,366.21	2,64,425.50
II. Other income	19	32,512.63	9,157.56
III. Total Income (I+II)		5,76,878.84	2,73,583.06
IV. Expenses			
Direct Costs	20	5,81,451.23	3,01,877.58
Changes in inventories of work-in-progress	21	(1,75,405.66)	(1,34,135.50)
Employee benefit expenses	22	6,569.61	1,601.31
Finance costs	23	44,666.43	33,217.02
Depreciation and amortization expense	10	687.05	99.96
Other expenses	24	30,603.52	7,773.22
Total Expenses		4,88,572.17	2,10,433.59
V. Profit before exceptional and extraordinary items and tax (III - IV)		88,306.67	63,149.46
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		88,306.67	63,149.46
		-	-
IX. Profit before tax (VII- VIII)		88,306.67	63,149.46
X. Tax expense:			
(a) Current Tax Expense for the year		22,500.00	11,400.00
(b) Deferred Tax		(39.73)	4,801.66
XI. Profit (Loss) for the period from continuing operations (IX-X)		65,846.40	46,947.80
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)		65,846.40	46,947.80
XVI. Earnings per equity share:			
(1) Basic		6.86	4.94
(2) Diluted		6.86	4.94

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 Kadhirvelan**	**Arthi**	**Sampath Kumar Sujatha**	**Ganesan Thiagarajan**
Partner	Managing Director	Director	Company Secretary	Chief Financial Officer
M.No. 029814	DIN : 00269445	DIN : 00568101	A32181	

Place : Chennai
Date : 25th May 2023

VELS FILM INTERNATIONAL LIMITED

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

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH

(Rupees in Thousands)

Particulars	For the year ended 31 March 2023		For the year ended 31 March 2022	
CashFlow From Operating Activities				
Net Profit before Tax and Extra-ordinary Items		88,306.67		63,149.46
Adjustments for:				
Depreciation	687.05		99.96	
Interest and Finance Charges	44,666.43		33,217.02	
Interest Income	(24,684.89)		(8,738.87)	
		20,668.59		24,578.11
Operating Profit Before Working Capital Change		1,08,975.26		87,727.58
Adjustments For				
(Increase) / Decrease in Inventory	(1,75,251.15)		(1,34,135.50)	
(Increase) / Decrease in Trade Receivables	1,62,571.74		(1,85,206.92)	
(Increase)/Decrease in short term loans and advances	(15.87)		665.35	
(Increase) / Decrease in Non-Current Assets	(3,53,396.72)		46,864.99	
(Increase) / Decrease in Current Assets	(1,22,028.55)		(1,57,430.24)	
Increase / (Decrease) in Creditors	16,010.65		78,617.72	
Increase / (Decrease) in other Current Liabilities	(55,755.38)		(30,744.55)	
Increase/(Decrease) in short term borrowings/ provisions	1,38,094.88			
		(3,89,770.40)		(3,81,369.15)
Income Tax paid/ provision		(22,500.00)		(11,400.00)
Net Cash Used in/ from operating Activities (A)		**(3,03,295.14)**		**(3,05,041.57)**
Cash Flow From Investing Actvities				
Purchase of Property, Plant and Equipment and Intangible Assets	(3,407.79)		(353.41)	
Investment in securities	0.00		(2,43,709.00)	
Interest received on loans given	24,684.91		8,738.87	
Net Cashflow from Investing Activities (B)		**21,277.12**		**(2,35,323.54)**
Cash Flow from Financing Activities				
Proceeds from fresh issue	3,37,392.00			
Proceeds from borrowings/ (Repayment of Borrowings)	57,733.09		5,79,404.20	
Finance Charges paid	(44,666.43)		(33,217.02)	
Net cashflow from Financing Activities (C)		**3,50,458.67**		**5,46,187.18**
Net Increase/(Decrease) in Cash & Cash Equivalents (A)+(B)+(C)		**68,440.65**		**5,822.07**
Cash and Cash Equivalents at the Begining of the year		6,171.99		349.92
Cash and Cash Equivalents at the end of the year		74,612.64		6,171.99
Note : Cash and Cash Equivalents				
Cash and cash Equivalents as above		74,612.64		6,171.99
Cash and Bank Balances as per Note 15		74,612.64		6,171.99

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-	-Sd-	-Sd-	-Sd-	-Sd-
R. Sundararajan	**Ishari Ganesh Kadhirvelan**	**Arthi**	**Sampath Kumar Sujatha**	**Ganesan Thiagarajan**
Partner	Managing Director	Director	Company Secretary	Chief Financial Officer
M.No. 029814	DIN : 00269445	DIN : 00568101	A32181	

Place : Chennai
Date : 25th May 2023

VELS FILM INTERNATIONAL LIMITED

Notes forming part of the Standalone financial statements for the year ended 31 March 2023

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

Note 4 : Share capital

Particulars	As s at 31st March 2023	As at 31st March 2022
(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	95,00,000	95,00,000
Number of shares issued during the period	34,08,000	
Shares at the end of the reporting period	1,29,08,000	95,00,000

(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 2023	31st March 2022
1. Ishari Ganesh Kadhirvelan		
No. of shares	94,36,000	94,36,000
% of shares held	73.10 %	99.30 %
2. Udaya Sankar		
No. of shares	7,83,600	-
% of shares held	6.07 %	-

(h) Shareholding of promoters:

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

Promoter Name	31st March 2022		31st March 2021		
	No of shares	% of shares	No of shares	% of shares	% change during the year
Ishari Ganesh Kadhirvelan	94,36,000	73.10%	94,36,000	99.30 %	-

VELS FILM INTERNATIONAL LIMITED

Notes forming part of the Standalone financial statements for the year ended 31 March 2023

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

Particulars	As at 31st March 2023	As at 31st March 2023
Note 5 : Reserves and surplus		
(a) Surplus/ (Debit) balance in Statement of Profit and Loss		
Opening balance	1,06,066.79	59,118.99
Add: Profit / (Loss) for the year	65,846.40	46,947.80
Add: Securities Premium	3,03,312.00	-
	4,75,225.19	**1,06,066.79**
Note 6 : Long-term borrowings		
Secured Loan :		
(a) Term Loans		
(i) From Banks	1,593.09	-
Unsecured Loan :		
(i) Loans and advances from related parties	4,13,349.20	3,57,209.20
	4,14,942.29	**3,57,209.20**

The details of long term borrowings are as under:	Closing balance as at 31st March 2023	Closing balance as at 31st March 2022
- Bank of Baroda Car Loan borrowed - Rs 20,00,000; Interest @ 7.80% per annum and repayable in 35 instalments beginning from August 2022. ; Hypothecated by the Vehicle (Refer note 3(M) for pending Regulatory Compliance)	1,593.09	-
- Arthi Associates Private Limited Amount borrowed - Rs 11,50,00,000; Interest @ 12% per annum and repayable on demand without any specified repayment schedule	2,05,327.79	1,10,727.79
- Kushmitha Foundations Private Limited Amount borrowed - Rs 10,60,00,000; Interest @ 12% per annum and repayable on demand without any specified repayment schedule	78,160.09	1,01,760.09
- VG Park beach Resorts Private Limited Amount borrowed - Rs 14,96,00,000; Interest @ 12% per annum and repayable on demand without any specified repayment schedule	1,20,661.31	1,44,721.31
- Prabhudeva Studios Private Limited Amount borrowed Rs 95,70,000; No interest charged, repayable on demand without any specified repayment schedule	9,200.00	-
	4,14,942.29	**3,57,209.20**

VELS FILM INTERNATIONAL LIMITED

Notes forming part of the Standalone financial statements for the year ended 31 March 2023

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

Note 7 : Short Term borrowings		
(a) Short term Loans and advances from related parties	3,60,289.88	2,22,195.00
	3,60,289.88	**2,22,195.00**

The details of short term borrowings are as under:	**Closing balance as at 31st March 2023**	**Closing balance as at 31st March 2022**
- Vels film International Repayable on demand without any specified repayment schedule	45,978.28	-
- Dr. Ishari K Ganesh Repayable on demand without any specified repayment schedule	3,10,916.60	-
- Arthi Associates Private Limited Repayable on demand without any specified repayment schedule	3,395.00	2,22,195.00
TOTAL	**3,60,289.88**	**2,22,195.00**
Note 8 : Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	1,15,088.66	99.078.01
	1,15,088.66	**99.078.01**

