

**Press Note**

**Kolkata, May 25, 2022**

## **VFS Capital aims to disburse Rs. 2000 crore in FY23, targets Rs. 1500 crore loan portfolio**

- **Plans to scale up non-MFI loan book to 10%**
- **To add 25 branches in the current fiscal**

As economy rebounds, **VFS Capital Limited** (formerly Village Financial Services), the Kolkata-based leading Microfinance Institution, is charting a growth story in the post-covid era. As life normalises, owing to a surge in credit demand and an improvement in collection efficiency, VFS Capital Limited is eyeing at a loan disbursal of Rs. 2000 Cr. in FY23. With this, the company is expecting a more than 200% rise in disbursal as compared to Rs. 600 crore disbursements in FY22.

VFS Capital is also looking to scale up its loan book by more than 85% to **Rs.1500** crore by the end of the current fiscal. In FY22, it had reported a loan book of Rs. 805 crore.

Putting more thrust in its expansion tools, VFS Capital is also aiming to increase its non-MFI loan book in MSME and affordable housing segments to **10%** by end of this fiscal. Currently, it is 4% of the overall portfolio.

The encouraging improvement in collection efficiency is the backbone of VFS Capital's growth plans as the company reported an improved collection efficiency of 96% in FY22. They expect the collection efficiency to bounce back to the pre-covid levels of 98-99% by end of this fiscal.

**Speaking on this, Mr. Kuldip Maity, MD & CEO of VFS Capital said,** "Favourable factors like, rebound in economic activities and a steady pick-up in credit demand, provide hope for better growth prospects in FY23. This also indicates that livelihood of microfinance beneficiaries is gradually getting back on track with resuming of their income generating activities. We had taken a cautious approach during pandemic and our focus was more on recovery and collections. However, with slight improvement in the economic conditions in FY21-22, we disbursed loans close to Rs. 600 crore. This Year, we are witnessing a very good demand and we expect to disburse fresh loans amounting to Rs. 2000 crore."

**The Company currently operates through 246 branches in 13 states** - West Bengal, Tripura, Assam, Bihar, Jharkhand, Odisha, Sikkim, Madhya Pradesh, Uttarakhand, Chhattisgarh, Meghalaya, Haryana and Uttar Pradesh, catering to a customer base of more than five lakh. It has also announced plans to expand its branch network in FY23. As part of this expansion, **VFS Capital will add 25 new branches in current financial year to cover new cities across multiple states.**



‘We believe there are tremendous opportunities for the MFI sector in the post-covid era and we aim to explore these to reach as many underbanked people as possible by expanding our footprint. Also, the common regulatory framework has created a level playing field for MFIs. It will improve lending in the sector as well as safeguard the interests of borrowers,’ **Mr. Kuldip Maity added.**

The company has also unveiled its new corporate logo and the revamped brand identity which will guide and accelerate VFS’ business growth.

RSVP:

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