



VILLAGE FINANCIAL SERVICES PVT. LTD.

AN ISO CERTIFIED MICROFINANCE INSTITUTION

Corporate Office

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Kolkata – 700057, West Bengal, India.



Village
Financial Services
Private Limited

Annual Report 2016-2017



Bringing meaning to life and living



There are no fences...over dales, across miles of refreshing greens, the fathomless blue of the sky inspires, ignites and rekindles the mind with promises of a new beginning.

Committed at the heart, VFS's relentless pursuit brings joy and happiness, home. Towards empowering the underprivileged, we remain committed to make a major impact in expanding economic access, participation and power in the minds of 'low-income women entrepreneurs'. We are also steadfast in providing responsive, efficient and sustainable financial and other support services in an ethical, transparent and respectful way.



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Annual Report
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Chairman's Message

A Formidable Foundation

At the outset, let me share the pride Team VFS takes in their unrelenting effort toward changing the lives of the underprivileged and financially challenged. As we sail ahead, moving beyond the ports of two decades of contribution toward an empowered Indian society, we remain determined in our endeavor to consistently improve all the lives that VFS touches. I am forever grateful to all, who have contributed in this journey and have stood by our core values.

In the year under consideration, we have been able to reach many people in newer areas, which didn't experience VFS activities before. For VFS the new horizon means acceptance of larger responsibility and bigger business. We are humbly thankful to all the Customers, Partners and Team Members for their valuable support and guidance in charting this roadmap for us.

Through this journey of VFS, I have seen many women building formidable foundations with the bricks thrown at them. Some of them are urban and some are rural. We noticed their determination and stood by them. Coming from the pit of the society, they joined us as first time borrowers, then moved on as motivators and developed voluntary groups. In the process, they not only did change their own lives, but changed the lives of their families, groups and communities. We stood by them with our range of financial and non-financial services, provided them with institution building support and facilitated their growth into financially sustainable entities. It is indeed a unique sense of fulfillment to see them moving up the value chain and rightfully claiming the position they deserve in the society.

This has led me to believe that to strengthen the socio-economic fabric of the society, women must be supported in a sustainable manner. To achieve the goal of inclusive growth more and more earning opportunities must be created for the economically

challenged households. These have been the core values and the guiding force all through the journey of VFS. In the road forward we plan to expand further and reach out to the under-privileged of those remote areas which not yet have known any banking service of any kind.

VFS's most valued assets are its team members. The number of Credit Officers has gone up by almost 40% in 2016-17 because of the new territories VFS have embarked upon. Despite the growth in numbers, VFS has deliberately kept its structures simplified and is continuously working on opportunities for the evolution of the organization at all levels, mostly through internal training and skill development

Village Financial Services today is an esteemed name in facilitating and promoting financial inclusion in the Eastern part of India. The passion, determination and commitment from the entire team towards achieving our mission and objectives has been commendable. Equipped with learning's from the past and wiser with over two decades of experience, VFS now is ready to embrace the future with a greater vigor and optimism.

I take this opportunity to sincerely thank all the Leaders, Government officials and Bankers who have held our hands at the right time to show us the right way. And, once again let me convey my heartfelt gratitude to the Board members, investors, partners and stakeholders of VFS for their commitment, wisdom, guidance and vision, without which a journey this far would never have been possible.

With warm wishes,

Ajit Kumar Maity



Message from Managing Director & CEO

Fostering Change By Bridging The Gap

Since its very inception, some forty odd years ago, Microfinance has been a game changer. The model of providing micro credit to the impoverished has helped numerous people move out of the clutches of the loan sharks and has brought back the hapless their self-esteem.

As a result, Microcredit has been recognized as one of the most effective ways of financial inclusion and alleviation of poverty. Not only in India or the Indian sub-continent which, has got a new identity as South Asia in recent times, but through the entire world. The development model, which was first adopted by Grameen Bank of Bangladesh in 1970s, has proven its efficacy in more than 100 countries in different parts of the world through the past 4 decades. It helps the mainstream financial system in getting rid of the vested circles by resolving information problems, by eliminating the intrinsic difficulties in enforcing contracts, and most importantly, by reducing transactions costs.

No wonder therefore that today the world has witnessed an exponential growth of the micro financial services compounded with continuous diversification of products and clients. The market today has extended much beyond the boundaries of conventional microfinance. Institutions like the World Bank and the International Monetary Fund have acknowledged that extension of the Microcredit market has reduced poverty and fostered social change.

The primary lesson that Village Financial Services Pvt. Ltd., (VFS) has taught me is that the task of a Micro Finance Institution (MFI) begins with re-orientation of its perception. Financial inclusion should be its priority.

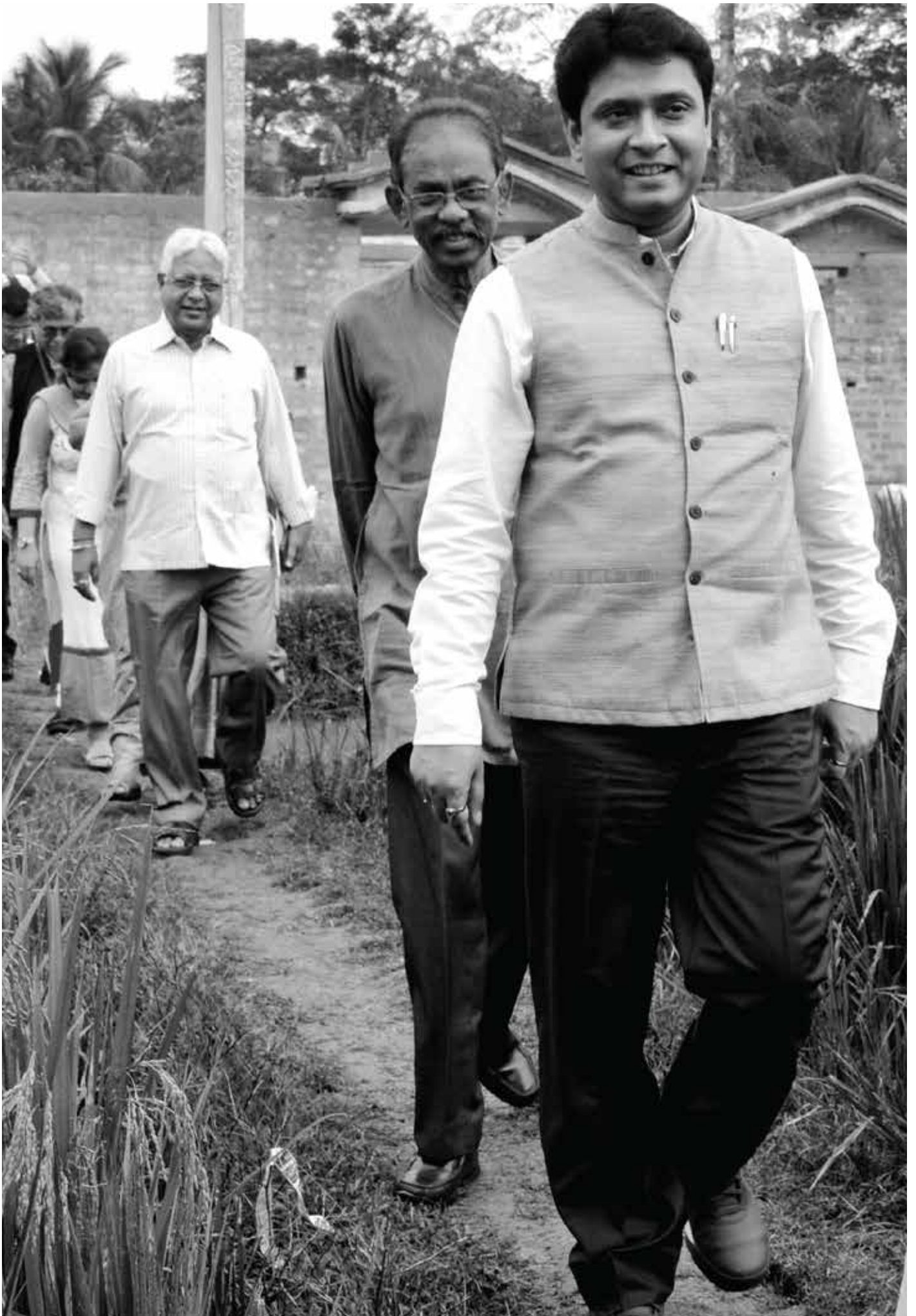
Priority cannot be, I reiterate cannot be, 100% recovery of the loans. Practicing this doctrine over the years VFS has emerged as a significant and sustainable provider of a dependable banking system to the impoverished across the state of West Bengal, Bihar, Jharkhand, Odisha, Tripura, Assam, Sikkim and Uttarakhand continuously bridging the gap between the formal banking sector and the un-banked poor.