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

Note 9 : Other current liabilities		
(a) Statutory Remittances	-	17,091.58
(b) Other payables	80,511.22	1,62,328.32
(c) Trade advances	1,000.00	1,000.00
(d) Expenses Payable	44,823.85	1,670.54
	1,26,335.06	**1,82,090.44**

Note 10 : Property Plant and Equipment Assets for current year

Depreciation	GROSS BLOCK			DEPRECIATION					
	Additions during the year	Deletions during the year	As at 31st Mar 23	As at 31st Mar 22	Additions during the year	Deletions during the year	As at 31st Mar 23	WDV As at 31 st March 2023	WDV As at 31st March 2022
(a) Plant and Equipment	-	-	239.34	42.99	39.43	-	82.42	156.92	196.35
(b) Computer and Data Processing	166.88	-	194.64	39.76	69.92	-	109.68	84.96	(12.00)
(c) Office Equipment	325.69	-	440.75	30.17	50.54	-	80.71	360.04	84.89
(d) Furniture and Fixtures	556.22	-	556.22	-	46.78	-	46.78	509.44	
(e) Vehicles	2,359.00	-	2,359.00	-	480.38	-	480.38	1,878.62	
TOTAL	**3,407.79**	**-**	**3,789.95**	**112.92**	**687.05**	**-**	**799.97**	**2,989.98**	**269.24**

VELS FILM INTERNATIONAL LIMITED

Notes forming part of the Standalone financial statements for the year ended 31 March 2023

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

Note 10 : Note 10 : Property Plant and Equipment Assets for previous year

	GROSS BLOCK			DEPRECIATION					
Depreciation	Additions during the year	Deletions during the year	As at 31st Mar 23	As at 31st Mar 22	Additions during the year	Deletions during the year	As at 31st Mar 23	WDV As at 31 st March 2023	WDV As at 31st March 2022
(a) Plant and Equipment	239.34		239.34		42.99		42.99	196.35	
(b) Computer and Data Processing	91.67		91.67		39.76		39.76	51.91	
(c) Office Equipment	22.40		51.15	12.96	17.21		30.17	20.98	15.79
TOTAL	**353.41**	**-**	**382.16**	**12.96**	**99.96**	**-**	**112.92**	**269.24**	**15.79**

Note 11 : Non-current investments		
(a) Investments in Equity shares	4,059.00	4,059.00
(b) Investments in preference shares	2,39,900.00	2,39,900.00
	2,43,959.00	**2,43,959.00**
Refer Note 3(B) for details of investments made		
Note 12 : Long-term loans and advances		
Unsecured, considered good		
Loans and advances to related parties		
(a) Other loans and advances	5,51,504.55	1,98,107.83
	5,51,504.55	**1,98,107.83**
Loans provided to the subsidiary M/s Vels Studios and Entertainment Private Limited at an interest rate of 6% per annum, where terms of repayment of interest and principal is not specified.		
Note 13 : Inventories		
(a) Work-in-progress	4,21,257.53	2,46,006.38
- Films under production		
	4,21,257.53	**2,46,006.38**
Note 14 : Trade receivables		
Unsecured, considered good		
Trade Receivables	25,605.76	1,88,177.50
	25,605.76	**1,88,177.50**
Refer Note No 3(H) for ageing analysis of Trade Receivables.		
Note 15 : Cash and bank balances		
(a) Balances with banks	73,621.07	6,139.94
(b) Cash on hand	991.56	32.04
	74,612.64	**6,171.99**
Note 16 : Short-term loans and advances		
(a) Other short tem loans and advances	373.87	358.00
	373.87	**358.00**
Note 17 : Other current assets		
(a) Prepaid Taxes (net of provisions)	19,150.30	19,702.13
(b) Advances Paid	13,738.92	44,053.67
(c) Income Accured but bill not booked	1,00,000.00	-
(d) Others	1,56,574.23	1,14,820.65
(e) Balance with revenue authorities	11,141.56	-
	3,00,605.02	**1,78,576.45**

VELS FILM INTERNATIONAL LIMITED

Notes forming part of the Standalone financial statements for the year ended 31 March 2023

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

Note 18 : Revenue from operations		
(a) Sale of services	5,44,366.21	2,64,425.50
	5,44,366.21	**2,64,425.50**
Note 19 : Other income		
Interest income	24,684.89	8,738.87
Forex Gain or Loss	42.94	-
Sponsorship Income	4,793.01	418.69
Others	2,991.80	-
	32,512.63	**9,157.56**
Note 20 : Direct Costs		
Direct Cost	5,81,451.23	3,01,877.58
	5,81,451.23	**3,01,877.58**
Note 21 : Changes in inventories of work-in-progress		
Closing balance of:		
work-in-progress	4,21,257.53	2,46,006.39
Opening balance of:		
work-in-progress	2,45,851.87	1,11,870.88
	(1,75,405.66)	**(1,34,135.50)**
Note 22 : Employee benefit expenses		
Salaries and wages	6,567.53	1,570.65
Staff welfare expenses	2.08	30.66
	6,569.61	**1,601.31**
Note 23 : Finance costs		
Interest expense	44,666.43	33,217.02
	44,666.43	**33,217.02**
Note 24 : Other expenses		
Payments to the auditors as:		
(i) auditor	350.00	250.00
(ii) for taxation matters	75.00	50.00
(iii) for other services	125.00	50.00
Expenditure incurred onCSR activities	950.00	790.74
Power and fuel	230.72	234.88
Rent	1,225.00	955.00
Rates and taxes, excluding, taxes on income	5,732.13	311.79
Bank Charges	54.40	56.26
Distribution Expenses	2,353.65	157.03
Refreshment expenses	493.68	288.40
Professional charges	5,092.53	1,969.90
Repairs and Maintenance	1,225.62	412.16
Donation	-	200.00
Office Expenses	4,895.06	764.05
Business promotion	76.67	584.90
Sponsorship Expenses	1,000.00	-
IPO exp	1,838.95	-
Project Expenses	4,176.09	-
Miscellaneous expenses	709.01	698.10
	30,603.52	**7,773.22**

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) Cash and Cash Equivalents

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

E) Cash Flow Statement

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

F) Revenue Recognition

Revenue from sale or licensing of film is recognized when:

a) Persuasive evidence of a sale or licensing agreement with a customer exists and

b) Film is certified by authorities for release in case of own exhibition of films produced and

c) The film is complete and has been delivered or is available for immediate and unconditional delivery (in accordance with the terms of the arrangement) and

d) The customer can begin its exploitation, exhibition, or sale and

e) The fee is fixed or determinable and

f) Collection of the fee is reasonably assured.

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

Nature of Income

(i) Revenue from Theatrical rights (Domestic & Overseas)

(ii) Revenue from Dubbing Rights (Domestic & Overseas)

(iii) Revenue from Satellite Rights (Domestic & Overseas)

(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.

A) Costs and Expenses

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

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

B) 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.

C) 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.

D) 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.

E) 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.

F) 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.

G) 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.

H) 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.

I) 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.

J) 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, 2023 there are no contingencies.

3) Notes on Accounts

A) Inventories:

The Company holds work in progress of movie projects amounting to Rs 4,21,257.53 (PY: 2,46,006.38) at the end of the reporting period. Opening balance of work-in-progress includes the costs of the films sold during the current financial year, which have been recognised in the Statement of Profit and Loss.

B) Investments

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

Type of instrument	As at 31st March 2023		As at 31st March 2022	
	No of shares	Value of Shares (in thousands)	No of Shares	Value of shares (in thousands)
Unquoted Equity Shares	4,05,300	4,059	4,05,300	4,059
Unquoted compulsorily convertible preference shares	2,39,90,000	2,39,900	2,39,90,000	2,39,900
TOTAL	**2,43,95,300**	**2,43,959**	**2,43,95,300**	**2,43,959**

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

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

C) Foreign Currency translations and transactions

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 31st March 2023 (in thousands)	For the year ended 31st March 2022 (in thousands)
Sale of rights	16,312.70	25,125.50

Expenditure in Foreign Exchange:

Type of service	For the year ended 31st March 2023 (in thousands)	For the year ended 31st March 2022 (in thousands)
Import of service	NIL	5,253.40

D) Earnings per share

Type of service	For the year ended 31st March 2023 (in thousands)	For the year ended 31st March 2022 (in thousands)
Profit for the year (in thousands)	65,846.40	46,947.80
Weighted average number of equity shares	96,40,055	95,00,000
Basic and Diluted EPS	6.86	4.94
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 31st March 2023	As at 31st March 2022
Opening Deferred tax Asset (A)	13.03	4,814.70
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	209.66	10.86
Closing balance of Deferred Tax Asset (B)	52.76	13.03
Net deferred tax Asset/(Liability) provided (A)-(B)	**(39.73)**	**(4,801.66)**

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	• Ishari Ganesh Kadhirvelan, Managing Director • Arthi, Director • Ganesan Thiagarajan, Chief Financial Officer • Sampath Kumar Sujatha, Company Secretary • Preethaa Ganesh, Director
Company in which KMP / Relatives of KMP can exercise significant influence	• Kushmitha Ganesh • Kushmitha Foundations Private Limited • Arthi Associates Private Limited • VGS Estates Private Limited • VG Park Beach Resorts Private Limited • Prabhudeva Studios Private Limited • GV Studio City Limited • Vel Ganesh Foundations Private Limited • Vels Film International (Proprietor) • BMMT Institute of Education • Vel Chennai Warriors LLP • Vels Aviation Services IFSC Private Limited • Vels Studios and Entertainment Private Limited • Kindle Kids International School Pte Limited, Singapore • Vels Education Limited, England • Higglo Private Ltd

TRANSACTION WITH RELATED PARTIES

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

Particulars	As at 31st March 2023 (Rs in thousands)	As at 31st March 2022 (Rs in thousands)
Name of the related Party	**Nature of Relationship**	
1. Mr. Ishari Ganesh Kadhirvelan	**Managing Director and Promoter**	
LOANS BORROWED		
Volume of Transactions (during the year)		
Amount Received	9,07,920.00	4,93,487.00
Amount Paid	6,91,305.90	5,13,194.00
Amount Payable (for the period end)		
Closing balance	3,10,916.60	94,302.50

REMUNERATION		
Volume of Transactions (during the year)		
Remuneration during the year	2,200.00	-
Amount Payable (for the period end)		
Closing balance	713.6	-
2. Vels Film International (Proprietor)	**Entities in which KMP have significant influence**	
LOANS BORROWED		
Volume of Transactions (during the year)		
Amount Received	6,438.68	4,720.07
Amount Paid	18,767.04	2,501.54
Amount Payable (for the period end)		
Closing balance	45,978.28	58,306.64
SERVICES RECEIVED		
Volume of Transactions (during the year)		
Receipts of Services -	-	77,780.00
Amount Paid	1577.82	-
Amount Payable (for the period end)		
Closing balance	76,202.18	77,780.00
3. Mrs. Arthi	**Director**	
LOANS BORROWED		
Volume of Transactions (during the year)		
Amount Received	-	-
Amount Paid	-	8.24
Amount Payable (for the period end)		
Closing balance	-	-
4. Mr. Ganesan Thiagarajan	**Chief Financial Officer**	
REMUNERATION		
Volume of Transactions (during the year)		
Salary for the year	1,000.00	200.00
Amount Payable (for the period end)		
Closing balance	100.00	200.00
5. Ms. Sampath Kumar Sujatha	**Company Secretary**	
REMUNERATION		
Volume of Transactions (during the year)		
Salary for the year	575.00	-
Amount Payable (for the period end)		
Closing balance	100.00	-
6. Vels Studios and Entertainment Private Limited	**Subsidiary**	
LOANS GIVEN		
Volume of Transactions (during the year)		
Loan given	4,08,400.00	2,63,923.71
Loan repayment received during the year	57,503.53	3,10,788.69
Amount Payable (for the period end)		
Closing balance	5,49,004.31	1,98,107.84
INTEREST ON LOAN		
Volume of Transactions (during the year)		

Interest Income recognized	24,444.77	8,738.87
Amount received	37,161.45	-
Amount Receivable (for the period end)		
Closing balance	568.56	7,864.98
INVESTMENTS		
Volume of Transactions (during the year)		
Amount Invested	-	2,43,709.00
Amount Received	-	-
Amount Receivable (for the period end)		
Closing balance	2,43,959.00	2,43,959.00
7. Prabhudeva Studios Private Limited	**Entities in which KMP/ relatives of KMP have significant influence**	
LOANS BORROWED		
Volume of Transactions (during the year)		
Amount Received	-	1,750.00
Amount repaid	370.00	680.00
Amount Payable (for the period end)		
Closing balance	9,200	9.570.00
8. Arthi Associates Private Limited	**Entities in which KMP/ relatives of KMP have significant influence**	
Volume of Transactions (during the year)		
Amount Received	21,200.00	2,22,195.00
Amount Paid	2,40,000.00	-
Amount Payable (for the period end)		
Closing balance	3,395.00	2,22,195.00
Arthi Associates Private Limited	**Entities in which KMP/ relatives of KMP have significant influence**	
LOANS BORROWED		
Volume of Transactions (during the year)		
Loan Received	94,600.00	1,15,000.00
Loan Repaid	-	4,272.21
Amount Payable (for the period end)		
Closing balance	2,05,327.79	1,10,727.79
INTEREST PAYABLE		
Volume of Transactions (during the year)		
Interest Expense	16,871.80	9,447.10
Interest Paid	-	9,372.50
Amount Payable (for the period end)		
Closing balance	16,946.39	74.60
9. Kushmitha Foundations Private Ltd.	**Entities in which KMP/ relatives of KMP have significant influence**	
LOANS BORROWED		
Volume of Transactions (during the year)		
Loan Received	-	1,06,000.00
Loan Repaid	23,600.00	4,239.91

Amount Payable (for the period end)		
Closing balance	78,160.09	1,01,760.09
INTERST PAYABLE		
Volume of Transactions (during the year)		
Interest Expense payable	9,021.29	8,661.99
Interest Paid	-	8,629.77
Amount Payable (for the period end)		
Closing balance	9,053.50	32.22
10. VG Park and Beach Resorts Private Ltd.	**Entities in which KMP/ relatives of KMP have significant influence**	
LOANS BORROWED		
Volume of Transactions (during the year)		
Loan Received	400.00	1,49,600.00
Loan Repaid	24,460.00	4,878.68
Amount Payable (for the period end)		
Closing balance	12,06,613.12	1,44,721.32
INTERST PAYABLE		
Volume of Transactions (during the year)		
Interest Expense payable	14,222.98	11,353.54
Interest Paid	-	11,156.67
Amount Payable (for the period end)		
Closing balance	14,419.86	196.87
11. Ms. Preetha Ganesh	**Relative of KMP**	
RENT EXPENSE		
Volume of Transactions (during the year)		
Rent Expense	60.00	-
Amount Payable (for the period end)		
Closing balance	60.00	-
12. Ms. Kushmitha Ganesh	**Relative of KMP**	
RENT EXPENSE		
Volume of Transactions (during the year)		
Rent Expense	60.00	-
Amount Payable (for the period end)		
Closing balance	60.00	-

G) Trade Payables ageing:

This ageing is with reference to Note 8 of the Standalone Balance Sheet as at 31st March 2023

(in thousands)

Ageing of Trade Payables for the year ended 31st March 2023					
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Micro, Small and Medium Enterprises	-	-	-	-	-
(ii) Others	49,229.18	-	65,859.48	-	1,15,088.66
(iii) Disputed dues - Micro, Small and Medium Enterprises	-	-	-	-	-
(iii) Disputed dues – Others	-	-	-	-	-
Ageing of Trade Payables for the year ended 31st March 2022					
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Micro, Small and Medium Enterprises	-	-	-	-	-
(ii) Others	94,041.61	2,043.42	2,992.98	-	99,078.01
(iii) Disputed dues - Micro, Small and Medium Enterprises	-	-	-	-	-
(iii) Disputed dues – Others	-	-	-	-	-