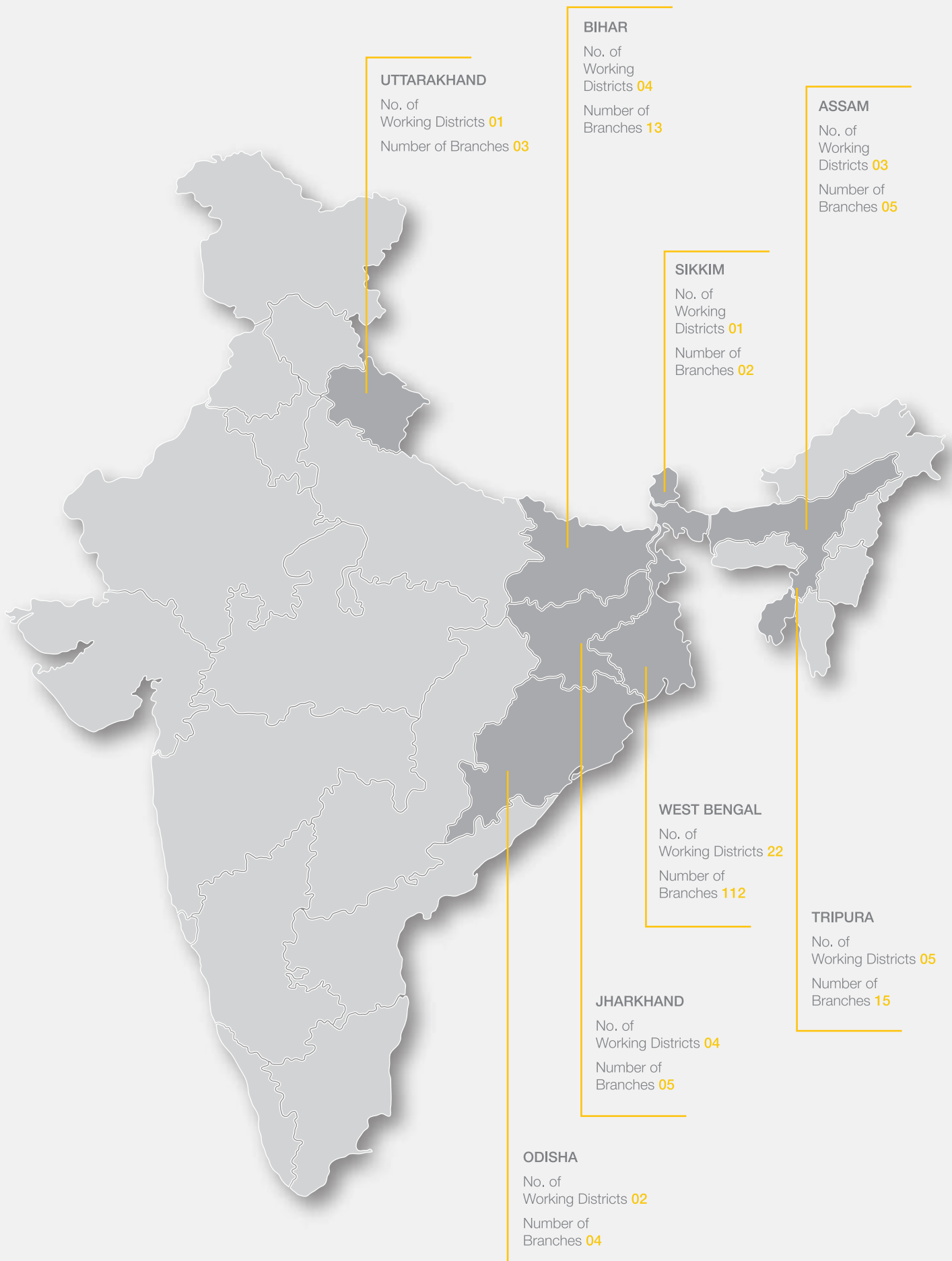
While financing the poor, VFS ensures their sustenance through a well-defined set of social indicators. Training in skill development is provided along with market linkage supports. These enhance the financial capabilities of the loan-takers and make an enduring and permanent impact on their lives. The benefits have reached more than 500,000 families till date.

Keeping in mind the nefarious Ponzi schemes which springs into existence out of nowhere, and the natural weaknesses of the over-indebted, VFS emphasizes on Financial Literacy of its beneficiaries. Series of Training and Awareness Programs are conducted to instill basic financial prudence among them and develop a social capital. As a proud recipient of the esteemed 'Transparency Seal' awarded by mfrtransparency.org, VFS cherishes its ethical practices in the world of micro finance and strive for a resplendent tomorrow.

Regards,

Dr. Kuldip Maity





Corporate Chronicle

A smile at a time!

Village Financial Services Pvt. Ltd. (VFS) began its journey in microfinance operations in 2006, and is today recognized as one of the oldest and the most reputed microfinance institutions of eastern India. Expanding services and operations to eight states in India, VFS has carved a rare distinction of being the first microfinance company in eastern India to be registered as NBFC-MFI under section 45-IA of the Reserve Bank of India. It is also the first ISO certified microfinance company in India.

Empowering Generations

VFS has grown in leaps and bounds, touching and bringing meaning to life and living of many lesser privileged and backward sections of our society. The growth has come through inspiring and empowering women, bringing qualitative transformation in the

lives of their families, helping them to gain confidence and respect in the society.

Building Confidence, Creating Value

VFS has successfully integrated a cost effective and efficient operating model to reach out to its customers and build long term relationships in a consistent and sustainable approach. VFS's operating model includes the Joint Liability Group or JLG appraisal as well as collection of loan installments in person at the customer's doorstep. VFS' belief of value-creation empowers citizens toward a fair and efficient access to financial services.