G) Trade Receivables ageing:

This ageing is with reference to Note: 14 of the Standalone Balance Sheet as at **31st March 2023**

Ageing of Trade Receivables for the year ended 31st March 2023						
Particulars	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables - considered good	(10,096.27)	1,714.08	33,987.95	-	-	25,605.76
(ii) Undisputed Trade receivables - considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

Ageing of Trade Receivables for the year ended 31st March 2022						
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	1,87,692.50	-	485,01	-	-	1,88,177.51
(ii) Undisputed Trade receivables - considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

I) Disclosure for Corporate Social Responsibility:

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

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

(in thousands)

Corporate Social Responsibility	For the year ended 31st March 2023	For the year ended 31st March 2022
(a) amount required to be spent	948.16	790.74
(b) amount of expenditure incurred,	950.00	790.74
(c) shortfall at the end of the year,	0.00	0.00
(d) total of previous years shortfall,	0.00	0.00
(e) reason for shortfall,	NA	NA
(f) nature of CSR activities,	Education and Skill Development	Education and Skill Development
(g) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	Not Applicable	Not Applicable
(h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	Not Applicable	Not Applicable

J) Others:

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

Particulars	As at 31st March 2023	As at 31st March 2022
(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

M) 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.

K) 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:

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
Promoters	Nil	Nil
Directors	Nil	Nil
Related Parties: Subsidiary-		
M/s Vels Studios and Entertainment Private Limited	Rs 4,08,400 thousand	100%

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

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 Kadhirvelan**	**Arthi**	**Sampath Kumar Sujatha**	**Ganesan Thiagarajan**
Partner	Managing Director	Director	Company Secretary	Chief Financial Officer
M.No. 029814	DIN : 00269445	DIN : 00568101	A32181	

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, 2023, 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, 2023, of its Consolidated Profit and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of Rs. 10,71,256.23 thousand (PY: 6,00,091.63 thousand) as at 31st March, 2023, total revenues of Rs. 59,516.04 thousand (PY: 24,805.55 thousand) and net cash flows amounting to Rs. 1,499.11 thousand (PY: negative cash flow Rs 1,878.29 thousand) for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports with modified opinion have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

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

Key Audit Matters

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

Key Audit Matters	Audit Procedures
Revenue Recognition: (Refer Note 18 to the Standalone Financial Statements) The Company recognizes income from license fees, when control of the underlying products have been transferred along with satisfaction of performance obligation. Valuation of Work-in-Progress (Refer Note 13 to the Standalone Financial Statements) The balance of work-in-progress represented b movies under production, stands at Rs 42.12 crores on 31st March 2023. This was identified as a Key Audit Matter as it forms a significant portion of the financial statements.	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. 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 Board's Report including Annexures to Board's Report but does not include the consolidated financial statements and our auditor's report thereon.

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

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

Responsibility of Management and those Charged with Governance for the Standalone

Financial Statements

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

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

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

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

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain

professional skepticism throughout the audit. We also:

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.

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

e. On the basis of the written representations received from the directors as on 31st March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the Report on adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure B.

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i) The Company has disclosed the impact of pending litigations on its financial position in Note no 26 to the financial statements.

ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii) There were no amounts required to be transferred to the Investor Education and Protection Fund by the Group.

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

(iii) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

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

vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules 2014 is applicable for the company only with effect from 1st April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

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

In our opinion and according to the information and explanations given to us, the remuneration paid during the year by the Holding Company to its directors is in accordance with the provisions of Section 197 read with Schedule V of the Act. The Subsidiary Company has not paid any remuneration to the Directors, hence it is not applicable.

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

Date: 25th May 2023
Place: Chennai
UDIN: 23029814BGYMTG2258

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

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

As Referred in 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2023:

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

S. No	Name	CIN	Holding / Company / subsidiary/ Associate/ Joint Venture	Clause number of the CARO report which is qualified or adverse
1	M/s Vels Film International Limited	U74999TN2019PLC132235	Holding	Clause (iii)
1	M/s Vels Film International Limited	U74999TN2019PLC132235	Holding	Clause (ix)
1	M/s Vels Film International Limited	U74999TN2019PLC132235	Holding	Clause (x)
1	M/s Vels Studios and Entertainment Private Limited	U74110KA2003PTC032578	Subsidiary	Clause (ii)
2	M/s Vels Studios and Entertainment Private Limited	U74110KA2003PTC032578	Subsidiary	Clause (vii)

Date: 25th May 2023
Place: Chennai
UDIN: 23029814BGYMTG2258

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

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

"Annexure B" to the Independent Auditor's Report on the Consolidated Financial Statements of Vels Film International Limited for the year ended 31st March 2023

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, 2023.

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.

Limitations of internal financial controls over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management of override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and according to the information and explanations given to us and in conjunction with our audit of the consolidated financial statements of Vels Film International Limited, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting with reference to Consolidated financial statements were operating effectively as at March 31, 2023, 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

Date: 25th May 2023
Place: Chennai
UDIN: 23029814BGYMTG2258

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

VELS FILM INTERNATIONAL LIMITED

Corporate Identity Number (CIN) U74999TN2019PLC132235

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

CONSOLIDATED BALANCE SHEET AS AT 31st March, 2023

(Rupees in Thousands)

Particulars	Note No.	As at 31 March, 2023	As at 31 March 2022
I. Equity and Liabilities			
(1) Shareholders' funds			
(a) Share capital	4	1,29,080.00	95,000.00
(b) Reserves and surplus	5	4,10,616.49	92,941.80
(2) Minority Interest	6	(11,005.85)	(1,884.11)
(2) Share application money pending allotment		-	-
(3) Non-current liabilities			
(a) Long-term borrowings	7	5,43,965.68	4,80,321.38
(b) Deferred tax liabilities (Net)	3	-	-
(4) Current liabilities			
(a) Short-term borrowings	8	5,44,203.24	30,255.39
(b) Trade payables	9		
(A) total outstanding dues of micro enterprises and small enterprises		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		1,22,813.33	1,05,500.76
(c) Other current liabilities	10	1,35,728.02	4,06,573.20
(d) Short term provisions	11	-	11,400.00
TOTAL		**18,75,400.92**	**12,20,108.41**
II. Assets			
(1) Non-current assets			
(a) Property, Plant and Equipment and Intangible Assets	12		
(i) Property, Plant and Equipment		2,74,556.27	2,71,813.40
(ii) Intangible Assets		6,216.24	6,052.43
(iii) Capital Work-in-progress		4,79,948.88	88,261.79
(b) Deferred tax assets (net)		52.77	13.03
(c) Other non-current assets	13	45,053.04	24,136.92
(2) Current assets			
(a) Inventories	14	5,39,886.74	3,64,635.59
(b) Trade receivables	15	25,706.76	1,89,208.24
(c) Cash and bank balances	16	76,625.88	6,686.13
(d) Short-term loans and advances	17	373.87	358.00
(e) Other current assets	18	4,26,980.47	2,68,942.88
TOTAL		**18,75,400.92**	**12,20,108.41**

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

For and on behalf of the Board of Directors

-Sd-	-Sd-	-Sd-	-Sd-	-Sd-
R. Sundararajan	**Ishari Ganesh Kadhirvelan**	**Arthi**	**Sampath Kumar Sujatha**	**Ganesan Thiagarajan**
Partner	Managing Director	Director	Company Secretary	Chief Financial Officer
M.No. 029814	DIN : 00269445	DIN : 00568101	A32181	

Place : Chennai
Date : 25th May 2023

VELS FILM INTERNATIONAL LIMITED

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

CONSOLIDATED PROFIT & LOSS FOR THE YEAR ENDED AS AT 31st March, 2023

(Rupees in Thousands)