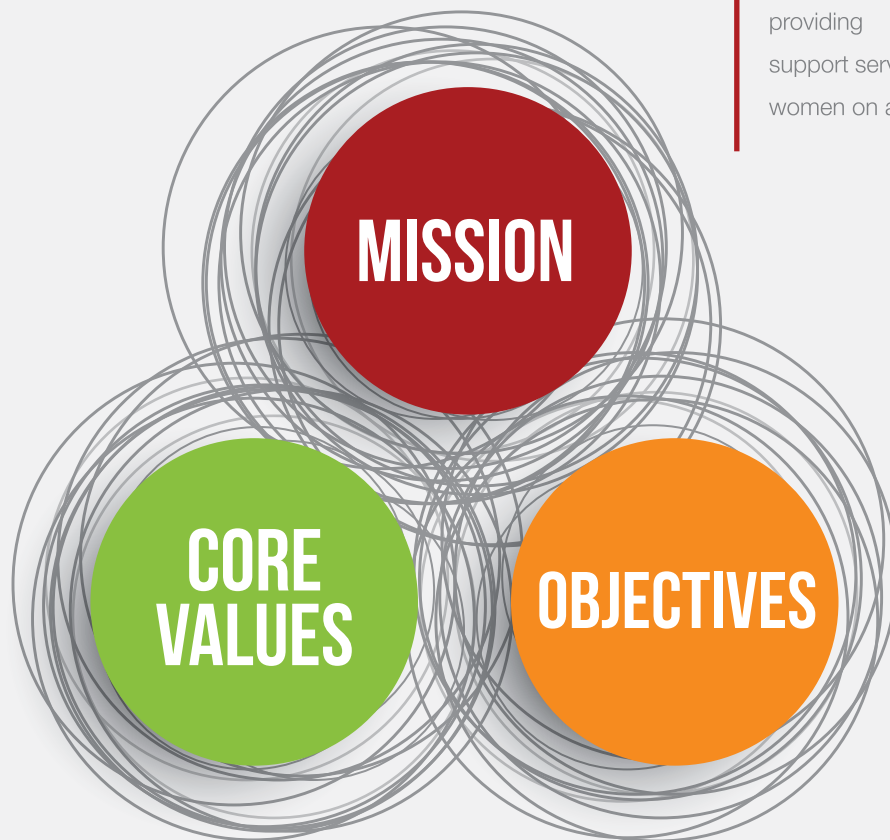
VFS remains committed in providing fair and efficient access to financial services to all citizens of this nation by ensuring that the services continue to be ethical and transparent at all times.



Goals

MISSION

To strengthen the socio-economic condition of the society by providing financial and other support services mainly to the poor women on a sustainable manner.



CORE VALUES-OBJECTIVES & FORESIGHT

VFS aspires to set the benchmark for the microfinance industry for value creation and for responsible citizenship by providing effective, transparent and quality service to people.

Our value creation relates to:

- Improving the lives of those excluded from the formal financial access.
- Widening the range of opportunities for communities.
- Build an institution which is best in class in all aspects—customer service, innovation, efficiency, workplace engagement, leadership, governance and reputation.
- Individually and collectively, the organization embraces a profound sense of responsibility and reliability in providing the services.
- Improve the quality of life of the poor and the underprivileged rural and urban citizens through social action by promoting, supporting and developing voluntary groups engaged in the social and economic development
- Providing financial and non-financial services as loan funds and institution building support to facilitate and turn growth and development into financially sustainable entities

Performance Highlights

2016–17

Growth and Empowerment

We believe that the growth and development of people is the highest calling of leadership

To celebrate the special occasion of completing two decades with the theme "Growth and Empowerment", VFS organised a series of special events and initiatives during the course of the year.



Spreading happiness



Programs/Initiatives conducted under “Growth & Empowerment”.

- i. Customer Awareness Training
- ii. Community Volunteers’ Training
- iii. Leadership Development Training
- iv. Delinquency Management Training
- v. Customer Relationship Management
- vi. Risk Management and Training
- vii. Positive Attitude Generation Training
- viii. Microfinance Best Practices and Training
- ix. Microfinance Operation and Training
- x. Customer Study
- xi. Impact Study
- xii. Celebrating Women’s Day annually to encourage women empowerment and felicitating the successful borrowers.

Developmental Activities

In its endeavour to share the fruits of development with the under-privileged of the society, VWS (A group concern of VFS) undertakes different activities in the areas (listed below) all through the year. The objectives vary from aware farming to literate neighbourhood, from cleaner environ to hygienic living, from elder care to capable women. Guided participation of thousands of people in such activities benefits the society by large by creating more responsible citizens.

The areas include:

- Solid Waste Management and Food Hygiene
- Financial Literacy Program
- Drinking Water Project
- Sustainable Organic Farming
- Old Age Home & Day Care Centre for Elders
- Literacy and Educational Initiatives
- Blood Donation Camp

Women Empowerment:

From its rich, long and varied experience VFS has seen that women are excellent growth drivers in their families and since its inception VFS has been trying to reinstate women's position of strength in the Indian society by extending loan only to the under privileged women. The annual celebration of the International Women's day on 8 March every year has become the signature event of VFS. This year more than 1000 poor women from rural Bengal enthusiastically attended the programme. The event was

graced by Ms. Keya Seth, beautician, aroma therapist & entrepreneur, Ms. Mahua Das, President of West Bengal Council of Higher Secondary Education with Mr. A. K. Maity, Secretary of Village Welfare Society & Dr. Kuldip Maity, MD & CEO of Village Financial Services and other dignitaries. VFS felicitated 17 women borrowers from different parts of the country for their outstanding achievements in Entrepreneurial pursuits against all odds in their lives.



Dignitaries Present:
Jayanta Narayan Chatterjee- Advocate , Kolkata High Court. Mahua Das- President, West Bengal Council of Higher Secondary Education. Keya Seth – Beautician, Aroma therapist, Entrepreneur. Mr. Gopal Saha- Chairman, Kamarhati Municipality

Borrowers Felicitated:
Dipti Adak. Barnali Banerjee. Mitin Nagashiya. Sandhya Roy. Malati Maity. Sumitra devi. Aparna Mitra. Mina Haloi. Anima Roy. Anita Halder. Lebu rani Ghosh. Sukmati Rawat. Mamoni Mondal. Maneka Roy. Archana Bhattacharya. Roma Sardar. Ganga Das



Protecting the environment is a pledge VFS clinically adheres to. Digitised forms of documents are encouraged in every possible level of operations instead of using

paper. All VFS associates are made aware of the fact that even a glass of water is a valuable resource and may not be available if we do not care for it. To exemplify its concern for natural resources, VFS celebrates its Foundation Day by planting at least one tree, rich in medicinal qualities, in all of its branches. With the number of VFS branches reaching almost 200, the Foundation Day trees cleansing this planet over the years from different locations, is a significant number today for any corporate entity.

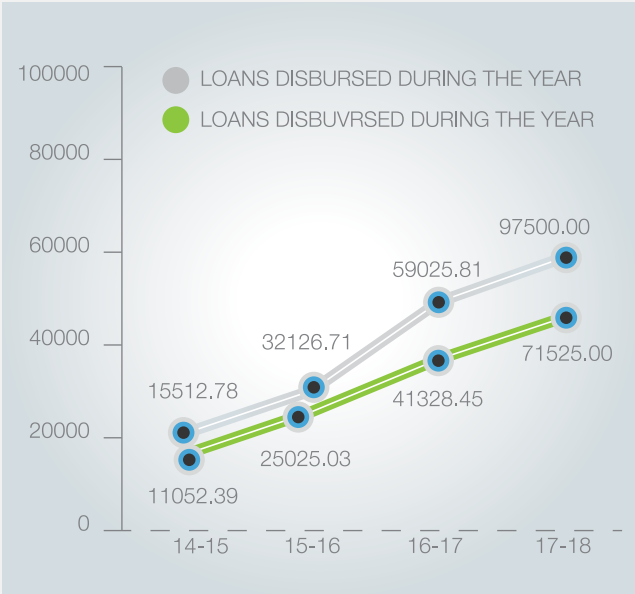
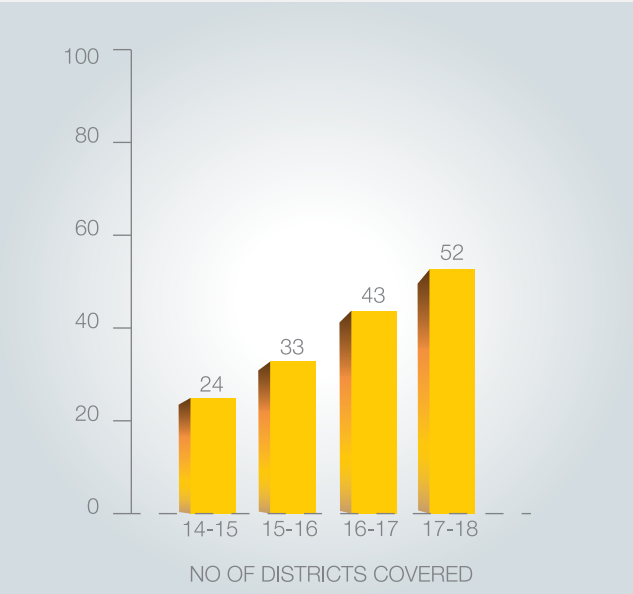
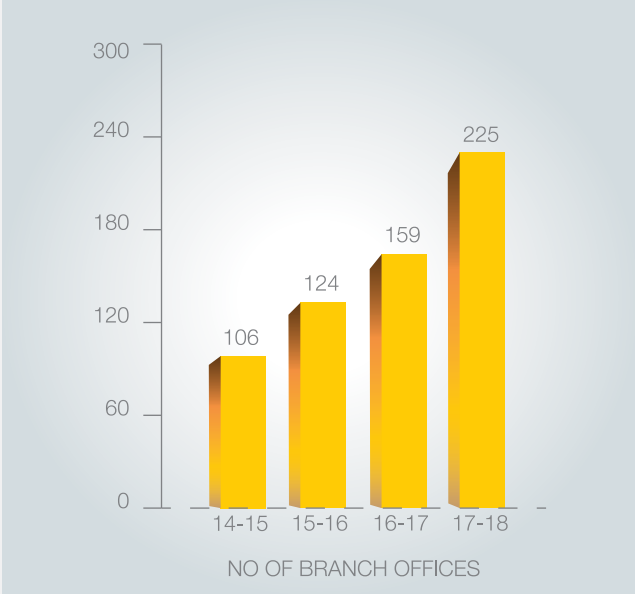
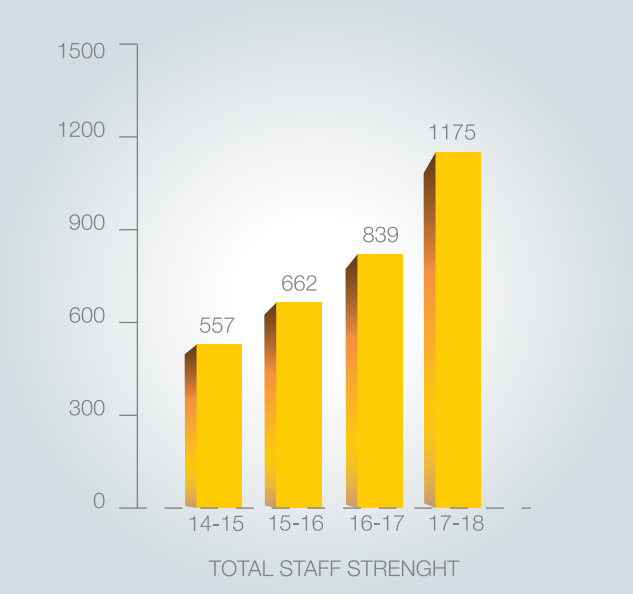
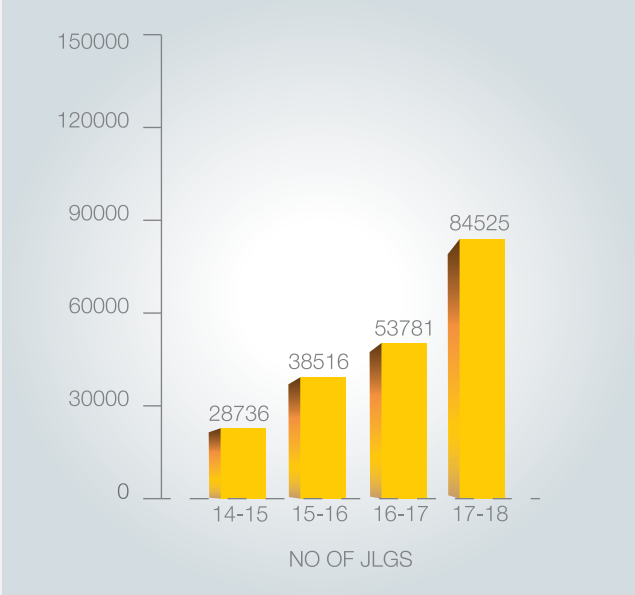
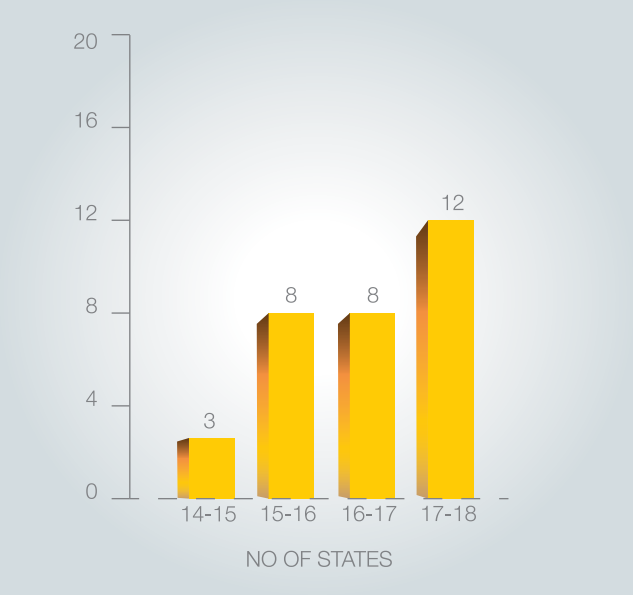


Student Felicitation:

VFS believes that the most precious jewels you'll ever have around your neck are the arms of your children. Every year on the month of January VFS celebrates 'Sishu Utsav' by conducting several competitions meant to sensitize nationalism, environmental concerns and communal harmony among the children. We take the lead in the celebration cutting across all barriers of caste, creed and religion.