Particulars	Note No.	As at 31 March, 2023	As at 31 March 2022
I. Revenue from operations	18	5,99,212.43	2,66,206.37
II. Other income	19	12,737.67	5,585.74
III. Total Income (I+II)		6,11,950.10	2,71,792.11
IV. Expenses			
Direct Costs	20	5,81,451.23	2,98,952.80
Changes in inventories of work-in-progress	21	(1,75,405.66)	(1,34,135.50)
Employee benefit expenses	22	22,455.51	4,972.94
Finance costs	23	44,666.43	33,217.02
Depreciation and amortization expense	12	21,905.95	14,437.71
Other expenses	24	89,175.41	5,618.05
Total Expenses		5,84,248.87	2,23,063.02
V. Profit before exceptional and extraordinary items and tax (III - IV)		27,701.23	48,729.09
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		27,701.23	48,729.09
VIII. Extraordinary items		-	-
IX. Profit before tax (VII- VIII)		27,701.23	48,729.09
X. Tax expense:			
(a) Current Tax Expense for the year		22,500.00	11,400.00
(b) Deferred Tax		(39.73)	4,801.66
XI. Profit (Loss) for the period from continuing operations (IX-X)		5,240.96	32,527.43
XII. Profit/(loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV. Profit (Loss) for the period before Minority Interest (XI + XIV)		5,240.96	32,527.43
Minority's share of interest		(9,121.73)	(1,295.38)
XVI. Profit/ (Loss) for the period after Minoriy Interest		14,362.69	33,822.81
XVI. Earnings per equity share:			
(1) Basic		1.50	3.56
(2) Diluted		1.50	3.56

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 Kadhirvelan**	**Arthi**	**Sampath Kumar Sujatha**	**Ganesan Thiagarajan**
Partner	Managing Director	Director	Company Secretary	Chief Financial Officer
M.No. 029814	DIN : 00269445	DIN : 00568101	A32181	

Place : Chennai
Date : 25th May 2023

VELS FILM INTERNATIONAL LIMITED

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

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2023

(Rupees in Thousands)

Particulars	For the year ended 31 March 2023		For the year ended 31 March 2022	
CashFlow From Operating Activities				
Net Profit before Tax and Extra-ordinary Items		27,701.23		92,941.80
Adjustments for:				
Depreciation	21,905.95		5,07,606.12	
Interest and Finance Charges	44,666.43		33,217.02	
		66,572.38		5,40,823.14
Operating Profit Before Working Capital Change		94,273.61		6,33,764.94
Adjustments For				
(Increase) / Decrease in Inventory	(1,75,251.15)		(3,64,635.59)	
(Increase) / Decrease in Trade Receivables	1,63,501		(1,89,208.24)	
(Increase) / Decrease in short term loans and advances	(15.87)		(358.00)	
(Increase) / Decrease in Non-Current Assets	(20,955.86)		(24,149.96)	
(Increase) / Decrease in Current Assets	(1,58,037.59)		(2,68,942.88)	
Increase / (Decrease) in Trade Payables	17,313		1,05,500.76	
Increase / (Decrease) in other Current Liabilities	(2,70,845.18)		4,06,573.20	
Increase / (Decrease) in short term provisions	(11,400.00)		11,400.00	
		(4,55,691.58)		(3,23,820.72)
Tax paid/ provision		(22,460.27)		-
Net Cash Used in/ from operating Activities (A)		**(3,83,878.24)**		**3,09,944.22**
Cash Flow From Investing Actvities				
Purchase of Property, Plant and Equipment and Intangible Assets	(4,16,499.73)		(8,73,733.73)	
Interest received on loans given				
Investment in securities	-		-	
Net Cashflow from Investing Activities (B)	(4,16,499.73)		**(8,73,733.73)**	
Cash Flow from Financing Activities				
Proceeds from issue of shares	3,37,392.00		95,000.00	
Proceeds from borrowings	5,77,592.14		5,10,576.77	
Minority Interest	-		(1,884.11)	
Financing Charges paid	(44,666.43)		(33,217.02)	
Net cashflow from Financing Activities (C)		**8,70,317.72**		**5,70,475.64**
Net Increase/(Decrease) in Cash & Cash Equivalents (A)+(B)+(C)		69,939.75		**6,686.13**
Cash and Cash Equivalents at the Begining of the year		6,686.13		-
Cash and Cash Equivalents at the end of the year		76,625.88		6,686.13
Note : Cash and Cash Equivalents				
Cash and cash Equivalents as above		76,625.88		6,686.13
Cash and Bank Balances as per Note 16		76,625.88		6,686.13

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 Kadhirvelan**	**Arthi**	**Sampath Kumar Sujatha**	**Ganesan Thiagarajan**
Partner	Managing Director	Director	Company Secretary	Chief Financial Officer
M.No. 029814	DIN : 00269445	DIN : 00568101	A32181	

Place : Chennai
Date : 25th May 2023

VELS FILM INTERNATIONAL LIMITED

Notes forming part of the consolidated financial statements for the year ended 31 March 2023

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

Note 4 : Share capital

Particulars	As s at 31st March 2023	As at 31st March 2022
(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	95,00,000	95,00,000
Number of shares issued during the period	34,08,000	
Shares at the end of the reporting period	1,29,08,000	95,00,000

(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 2023	31st March 2022
1. Ishari Ganesh Kadhirvelan		
No. of shares	94,36,000	94,36,000
% of shares held	73.10 %	99.30 %
2. Udaya Sankar		
No. of shares	7,83,600	-
% of shares held	6.07 %	-

(h) Shareholding of promoters:	31st March 2023		31st March 2022		
Promoter Name	**No of shares**	**% of shares**	**No of shares**	**% of shares**	**% change during the year**
Ishari Ganesh Kadhirvelan	94,36,000	73.10%	94,36,000	99.30 %	-26.20 %
	31st March 2022		**31st March 2021**		
Promoter Name	**No of shares**	**% of shares**	**No of shares**	**% of shares**	**% change during the year**
Ishari Ganesh Kadhirvelan	94,36,000	73.10%	94,36,000	99.30 %	-

VELS FILM INTERNATIONAL LIMITED

Notes forming part of the consolidated financial statements for the year ended 31 March 2023

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

Particulars	As at 31st March 2023	As at 31st March 2023
Note 5 : Reserves and surplus		
(a) Securities Premium	3,03,312.00	-
(b) Surplus/ (Debit) balance in Statement of Profit and Loss		
Opening balance	92,941.80	59,118.99
Add: Profit / (Loss) for the year	65,846.40	46,947.80
Add: Post-acquistion reserves of subsidiary	(51,483.71)	(13,124.99)
	4,10,616.49	**92,941.80**
Note 6 : Minority Interest		
Paid up value	-	1,197.00
Share of pre-acquisition profits and reserves		(1,785.73)
Share of post-acquisition profits and reserves		
- Opening Balance	(1,884.11)	-
- Current year share	(9,121.73)	(1,295.38)
	(11,005.85)	**(1,884.11)**
Note 7 : Long-term borrowings		
Unsecured Loan :		
(a) Term Loans		
(i) From Banks	1,30,616.48	1,23,112
(ii) Loans and advances from related parties	4,13,349.20	3,57,209.20
	5,43,965.68	**4,80,321.38**

The details of long term borrowings are as under:	Closing balance as at 31st March 2023	Closing balance as at 31st March 2022
- Bank of Baroda Car Loan borrowed - Rs 20,00,000; Interest @ 7.80% per annum and repayable in 35 instalments beginning from August 2022. ; Hypothecated by the Vehicle (Refer note 3(M) for pending Regulatory Compliance)	1,593.09	-
- Arthi Associates Private Limited Amount borrowed - Rs 11,50,00,000; Interest @ 12% per annum and repayable on demand without any specified repayment schedule	2,05,327.79	1,10,727.79
- Kushmitha Foundations Private Limited Amount borrowed - Rs 10,60,00,000; Interest @ 12% per annum and repayable on demand without any specified repayment schedule	78,160.09	1,01,760.09
- VG Park beach Resorts Private Limited Amount borrowed - Rs 14,96,00,000; Interest @ 12% per annum and repayable on demand without any specified repayment schedule	1,20,661.31	1,44,721.31

VELS FILM INTERNATIONAL LIMITED

Notes forming part of the consolidated financial statements for the year ended 31 March 2023