Report Card



Board of Directors

VFS has established itself as a leader with the guidance of 7 highly qualified and richly experienced professionals, who form its board of directors. The vision of the board has charted a steady and smooth trajectory for the spectacular growth of the organisation.

Name & Designation	Experience
Mr. Ajit Kumar Maity Chairman	Instrumental in pioneering microfinance in West Bengal, Mr. Maity is a prolific visionary entrepreneur with over 3 decades of experience in microfinance and development. An Ex. Executive Board Member of Sa-Dhan and Ex. Member of the SIDBI Project Advisory Committee (Eastern region)
Dr. Kuldip Maity Managing Director & CEO	Over 17 years of integrated experience in microfinance and social development, Dr. Maity steers the Village Group and helped VFS become the first MFI to gain NBFC status in West Bengal and obtain the honour of being certified as the first 9001:2008 ISO MFI in India.
Dr. Sankar Datta Independent Director	Holds the prestigious post of Vice President at BASIX and the Chief Operating Officer of Indian Grameen Services. Dr. Datta earlier, had worked in PRADAN for the livelihood enhancement of tribal people. He is accredited for teaching and research work in IRMA, IIM Ahmedabad and Dean of The Livelihood School.
Mr. A. Ramanathan Independent Director	With over 37 years of experience in various important positions in research, training, consultation, and more, Mr. Ramanathan was an ex-Chief General Manager of NABARD. Mr. Ramanathan is engaged in managing linkage program – the largest microfinance program in the world. He is also the Joint Director of Banker's Institute of Rural development (BIRD).
Mrs. Jayashree Vyas Non Executive Director	A qualified Chartered Accountant, Mrs. Vyas is the Managing Director at Shree Mahila Sewa Sahakari Bank, Ahmedabad, since 1986 with over 5,00,000 women clients. She has been instrumental in devising and implementing housing finance schemes, benefiting over 20,000 poor women. Introduced, organized and managed savings groups for poor women in more than 5000 villages across 9 districts of Gujarat, benefiting more than 150,000. She is also credited for having introduced Micro Pension Scheme in 2006 for Sewa Bank Members (Unorganized sector workers).
Dr. T.K. Mukhopadhyay Non Executive Director	Ex. Chief General Manager and Country Head, Administration & Premises at IDBI Bank, Dr. Mukhopadhyay also held the significant Senior Executive Positions including Head of Corporate Finance, Project Management and Project Monitoring Depts., and SME Dept. besides holding Independent charges of different Branches and Zones across Retail & Corporate Finances, HR, Administration & Premises, Facilities, Customer Relations and Business Development.
Mrs. Alpina Bhandari Nominee Director	Mrs. Bhandari holds the prominent position, nominated by the Board of Trustees of the VFS Mutual Benefit Association, Howrah.



Operational Initiative

VFS network has reached 8 states with 159 branches serving over 250,000 customers. Despite being hit by demonetization, the closing outstanding of the company for the period has reached a whopping Rs 413.28 crores, which is highest ever in the history of the company. The organization has successfully proved its ability in prudently using its resources, identifying potential business, monitoring credit with adequate care, raising the level of customer services and widening its geographical reach in a competitive market.

Financial Initiative

During 2016-17 Finance Department of VFS has worked with 30 banks/FIs and 11 NBFCs across the length and the breadth of the country and has handled an aggregate amount of Rs 345.45 crores throughout the year. VFS has utilized the corpus by creating its Assets under Management (AUM) worth Rs 386 crores resulting a year-on-year growth of 54.4% against an industry average of 26%.

HR Initiative

Unwavering focus on increasing the value of human capital has been the mantra of VFS-HR. Apart from regular skill and capability development training; the HR division inculcates a culture of respect and trust in the organization. The award schemes for Best Employee of the Month and Best Area Development Manager of the Quarter are keenly contested and deeply appreciated by the employees.

Business Planning & Development Initiative

The Business Planning & Development division of VFS is working steadfast on its Vision 2020 and is thankful indeed to all the colleagues for a successful implementation of the carefully drafted plans. We are geared up to add our presence in 4 more states in the next fiscal and add 100 more branches in the process. That is, in effect, adding 10 branches every month in such geographic locations, which as yet have not known the VFS experience.

IT Initiative

VFS in its endeavor to benefit the borrowers endeared Information Technology with an unwavering focus on reduction of the cost of transaction and process management. A consolidated knowledge repository about products, customers, systems, processes, revenue and practices was built for the purpose. Accomplishment of the mission supported by robust and scalable systems provided VFS an integrated 360-degree view of its intellectual capital. Given the manpower-intensive nature of the business, it has helped VFS in mapping the challenges to the business both within and outside the organization and ensured a seamless growth trajectory.

Internal Audit Initiatives

By adhering to the strict routine of quarterly internal audit in every branch, the organization evaluates the risk parameters in every single case and grades the branches accordingly. While it helps detect any irregularity, it also proves immensely helpful in identifying the best of the class in both the areas – the borrowers and the employees.

Our Senior Management Team

With its rich expertise guides and motivates the field staffs, working in the remote areas of the country. Their innovations help VFS aiming for greater heights while strictly complying with every single directive of the controlling authorities of the microfinance business.



Grievance Redressal Mechanism:

VFS has implemented a coherent client grievance redressal mechanism and provides customers with a reliable and easily accessible edge for timely and fair resolution of enquiries and complaints. The policy aims to minimize instances of customer complaints through speedy and proper service delivery and review mechanisms. VFS provides multiple levels of contact and escalation points for customers to ensure that their queries are resolved promptly. A grievance can be defined as any sort of dissatisfaction, which needs to be re-addressed in order to maintain the smooth functioning of the organization. It can be real or imaginary, legitimate or ridiculous, rated or unvoiced, written or oral; it must however, find expression in some form or the other.

Grievance Redressal – The Three Effective Stages

STEP: 1 – VFS customer may contact her branch or write to the Branch Manager explaining the details of her issues.

STEP: 2 – If customer does not receive any response within 10 days from the channels under STEP: 1, or, if she is not satisfied with the response received. She can escalate her complaint to VFS's Help Desk Executive at our Corporate Office, 033-6655 1466 (from 10.00 AM to 05:00 PM except Saturday, Sunday and other Holidays).

STEP: 3 – If she is still not satisfied with the response that she has received from the branch level or channels under Step 2, she may then contact the Office of the Nodal Officer for a speedy investigation and fair resolution of her problem.

If the complain/dispute is not redressed within a period of one month, she may appeal to the Reserve Bank of India. VFS has taken the following additional initiatives to ensure transparency in the process of grievance redressal:

- Installation of complaints/suggestion box at all our branches at prominent places to receive written complaints
- VFS Head Office address with Telephone number printed in all passbooks
- During the Group Training, discuss with our customers about the Grievance Redressal System and its benefits in order to make them aware of the redressal process.

Fair Practice Code for Customers

VFS follows various guidelines issued by the Reserve Bank of India (vide Circular No. RBI/2012-13/416 DNBS.CC.PD.320/03.10.01/2012-13 dated 13 February 2013 and subsequent notifications) on Fair Practices Code for NBFCMFIs and has also adopted Industry Code of Conduct developed by MFIN (Microfinance Institutions Network), SA-DHAN and VFS has implemented adequate global standards of Client Protection Principles. VFS ensures that all dealings with its

customers are open, fair and ethical. All the features of its services, including interest rate, processing fee and insurance premium are explained to the customer in a transparent and understandable manner. The loans that VFS provides are checked to be within the customers' capacity to repay. VFS never engages in any kind of coercion to collect repayments. Customers' privacy is a priority with VFS all information collected from the customers are treated as private and confidential. VFS also provides its customers with a grievance redressal system to register their complaints and resolve it in a timely and fair manner.

General Criteria for availing Loan:

- Only women are eligible
- The borrower must be member of a Joint Liability Group.
- The loan is meant to be used only for income generating activity only.
- Household annual income of the borrowers should not exceed Rs.1, 00,000 in rural areas and Rs.1, 60,000 in non-rural areas.
- Loan should not exceed Rs.25, 000 in the first cycle.v
- Total indebtedness of the borrower should not exceed Rs.1,00,000.
- No penalty is charged for delayed payment.
- Borrower and her spouse are covered under insurance.
- Prepayment of the loans are allowed but without penalty
- Loan is granted without any collateral
- Loan is repayable by weekly, fortnightly or monthly installments at the choice of the borrower/group.



Product Features:

Name of Product	Briddhi Loan	Sri Briddhi Loan
Clientele (group, individual)	Joint Liability Group(JLG)	Joint Liability Group(JLG)
Purpose	Income generating activities	Income generating activities
Age limit	18-55 years	18-55 years
Loan Size	Upto Rs. 30,000/-	Upto Rs. 1,00,000/-
Loan tenure	12 months	24 months

Corporate Governance

Village Financial Services Private Limited understands and recognizes its role as a corporate citizen and seeks to adopt the best corporate practices and the highest standards of Corporate Governance through transparency in business ethics, accountability to customers, disclosure to government and significant bodies. We remain committed to conduct our business activities in accordance with good corporate practices, applicable laws, rules and regulations and the highest standards of business ethics and are constantly striving to better them and adopt the most effective governance mechanisms.

Board Committees

- **Audit and Risk Management Committee (Audit & RM):** The Audit & RM Committee was formed as per the requirement of the Companies Act 2013 and its relevant rule and its function in accordance with said act. The Audit & RM is one of the main pillars of the Corporate Governance mechanism of the Company. Charged with the principal oversight of financial reporting and disclosure, the Audit Committee of the Company aims to enhance the confidence in the integrity of the company's financial reporting, the internal control processes and procedures and the risk management systems. The said Committee recommends the appointment, remuneration and terms of appointment of auditors of the Company.
- **Nomination & Remuneration Committee (NRC):** The NRC has formulated the criteria for determining qualifications, positive attributes and independence of a director and recommends to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees. The recommendation of the said Committee is forwarded to the Board for its approval.
- **Borrowing Committee (BC):** The Board of Directors of the Company has delegated its power in terms of relevant provisions of the Companies Act, 2013 – to borrow monies. The said committee deals with the entire borrowing activities of the Company. The BC was formed with the majority of executive directors to deal with the day to day borrowing activities of the Company.

Client Selection Methodology

The customers of VFS are exclusively poor women, who are engaged in some kind of small income generating activities (IGA) or willing to start IGA or up scaling their IGA but do not have any access to the main stream financial institution.

In our operation methodology we adopt a mechanism of forming JLG (Joint Liability Group) a joint group effort towards self-employment where person having similar socio-economic profile and living in the same neighborhood (one representing one family), form a group of 5 whereby they work for the development of all and after taking the loan, are bound to the organization individually and GroupWise for repayment of the loan.

The process includes:

- Area Selection • Group Formations • Financial Transactions
- Timeliness is maintained and given a high priority in VFS and it is to be maintained and upgraded continuously. All the services are provided to the customers at their doorstep such as preliminary training, documentation for loan sanction, collection of loan repayment installments, insurance claim settlement etc.



"VFS provides respectable living"

The achievers



“VFS has not only changed my life, it has provided livelihood to my entire team of workers.”

ARUNA DEVI
Kasba, Bihar

VFS reached Aruna Devi in her village and granted her a loan to set up the business of stitching ‘fall’ on the border of saris. The business today is a thriving one employing 10 female workers, and ready for further intake.

With business growing steadily, Aruna has been able to invest in a 1 BHK apartment for her family. Now her priority is good education for her son.



“VFS’s thoughtful financial support has been the main reason for my success and growth!”

SUPRIYA DAS
Katihar, Bihar

Supriya Das always knew that there was a much bigger market for her bakery products, but failed to convince others to lend her the additional capital she needed.

VFS believed in her conviction and extended her a multiple cycle loan. Supported by her husband, Supriya made the best use of it and gradually paved her way to financial independence. Supriya is keen on rearing her business further and is focussed on realising the dreams of educating her children properly.



“From low-income days to a vibrant business, life has a different meaning altogether. My sincerest gratitude goes to VFS for the encouragement and financial support”.

SANGITA DEY SARKAR
Islampur, West Bengal

Income from the small electronic and telecom products shop that Sangita’s husband runs, had never been adequate for the family. She had been dreaming of setting up a garment shop, but did not get any support from the banks in the region. VFS identified the entrepreneur in Sangita and extended her a loan of Rs 10,000.

Sangita took the plunge most happily and has been living through her dreams since then. With inexhaustible confidence and matching performance, she has been able to raise the loan limit to Rs 30,000 and she remains committed in transforming her outfit to a popular destination. Their only son.



“VFS has shown me the way to a more financially secured tomorrow”.

BABITA DEVI
Naugachia, Bihar

Along with her Beauty Parlor, Babita runs a business in agriculture with the steadfast support of her husband. About a couple of years ago Babita had taken a loan of Rs10, 000 from VFS for and since then her income has grown steadily. Both the business as well as the family today stand on a secured ground.

Meanwhile Babita has drawn up an elaborate expansion plan and is working hard for its successful implementation.



“My income helps my husband run the family the way he desires. It would not be possible without VFS.”

MOYNA DEBNATH
Dhankoil, Uttar Dinajpur, West Bengal

Finding representative at home on a routine survey, Moyna Debnath, a farmer's wife with three children, narrated her struggle for survival. VFS advised her to be a member of a Joint Liabilities Group and take up the business of making the famous ‘Tulaipanji’ rice, is an excellent demand in the neighborhood. With a loan of Rs.6,000 Moyna delved into the business. Today proud Moyna is all set to take the 5th cycle loan of Rs 30,000/- from VFS to expand her business.



“With no help in sight I was engulfed in darkness. VFS held my hand and guided me to the glitter that you are seeing here.”

SANDHYA CHAKRABORTY
Hariharpur, Uttar Dinajpur, West Bengal

T'litters are of a rolled gold ornament shop that Sandhya Chakraborty runs

today with financial support from VFS. For her it has been a long journey with a handicapped girl child and a vibrant son who is now studying in a nearby college. Her husband's income from a small beverage shop was not enough for maintaining the family. Sandhya started her business with a loan of Rs.8000 from VFS. She is now in the 5th cycle loan and the income of the family has been consistently growing.



“The knowledge I gained from the training imparted by VFS not only changed my mind, it entered my bones...”