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

- Prabhudeva Studios Private Limited	9,200.00	-
Amount borrowed Rs 95,70,000; No interest charged, repayable on demand without any specified repayment schedule		
- Hinduja Leyland Finance Limited Amount borrowe Rs 15,00,00,000; Interest@ 11.60%, repayable in 120 monthly instalments from January 2022; secured by plot No.24 & 26, KIADB Industrial Area, Bidadi-562109	1,29,023.39	1,23,112.18
Note 8 : Short Term borrowings		
Unsecured		
(a) Short term Loans and advances from related parties	5,34,287.88	5,460.39
(b) Current maturities of Long term borrowings	9,915.36	24,795.00
	5,44,203.24	**30,255.39**

The details of short term borrowings are as under:	**Closing balance as at 31st March 2023**	**Closing balance as at 31st March 2022**
- Arthi Associates Private Limited Amount borrowed -Rs 22,21,95,000; Repayable on demand without any specified repayment schedule	3,60,289.88	2,22,195.00
- Mrs. Arthi Repayable on demand without any specified repayment schedule	824.00	824.00
- Mr. Saravan Prasad Repayable on demand without any specified repayment schedule	362.39	362.39
- Mr. Ishari Ganesh Kadhirvelan Repayable on demand without any specified repayment schedule	4,274.00	4,274.00
- Hinduja Leyland Finance Limited Amount borrowe Rs 15,00,00,000; Interest@ 11.60%, repayable in 120 monthly instalments from January 2022; secured by plot No.24 & 26, KIADB Industrial Area, Bidadi-562109	9,915.36	24,795.00
Note 9 : Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	1,22,813.33	1,05,500.76
	1,22,813.33	**1,05,500.76**

VELS FILM INTERNATIONAL LIMITED

Notes forming part of the consolidated financial statements for the year ended 31 March 2023

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

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

Note 10 : Other current liabilities		
(a) Statutory Remittances	4,616.49	18,708.84
(b) Other payables	84,003.35	3,84,885.57
(c) Trade advances	1,000.00	1,000.00
(d) Rental Advance	72.00	72.00
(e) Claims admitted under NCLT	-	236.25
(f) Expenses Payable	46,036.18	1,670.54
	1,35,728.02	**4,06,573.20**
Note 11 : Short term provisions		
(a) Provision for Tax	-	11,400.00
	-	**11,400.00**

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

(i) Property, Plant and Equipment

	GROSS BLOCK				DEPRECIATION					
Description	As at 31st March 2022	Additions duringthe Yr	Deletions during the Yr	As at 31st March 2023	As at 31st March 2022	Additions during the the Year	Deletions during the year	As at 31st March 2023	WDV as at 31st March 2022	WDV as at 31st March 2023
(a) Plant and Equipment	239.34		-	239.34	42.99	39.43	-	82.42	156.92	196.35
(b) Computer and Data Processing	9,202.71	543.18	-	9,745.89	8,459.71	193.69	-	8,653.39	1,092.49	743.00
(c) Office Equipment	1,27,628.56	823.48	-	1,28,452.05	1,24,206.70	554.37	-	1,24,761.07	3,690.98	3,421.87
(d) Land	90,517.06	-	-	90,517.06	-		-	-	90,517.06	90,517.06
(e) Building	5,17,903.83	9,516.73	-	5,27,420.55	3,44,133.16	18,590.54	-	3,62,723.69	1,64,696.86	1,73,770.67
(f) Furniture & fittings	31,456.04	8,354.15	-	39,810.19	29,421.74	1,364.11	-	30,785.84	9,024.35	2,034.31
(g) Vehicles	1,378.38	5,347.94	-	6,726.32	670.73	1,100.44	-	1,771.18	4,955.15	707.65
(h) Live stock	422.49	-	-	422.49	-		-	-	422.49	422.49
	7,78,748.41	**24,585.47**	**-**	**8,03,333.89**	**5,06,935.02**	**21,842.57**	**-**	**5,28,777.59**	**2,74,556.29**	**2,71,813.39**
(ii) Intangible Assets	-	-	-			-	-	-	-	
(a) others	671.10	227.20	-	898.30	671.10	63.38	-	734.48	163.82	0.00
(b) Goodwill	6,052.42			6,052.42	-	-	-	-	6,052.42	6,052.42
	6,723.52	**227.20**	**-**	**6,950.72**	**671.10**	**63.38**	**-**	**734.48**	**6,216.24**	**6,052.43**
(ii) Expenditure duing construction										
pending allotment	**88,261.79**	**3,91,687.09**	**-**	**4,79,948.88**	**-**	**-**	**-**	**-**	**4,79,948.88**	**88,261.79**

VELS FILM INTERNATIONAL LIMITED

Notes forming part of the consolidated financial statements for the year ended 31 March 2023

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

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

Description	As at 31st March 2022	Additions during the Year	Deletions during the Year	As at 31st March 2023	As at 31st March 2022	Additions during the the Year	Deletions during the year	As at 31st March 2023	WDV as at 31st March 2022	WDV as at 31st March 2023
(i) Property, Plant and Equipment										
(a) Plant and Equipment	-	239.34	-	239.34	-	42.99	-	42.99	196.35	-
(b) Computer and Data Processing	9,111.04	91.67	-	9,202.71	8,419.94	39.76	-	8,459.70	743.01	691.10
(c) Office Equipment	1,26,972.50	656.06	-	1,27,628.56	1,23,878.04	328.66	-	1,24,206.70	3,421.86	3,094.46
(d) Land	90,517.06	-	-	90,517.06	-	-	-	-	90,517.06	90,517.06
(e) Building	5,17,903.83	-	-	5,17,903.83	3,23,608.33	20,524.83	-	3,44,133.16	1,73,770.67	1,94,295.50
(f) Furniture & fittings	31,456.04		-	31,456.04	29,221.24	200.49	-	29,421.73	2,034.31	2,234.80
(g) Vehicles	689.18	689.20	-	1,378.38	641.28	29.45	-	670.73	707.65	47.90
(h) Live stock	411.08	11.42	-	422.50	-		-	-	422.50	411.08
	7,77,060.72	**1,687.69**	-	**7,78,748.41**	**4,85,768.83**	**21,166.18**	**-**	**5,06,935.01**	**2,71,813.40**	**2,91,291.90**
(ii) Intangible Assets										
		-	-	-			-	-	-	-
(a) others	671.10		-	671.10	635.40	35.70	-	671.10	-	35.70
(b) Goodwill	-	6,052.42		6,052.42	-	-	-	-	6,052.42	-
	671.10		**-**	**6,723.52**	**635.40**	**35.70**	**-**	**671.10**	**6,052.42**	**35.70**
(ii) Expenditure duing construction										
pending allotment		88,261.79	-	88,261.79	-	-	-	-	88,261.79	-
TOTAL	**7,77,731.82**	**89,949.48**	**-**	**8,73,733.72**	**4,86,404.23**	**21,201.88**	**-**	**5,07,606.11**	**3,66,127.61**	**2,91,327.60**

Note 13 : Other non-current assets		
(a) Other non-current assets	45,053.04	24,136.92
	45,053.04	**24,136.92**
Note 14 : Inventories		
(a) Work-in-progress	4,21,257.53	2,46,006.38
(b) Retail shops Land & Building	1,18,629.21	1,18,629.21
(c) Bar Stock	41.97	41.97
Less: Provision towards impairment of Bar Stock	(41.97)	(41.97)
	5,39,886.74	**3,64,635.59**
Note 15 : Trade receivables		
Unsecured, considered good		
Trade Receivables	25,706.76	1,89,208.24
	25,706.76	**1,89,208.24**

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

VELS FILM INTERNATIONAL LIMITED

Notes forming part of the consolidated financial statements for the year ended 31 March 2023