MAMONI MONADAL
Char Chandan Bati, Kalyani, West Bengal

Providing two square meals a day for the family used to be a challenging task for Mamoni Monadal's husband, a daily wage earner. Added were the burdens of medication of the ageing parents and education of their young son. Mamoni took it on her to change the situation. In 2010 Mamoni became the beneficiary of Micro Finance Services from Village Financial Services, took a loan of Rs.5000 and started making ‘Panipuri’ at home and found that the neighbourhood just relished them.

With subsequent multiple loans from VFS, Mamoni has moved from her thatched hut to a building with concrete roof and sending her son to school.



“VFS has shown me the way to a respectable living.”

MANEKA ROY
Bhupatipur, Munshir Hat, Howrah, West Bengal

With two children to look after, a respectable living was slowly moving beyond the means of Maneka Roy and her daily wage earner husband. She started contributing to the family income by making bamboo baskets and in 2011 took a loan of Rs. 6,000 from VFS for purchasing necessary materials. Along with the loan VFS kept on providing necessary handholding to Maneka through further multiple-cycle loan. Maneka's sincerity yielded the desired result. The hard-working family doesn't suffer from chronic insecurity any more.

Her relentless devotion to the business of bamboo baskets has gradually paved the way towards a more meaningful tomorrow.



"Thanks to VFS, I have plenty of Haldi now."

AFSANA BEGUM
Powakhali, Bihar.

Afsana Begum's struggle assumed a new meaning when she joined a Joint Liability Group and started processing Haldi (Turmeric) with a loan of Rs.20000 from VFS. The loan kindled a ray of hope for Afsana and her husband Jubair Alam in their darkest days. Together they put up an enormous effort to make the best of the opportunity. The business has since been ever-growing making Afsana a proud entrepreneur with two school going kids. Along with her business, she owns a buffalo today and is planning for a 2nd cycle loan.



"Sending my children to school wouldn't be possible without VFS."

ANIMA ROY
Rajnagar Village, Uttar Gomoti District, Tripura.

Anima Roy has demonstrated that a small loan coupled with good training can launch a woman into business, bringing change to her family.

Anima, wife of an impoverished villager had immense difficulty in supporting her children's basic education. She took a loan of Rs. 14,000 from VFS and opened a small shop of

stationery products along with her business of Rubber processing. The income from her entrepreneurship has changed her family's economic well-being. Anima heaves a sigh of relief and thanks VFS when she packs her children off to school.



"VFS has helped me grow my handicraft business and improve my livelihood".

MINA HALOI
Nalbari, Majdia, Assam

In 1984 Mina Haloi started making and selling handcrafted bamboo artefacts from her home. To extend the market, her husband Girish took the wares to different village markets and got an excellent response. Looking at the brisk business they were doing, VFS extended a modest loan and encouraged the entrepreneurship of the Halois to flourish.

Since then their business has grown manifold, there has been a consistency in their family income and the Halois have been able to provide quality education to their only son.



"VFS has helped me in my journey from darkness to light."

SOMA DAS
Palpara, Sipahijala, Tripura.

It was difficult indeed for Soma's husband, the sole earning member of the family; to make both ends meet with his meagre income. With a small loan of Rs. 10,000 from VFS, Soma started making and selling bamboo fishing traps. Her initiative has made a significant contribution in the poverty-stricken family. With a second cycle loan, Soma now plans to purchase bulk raw materials for her business and engage more women in her business.

Highlights and Achievements:

- VFS is the first ISO 9001:2008 certified Microfinance Company in India
- VFS achieved the award of 'Commendation Certificate for Strong Commitment to Excel' on the journey towards Business Excellence conducted by CII-EXIM Bank
- Dr. Kuldip Maity (MO & CEO) has been honored by the Economic Development Forum with the Global Achiever's Award for Business Leadership 2013
- Dr. Kuldip Maity was awarded Rashtra Pratibha Puraskar in 2011 by the Integrated Council for Socio-economic Progress in recognition of his outstanding achievements, excellence and experience in the chosen field of microfinance
- The Indian Solidarity Council has nominated Dr. Kuldip Maity's name to receive 'Rajiv Gandhi Excellence Award' for his excellent achievements and contributions in his field of activities.
- Dr. Kuldip Maity is a Board Member at Sa-Dhan, a national level association of Community Development & Finance Institutions in India and is also the Board Member in AMFI West Bengal, which is a state level association of microfinance institutions
- Village Financial Services Private Limited is committed as a responsible microfinance institution to their customers, stake holders, partners and funders, etc. VFS participated in Transparent Pricing Initiative in India where it was awarded an updated Official Seal of Transparency. This seal is internationally recognized which signifies its commitment to Transparent Pricing.
- Village Financial Services has been recognized and awarded by CIMSME (Chamber of Indian Micro, Small & Medium Enterprises) under the following categories: Best NBFC-MFI for Promotional Schemes Award – Winner, Eco-Technology Savvy NBFC-MFI Award– Runner-up.
- Recently on 28.05.16 Dr. Maity received “Global Visionary Award” from Vision World Academy’.
- Dr. Kuldip Maity has been felicitated with Europe's one of the most prestigious Awards, “Manager of the Year” Award and Village Financial Services Pvt. Ltd. has won “Best Enterprise” Award by Europe Business Assembly and Socrates Committee.
- World Wide Achievers Awards for “Best Microfinance Company in Eastern India”.



List of Partner Organizations

Banks

Bank of Baroda
Bank of India
Bank of Maharashtra
Bharatiya Mahila Bank
Canara Bank
Corporation Bank
Dena Bank
IDBI Bank Ltd
Indian Bank
Indian Overseas Bank
Karnataka Bank Ltd
Punjab & Sind Bank
State Bank of India
State Bank of Mysore
State Bank of Patiala
State Bank of Travancore
Syndicate Bank
UCO Bank
Union Bank of India
United Bank of India
Vijaya Bank
Indian Bank
AXIS Bank Ltd
Bandhan Bank Limited
DCB Bank Ltd
HDFC Bank Ltd
IDFC Bank Ltd
South Indian Bank Ltd
State Bank of Mauritius
SBM Bank (Mauritius) Ltd.

Financial Institutions

NABARD Financial Services Ltd
NABARD
Ananya Finance For Inclusive Growth Pvt. Ltd.
Capital First Limited
Caspian Impact Investments Pvt. Ltd.
Family Credit Limited
Hero Fincorp Limited
Maanaveeya Development & Finance Pvt. Ltd.
MAS Financial Services Ltd.
Reliance Capital Ltd.
Religare Finvest Ltd.
TATA Capital Financial Services Ltd.

Quality Service – Customer Care, Retention and Protection

VFS's Service Quality Program has enhanced and evolved constantly since our inception and has made enduring contributions across customer care, service and client protection projects every year. VFS started the unique concept of Customer Care Representatives placed at branches to handle customer service issues and to achieve higher customer retention rates.

VFS has also set up a national toll-free multilingual helpline for its customers. Partnering with professional call centers for outbound service calls to customers, with the objective of seeking feedback proactively from customers; VFS implemented various innovative solutions and worked incessantly on improving its services and products to enhance its stance in long-term customer care, retention and protection.



Independent **Auditors' Report**

To the Members of Village Financial Services Private Limited

Report on the Financial Statements

We have audited the accompanying standalone financial statements of Village Financial Services Private Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2017 and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 and presentation 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under section 143(10) of the Act. Those Standards require that we comply with ethical

requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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 Act 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, 2017 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

Contd.

Independent Auditors' Report

To the Members of Village Financial Services Private Limited

2. As required by section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations and explanations which to the best of knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. The Balance Sheet, Statement of Profit and Loss, and 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 written representations received from directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act; and
- f. With respect to the 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" and
- 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 its financial statements- Refer Note 33 and 34 to the financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivatives contracts- Refer Note 36 to the financial

statements;

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

iv. the Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 41 to the standalone financial statements

For Shankar Saraf & Associates
Chartered Accountants
Firm Registration No: 325896E


Shankar Saraf

(Partner)

Membership No. 060678

Place: Kolkata

Date: May 12, 2017

Annexure A

Independent Auditors' Report

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company.
- (ii) The company is a Non-Banking Financial Company-Micro Finance Institutions engaged in the business of providing loans and hence not required to maintain any inventory. Accordingly provisions of clause 3(ii) of the Order are not applicable to the company.
- (iii) According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, LLPs or other parties covered in the register maintained under section 189 of Companies Act, 2013. Accordingly the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the company has not granted loans or provided any guarantee or security to parties covered under section 185 of the Companies Act, 2013.
- (v) The company has not accepted any deposits from the public.
- (vi) As informed to us, the maintenance of cost records has not been prescribed by the Central Government under Section 148(1) of the Companies Act, 2013, in respect of the activities carried on by the Company.
- (vii) In respect of Statutory dues:
- a. According to the records of the company, undisputed statutory dues including provident fund, income tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2017 for a period of more than six months from the date of becoming payable.
- b. According to the information and explanation given to us, there are no dues of sale tax, income tax, wealth tax, service tax and cess which have not been deposited on account of any dispute.
- (viii) According to the information and explanation given to us, the company was not in default for repayment of dues to financial institution and banks. The company does not have any loans or borrowings from government or debenture holders during the year.
- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company.
- (x) According to the information and explanations given to us, the fraud reported during the year was misappropriation of cash amounting to ₹ 9.00 lakh by the employee of the company. As informed, service of the employee has been terminated and the company has taken legal action against the concerned employee.

Since the company is a Non-Banking Financial Company-Micro Finance Institutions engaged in the business of providing loans, it is exempted under section 186 (11) of the Companies Act 2013 and hence the provisions of section 186 are not applicable to the company.


Contd.

Annexure A

Independent Auditors' Report

- (xi) The company is a private limited company which is exempt from the provisions of section 197 read with Schedule V to the Companies Act and hence the provisions of clause 3 (xi) of the Order are not applicable to the Company.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- (xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of the Order is not applicable.
- (xvi) The company is a Non-Banking Financial Company-Micro Finance Institutions which is duly registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Shankar Saraf & Associates
Chartered Accountants
Firm Registration No: 325896E



Shankar Saraf
(Partner)

Membership No. 060678

Place: Kolkata. Date: May 12, 2017

Annexure - B

Independent Auditors' Report

Report on the Internal Financial Controls 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 Village Financial Services Private Limited ("the Company") as of 31st March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management 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 ('ICAI'). 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, including adherence to company's policies, 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 Company's internal financial controls over financial reporting 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") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud and 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 controls 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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Contd.

Annexure - B

Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Inherent 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 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, 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.

Explanatory paragraph:

We also have audited, in accordance with the Standards of Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143 (10) of the Act, the financial statements of company, which comprise the balance sheet as at March 31, 2017 and the related Statements of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report of even date expressed an unqualified opinion thereon.

For Shankar Saraf & Associates

Chartered Accountants

Firm Registration No: 325896E



Shankar Saraf

(Partner)

Membership No. 060678

Place: Kolkata

Date: May 12, 2017

Balance Sheet – 2016-17

Village Financial Services Private Limited

BALANCE SHEET AS AT	31ST MARCH, 2017	31ST MARCH, 2016
EQUITY AND LIABILITIES		
SHAREHOLDERS' FUNDS		
Share Capital	361,795,170	361,795,170
Reserves & Surplus	112,120,406	53,439,718
	473,915,576	415,234,888
NON-CURRENT LIABILITIES		
Long-term borrowings	1,709,312,691	1,135,565,902
Deferred Tax liabilities (Net)	303,990	-
Long-term provisions	1,246,991	803,563
	1,710,863,672	1,136,369,465
CURRENT LIABILITIES		
Short-term borrowings	9,751,370	17,550,446
Other current liabilities	2,334,699,109	1,365,270,290
Short-term provisions	54,772,598	34,989,572
	2,399,223,077	1,417,810,309
TOTAL	4,584,002,325	2,969,414,661
ASSETS		
NON-CURRENT ASSETS		
Fixed Assets		
Tangible Assets	22,616,082	7,275,889
Intangible Assets	480,282	71,961
Non-current Investments	500,000	500,000
Deferred Tax assets (Net)	-	209,936
Long-term loans and advances	506,131,116	327,609,275
Other non-current assets	382,195,520	220,628,885
	911,923,000	556,295,946
CURRENT ASSETS		
Current Investments	2,727,681	464,813
Cash and Bank Balances	215,596,222	205,615,401
Short-term loans and advances	3,371,790,183	2,187,022,294
Other current assets	81,965,239	20,016,207
	3,672,079,325	2,413,118,716
TOTAL	4,584,002,325	2,969,414,661

As per our report of even date annexed herewith
 For Shankar Saraf & Associates
 Chartered Accountants Firm Registration No. 325896E



Shankar Saraf (Partner)
 Mem. No:060678. Place : Kolkata.
 Date : May 12, 2017

For Village Financial Services Private Limited



Chairman



Managing Director



Company Secretary

Profit & Loss – 2016-17

Village Financial Services Private Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED		
	31ST MARCH, 2017	31ST MARCH, 2016
Revenue from Operations	744,611,844	423,199,500
Other Income	35,082,724	18,945,071
Total Revenue	779,694,568	442,144,571
EXPENSES		
Employee Benefits Expense	132,986,842	94,189,062
Finance Costs	438,505,716	223,750,934
Depreciation and Amortisation Expense	2,709,451	1,724,954
Provisions and Write offs	15,969,752	17,703,673
Other Expenses	95,424,044	66,451,452
Total Expenses	685,595,805	403,820,075
Profit before exceptional and extraordinary items and Tax	94,098,763	38,324,496
Exceptional Items	-	-
Profit before extraordinary items and Tax	94,098,763	38,324,496
Extraordinary Items	-	-
Profit before Tax	94,098,763	38,324,496
Tax Expenses:		
Current Tax	35,386,129	17,208,331
Deferred Tax	513,926	315,454
Tax for earlier year	(481,980)	-
Total Tax Expenses	35,418,075	17,523,785
Profit for the year	58,680,688	20,800,711
Earning Per Equity Share		
Basic	1.62	0.77
Diluted	1.62	0.77

As per our report of even date annexed herewith

For Shankar Saraf & Associates

Chartered Accountants

Firm Registration No. 325896E



Shankar Saraf

(Partner)

Mem. No:060678

Place : Kolkata

Date : May 12, 2017

For Village Financial Services Private Limited



Chairman



Managing Director



Company Secretary



VFS Vision 2020

To reach every corner of the country and be present in more than 20 states of India by 2020.