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

Note 16 : Cash and bank balances		
(a) Balances with banks	75,540.84	6,598.95
(b) Cash on hand	1,034.39	36.53
(c) Deposits with Banks	50.65	50.65
	76,625.88	**6,686.14**
Note 17 : Short-term loans and advances		
(a) Other short tem loans and advances	373.87	358.00
	373.87	**358.00**
Note 18 : Other current assets		
(a) Balance with Revenue Authorities	56,412.63	37,017.10
(b) Advances Paid	43,937.30	76,462.30
(c) Security Deposits	11,195.18	8,103.35
(c) Income Accured but bill not booked	1,00,000.00	-
(c) Other Current asset	1,96,285.06	1,47,360.14
(f) Prepaid Taxes	19,150.30	
	4,26,980.47	**2,68,942.89**
Note 18 : Revenue from operations		
(a) Sale of products	13,384.15	114.35
(a) Sale of services	5,85,828.28	2,66,092.01
	5,99,212.43	**2,66,206.36**
Note 19 : Other income		
(a) Other income	247.43	1,189.10
(b) Balances written off	4,662.49	4,396.63
(c) Foerx Gain or Loss	42.94	-
(d) Sponsorship Income	7,784.81	-
	12,737.67	**5,585.74**
Note 20 : Direct Costs		
Direct Costs	5,81,451.23	2,98,952.80
	5,81,451.23	**2,98,952.80**
Note 21 : Changes in inventories of work-in-progress		
Closing balance of:		
work-in-progress	4,21,257.53	2,46,006.39
finished goods	1,18,629.21	1,18,629.21
Opening balance of:		
work-in-progress	2,45,851.87	1,11,870.88
finished goods	1,18,629.21	1,18,629.21
	(1,75,405.66)	**(1,34,135.51)**
Note 22 : Employee benefit expenses		
salaries and wages	21,910.26	4,791.62
staff welfare expenses	545.26	181.32
	22,455.51	**4,972.94**

VELS FILM INTERNATIONAL LIMITED

Notes forming part of the consolidated financial statements for the year ended 31 March 2023

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

Note 23 : Finance costs		
Interest expense	44,666.43	33,217.02
	44,666.43	**33,217.02**
Note 24 : Other expenses		
Payments to the auditors as:		
(i) auditor	350.00	250.00
(ii) for taxation matters	75.00	50.00
(iii) for other services	125.00	50.00
Expenditure incurred onCSR activities	950.00	790.74
Power and fuel	9,271.52	-
Rent	1,225.00	955.00
Repairs to buildings	649.88	-
Repairs to machinery	6,914.89	-
Rates and taxes, excluding, taxes on income	10,141.91	-
Bank Charges	125.01	99.44
Distribution Expenses	23,53,648	157.03
Refreshment expenses	493.68	-
Professional charges	10,980.23	1,987.40
Donation	-	200.00
Business promotion	98.32	558.16
Printing & Stationary	94.13	40.67
Canteen Expenses	10,527.97	-
Applicable net gain/loss on foreign currency transactions and translation of transactions	-	90.04
Miscellaneous expenses	34,799.23	389.57
	89,175.41	**5,618.06**

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 Kadhirvelan**	**Arthi**	**Sampath Kumar Sujatha**	**Ganesan Thiagarajan**
Partner	Managing Director	Director	Company Secretary	Chief Financial Officer
M.No. 029814	DIN : 00269445	DIN : 00568101	A32181	

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

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

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

2. Significant Accounting Policies

A) Basis of preparation of Financial Statements

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

B) Use of estimates

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

C) Inventories

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

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

D) Cash and Cash Equivalents

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

E) Cash Flow Statement

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

F) Revenue Recognition

- Revenue from sale or licensing of film is recognized when:

a) Persuasive evidence of a sale or licensing agreement with a customer exists and

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.

Nature of Income

(i) Revenue from Theatrical rights (Domestic & Overseas)

(ii) Revenue from Dubbing Rights (Domestic & Overseas)

(iii) Revenue from Satellite Rights (Domestic & Overseas)

(iv) Revenue from Music Rights (Domestic & Overseas)

(v) Revenue from Sale of Transfer of Rights (Domestic & Overseas)

(vi) Revenue from Sale of Digital Rights (Domestic & Overseas)

Other income:

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

- Entry charges are recognized at the time when entry tickets are issued to visitors for entry into the park.
- Revenue from food court, Collection from conference halls, Fashion café and parties and events are recognised on accrual basis.
- Share of revenue from is recognized as per the terms of the agreement with the respective parties.
- Revenue from sale of services is recognised at the time of rendering of services and there is no significant uncertainty in the ultimate collection of the revenue.

G) Costs and Expenses

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

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

H) Property, Plant and Equipment

1. Property, Plant and Equipment

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

2. Intangible Assets

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

3. Capital Work in Progress

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

4. Depreciation

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

I) Foreign currency transactions and translations

Initial recognition and treatment of exchange differences

Transactions in foreign currencies entered by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction. They are re-translated at the exchange rate prevailing at the Balance sheet

date. The unrealised gains or losses are recognised as income or expense in the Statement of Profit and Loss on restatement at the end of reporting period.

J) Investments

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

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

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

K) Employee Benefits

The provisions of gratuity, provident fund and employee state insurance do not apply to the 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 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.

3. Notes on Accounts

A) Inventories:

The Company holds work in progress of movie projects amounting to Rs 4,21,257.53 (in thousands) (PY: 2,46,006.38) at the end of the reporting period. Opening balance of work-in-progress includes the costs of the films sold during the current financial year, which have been recognised in the Statement of Profit and Loss.

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

B) Foreign Currency translations and transactions

I. Earnings in Foreign Exchange:

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

Type of service	For the year ended 31st March 2023 (in thousands)	For the year ended 31st March 2022 (in thousands)
Sale of rights	16,312.70	25,125.50

II. Expenditure in Foreign Exchange:

Type of service	For the year ended 31st March 2023 (in thousands)	For the year ended 31st March 2022 (in thousands)
Import of professional charges of stunt master	NIL	5,253.40

C) Earnings per share

Type of service	For the year ended 31st March 2023 (in thousands)	For the year ended 31st March 2022 (in thousands)
Profit for the year (in thousands)	14,362.69	33,822.81
Weighted average number of equity shares (in numbers)	96,40,055	95,00,000
Basic and Diluted EPS	1.50	3.56
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 31st March 2023	As at 31st March 2022
Opening Deferred tax Asset (A)	13.03	4,814.70
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	209.66	10.86
Closing balance of Deferred Tax Asset (B)	52.76	13.03
Net deferred tax Asset/ (Liability) provided (A)-(B)	**(39.73)**	**(4,801.66)**

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	• Ishari Ganesh Kadhirvelan, Managing Director • Arthi, Director • Ganesan Thiagarajan, Chief Financial Officer • Sampath Kumar Sujatha, Company Secretary • Preethaa Ganesh, Director
Company in which KMP / Relatives of KMP can exercise significant influence	• Kushmitha Ganesh • Kushmitha Foundations Private Limited • Arthi Associates Private Limited • VGS Estates Private Limited • VG Park Beach Resorts Private Limited • Prabhudeva Studios Private Limited • GV Studio City Limited • Vel Ganesh Foundations Private Limited • Cybernexa Infotech Private Limited, • MDIS - Vels Education Private Limited, • Vels Film International (Proprietor) • BMMT Institute of Education • Vel Chennai Warriors LLP • Madras Elephant Estate Private Limited • Vels Aviation Services IFSC Private Limited • Kindle Kids International School Pte Limited, Singapore • Vels Education Limited, England

TRANSACTION WITH RELATED PARTIES

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

Particulars	As at 31st March 2023 (Rs in thousands)	As at 31st March 2022 (Rs in thousands)
Name of the related Party	**Nature of Relationship**	
1. Mr. Ishari Ganesh Kadhirvelan	**Managing Director and Promoter**	
LOANS BORROWED		
Volume of Transactions (during the year)		
Amount Received	10,76,820.00	4,97,781.00
Amount Paid	6,91,305.90	5,13,194.00
Amount Payable (for the period end)		
Closing balance	3,10,916.60	94,302.50
REMUNERATION		
Volume of Transactions (during the year)		
Remuneration during the year	2,200.00	-
Amount Payable (for the period end)		
Closing balance	713.6	-

2. Vels Film International (Proprietor)	**Entities in which KMP have significant influence.**	
LOANS BORROWED		
Volume of Transactions (during the year)		
Amount Received	6,438.68	4,720.07
Amount Paid	18,767.04	2,501.54
Amount Payable (for the period end)		
Closing balance	45,978.28	58,306.64
SERVICES RECEIVED		
Volume of Transactions (during the year)		
Receipts of Services -	-	77,780.00
Amount Paid	1577.82	-
Amount Payable (for the period end)		
Closing balance	76,202.18	77,780.00
3. Mrs. Arthi	**Director**	
LOANS BORROWED		
Volume of Transactions (during the year)		
Amount Received	-	824.00
Amount Paid	-	8.24
Amount Payable (for the period end)		
Closing balance	-	-
4. Mr. Ganesan Thiagarajan	**Chief Financial Officer**	
REMUNERATION		
Volume of Transactions (during the year)		
Salary for the year	1,000.00	200.00
Amount Payable (for the period end)		
Closing balance	100.00	200.00
5. Ms. Sampath Kumar Sujatha	**Company Secretary**	
REMUNERATION		
Volume of Transactions (during the year)		
Salary for the year	575.00	-
Amount Payable (for the period end)		
Closing balance	100.00	-
6. Prabhudeva Studios Private Limited	**Entities in which KMP/ relatives of KMP have significant influence.**	
LOANS BORROWED		
Volume of Transactions (during the year)		
Amount Received	-	1,750.00
Amount repaid	370.00	680.00
Amount Payable (for the period end)		
Closing balance	9,200.00	9,570.00
7. Arthi Associates Private Limited	**Entities in which KMP/ relatives of KMP have significant influence**	
Volume of Transactions (during the year)		
Amount Received	21,200.00	2,22,195.00
Amount Paid	2,40,000.00	-
Amount Payable (for the period end)		
Closing balance	3,395.00	2,22,195.00

Arthi Associates Private Limited	Entities in which KMP/ relatives of KMP have significant influence	
LOANS BORROWED		
Volume of Transactions (during the year)		
Loan Received	94,600.00	1,15,000.00
Loan Repaid	-	4,272.21
Amount Payable (for the period end)		
Closing balance	2,05,327.79	1,10,727.79
INTEREST PAYABLE		
Volume of Transactions (during the year)		
Interest Expense	16,871.80	9,447.10
Interest Paid	-	9,372.50
Amount Payable (for the period end)		
Closing balance	16,946.39	74.60
8. Kushmitha Foundations Private Ltd.	**Entities in which KMP/ relatives of KMP have significant influence**	
LOANS BORROWED		
Volume of Transactions (during the year)		
Loan Received	-	1,06,000.00
Loan Repaid	23,600.00	4,239.91
Amount Payable (for the period end)		
Closing balance	78,160.09	1,01,760.09
INTERST PAYABLE		
Volume of Transactions (during the year)		
Interest Expense payable	9,021.29	8,661.99
Interest Paid	8,629.77	
Amount Payable (for the period end)		
Closing balance	9,053.50	32.22
9. VG Park and Beach Resorts Private Ltd.	**Entities in which KMP/ relatives of KMP have significant influence**	
LOANS BORROWED		
Volume of Transactions (during the year)		
Loan Received	400.00	1,49,600.00
Loan Repaid	24,460.00	4,878.68
Amount Payable (for the period end)		
Closing balance	12,06,613.12	1,44,721.32
INTERST PAYABLE		
Volume of Transactions (during the year)		
Interest Expense payable	14,222.98	11,353.54
Interest Paid	11,156.67	
Amount Payable (for the period end)		
Closing balance	14,419.86	196.87

10. Ms. Preetha Ganesh		Relative of KMP
RENT EXPENSE		
Volume of Transactions (during the year)		
Rent Expense	60.00	-
Amount Payable (for the period end)		
Closing balance	60.00	-

11. Ms. Kushmitha Ganesh		Relative of KMP
RENT EXPENSE		
Volume of Transactions (during the year)		
Rent Expense	60.00	-
Amount Payable (for the period end)		
Closing balance	60.00	-

F) Trade Payables ageing:

This ageing is with reference to Note 9 of the Standalone Balance Sheet as at **31st March 2023**

(in thousands)

Ageing of Trade Payables for the year ended 31st March 2023					
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Micro, Small and Medium Enterprises	-	-	-	-	-
(ii) Others	56,559.23	394.62	65,859.48	-	1,22,813.33
(iii) Disputed dues - Micro, Small and Medium Enterprises	-	-	-	-	-
(iii) Disputed dues – Others	-	-	-	-	-

Ageing of Trade Payables for the year ended 31st March 2022					
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Micro, Small and Medium Enterprises	-	-	-	-	-
(ii) Others	1,00,666.03	2,043.42	2,992.98	-	1,05,702.43
(iii) Disputed dues - Micro, Small and Medium Enterprises	-	-	-	-	-
(iii) Disputed dues – Others	-	-	-	-	-

G) Trade Receivables ageing:

This ageing is with reference to Note: 14 of the Standalone Balance Sheet as at **31st March 2023**

Ageing of Trade Receivables for the year ended 31st March 2023						
Particulars	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables - considered good	(9,995.27)	1,714.08	33,987.95	-	-	25,706.76
(ii) Undisputed Trade receivables - considered doubtful	-	-	561.75	-	-	561.75
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

Ageing of Trade Receivables for the year ended 31st March 2022						
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	1,87,692.50	1,030.74	485,01	-	-	1,89,208.25
(ii) Undisputed Trade receivables - considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

H) CWIP Ageing:

Amount in CWIP for a period of (in thousands)					
Capital Work in Progress under construction	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
31st March 2023	4,12,284.94	97,000.66	-	-	5,09,285.60
31st March 2022	88,261.79	-	-	-	88,261.79

I) Contingent Liabilities:

i) Income Tax assessments

Basis the Income search conducted on November 11, 2017, the assessing officer has passed an order during the current year with the below demand. The Company filed an appeal against the order with Commissioner of Income Tax (Appeals).

Financial year	Outstanding Demand Amount	Accrued Interest	Amount Demanded
2018	2,780.11	-	2,780.11
2017	54,263.15	-	54,263.15
2013	7,688.02	-	7,688.02
2012	11,313.73	1,799.65	13,113.37
2011	9,215.38	3,318.06	12,533.44
2010	80,745.47	38,014.25	1,18,759.72

ii) Service Tax

The Company has outstanding demands from Service tax department as stated below:

FY	Authority	Date of demand	Outstanding demand amount (Rs. in 000's)
2014-15 & 2015-16	Assessing Officer	06-01-2017	1,905.41
2015-16 & 2016-17	Assessing Officer	06-01-2017	25,310.51

The dues have been settled under the order of National Company Law Tribunal

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 thousands)

Corporate Social Responsibility	For the year ended 31st March 2023	For the year ended 31st March 2022
(a) amount required to be spent	948.16	790.74
(b) amount of expenditure incurred,	950.00	790.74
(c) shortfall at the end of the year,	0.00	0.00
(d) total of previous years shortfall,	0.00	0.00
(e) reason for shortfall,	NA	NA
(f) nature of CSR activities,	Education and Skill Development	Education and Skill Development
(g) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	Not Applicable	Not Applicable
(h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	Not Applicable	Not Applicable

K) 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 Studios and Entertainment Private Limited	**As a % of consolidated net assets**	**Amount (in thousands)**	**As a % of consolidated profit or loss (post-acquisition)**	**Amount (in thousands)**
31st March 2023	77.20%	1,47,937.39	77.20%	(30,885.86)
31st March 2022	77.20%	1,78,823.25	77.20%	(4,386.12)

L) Others:

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

	Particulars	As at 31st March 2023	As at 31st March 2022
(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

M) 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.

N) 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 Kadhirvelan**	**Arthi**	**Sampath Kumar Sujatha**	**Ganesan Thiagarajan**
Partner	Managing Director	Director	Company Secretary	Chief Financial Officer
M.No. 029814	DIN : 00269445	DIN : 00568101	A32181	

VELS
FILM INTERNATIONAL LTD

THANK YOU

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