



**INDEPENDENT AUDITOR'S REPORT**

To  
**THE MEMBERS OF VFS CAPITAL LIMITED**  
**Report on the audit of the financial statements**

**Opinion**

We have audited the accompanying financial statements of **VFS Capital Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2025, and the Statement of Profit and Loss, and Cash Flow Statement 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 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 31 March 2025, and its profit, and its cash flows for the year ended on that date.

**Basis for opinion**

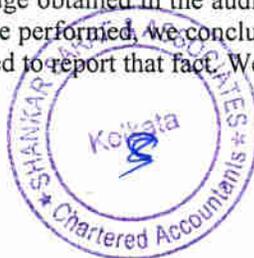
We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We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

**Information Other than the Financial Statements and Auditor's 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 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.



**Responsibilities of Management and those charged with governance 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 of these 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 implementation and maintenance of 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, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

**Auditor's responsibilities 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 scepticism 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

- (1) 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.
- (2) 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 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 March 31, 2025 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;
- (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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- (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 No. 39 to the financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, and company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses – Refer Note 34(xix) to the financial statements.

iii. The Company is not required to transfer, any amount to the Investor Education and Protection Fund.

iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, 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"), 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.

b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no fund have been received by the company from any persons(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.

c) Based on the audit procedures that has been 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) of rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.



vi. Based on our examination which included test checks performed by us, the Company has used accounting softwares for maintaining their respective books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software's. Further, during the course of audit, we have not come across any instance of the audit trail feature being tampered with.

- (3) 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/ payable by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is in compliance of the provisions of Section 197 of the Companies Act' 2013 read with Schedule V of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For Shankar Saraf & Associates

Chartered Accountants

ICAI Firm Registration No. 325896E

*Shankar Saraf*



Shankar Saraf

Partner

Membership No. 0606

UDIN: 25060678-20250510-TL5939

Place: Kolkata

Date: 20<sup>th</sup> Day of May, 2025

**Annexure “A” to the Independent Auditor’s Report**

**(With reference to the Annexure A referred to in paragraph 1 under ‘Report on other legal and regulatory requirements’ of the Independent Auditor’s report to the members of VFS Capital Limited (Formerly Village Financial Services Limited of even date) for the year ended 31 March 2025, we report that:**

- (i) (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (B) The Company is maintaining proper records showing full particulars of intangible Assets.
- (b) The property plant & equipment’s of the Company were physically verified in full by the management at reasonable intervals. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.
- (c) Based on our examination of the documents provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year. Accordingly, clause 3(i)(d) of the Order is not applicable.
- (e) Based on our examination of the Books of Accounts and other Records of the company and based on the information and explanation provided by the management, no proceedings has been initiated or pending against the company for holding any benami property under Benami Transactions (Prohibition) Act, 1988.
- (ii) (a) The Company is engaged primarily in lending activities and consequently does not hold any physical inventories. Accordingly, paragraph 3(ii)(a) of the Order is not applicable.
- (b) During the year, the company had not availed working capital limits from banks and financial institutions and hence, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) (a) The principal business of the Company is to give loans, hence the requirement to report on clause 3(iii) (a) of the Order is not applicable to the Company
- (b) Based on our examination of the Books of Accounts and other Records of the company and based on the information and explanation provided by the management, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prima facie prejudicial to the Company’s interest.



(c) In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated. Being a Non-Banking (Non - Deposit Taking Systematically Important) Finance Company, there are instances where the repayment of principal and interest are not as per the stipulated terms.

(d) The total amount overdue for more than ninety days, in respect of loans and advances in the nature of loans, as at the year-end is ₹ 1,407.35 lakhs. Reasonable steps are being taken by the Company for recovery of the principal.

(e) The principal business of the Company is to give loans, hence the requirement to report on clause 3(iii) (e) of the Order is not applicable to the Company.

(f) The Company has not granted any loans or advances in the nature of loans that were either repayable on demand or without specifying any terms or period of repayment.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans granted, investments made and guarantees given, where applicable. The Company has not provided any security for which the provisions of section 185 and 186 of the Act are applicable.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the rules made thereunder. Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified the maintenance of cost records under section 148(1) of the Companies Act, 2013, for the business activities carried out by the Company. Hence, the provisions of clause (vi) of paragraph 3 of the Order is not applicable to the Company.

(vii) (a) The Company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and any other statutory dues applicable to it during the year with appropriate authorities.

(b) According to the information and explanations given to us, as on 31st March, 2025 and the records of the company examined by us, there are no dues of income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute except the following:

Name of the Statute	Forum where case is pending	Period	Amount (in lakhs)
The Income Tax Act, 1961	CIT (A)	AY 2023-24	196.42
	CIT (A) -	AY 2020-21	145.44
	CIT (A)	AY 2020-21	-
	CIT (A)	AY 2018-19	36.84
	CIT (A)	AY 2014-15	19.01
Goods and Service Tax Act, 2017	GST Appeal No. 184/2021 Authority, Jharkhand	FY 2020-21	1.42



- (viii) In our opinion and 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 instances of any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) (a) Based on our examination of the books of accounts and other records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) Based on our examination of the Books of Accounts and other Records of the Company and based on the information and explanation provided by the management, we report that the Company has not been declared as a wilful defaulter by any bank or financial institution or any other lender.
- (c) Based on our examination of the Books of Accounts and other Records of the Company and based on the information and explanation provided by the management, the Company has utilized the money obtained by way of term loans for the purpose for which they were 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 raised on short-term basis have, prima facie not been utilized for long-term purposes by the Company.
- (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2025. Accordingly, clause 3(ix)(e) is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company does not have any subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order 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 not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, the fraud reported during the year was misappropriation of cash amounting to ₹ 0.21 lakhs by the employee of the Company. Aforesaid fraud has been disclosed in the Note No.35 Disclosure of frauds in the notes forming part of the Financial Statement. As informed, service of the employee has been terminated and the company has taken legal action against the concerned employee.
- (b) ) No report under section 143(12) of the Companies Act, 2013, has been filed in form ADT-4 as prescribed under rule 15 of Companies (Audit and Auditors) Rules, 2014 with the



- Central Government, during the year and up to the date of this report, as the said form was not applicable.
- (c) As represented to us by the management, there were no whistle blower complaints received by the Company during the year
- (xii) The Company is not a Nidhi Company. Hence, clauses 3(xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements, etc., as required by the applicable accounting standards.
- (xiv) (a) 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 for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) According to the information and explanations given to us, in our opinion, during the year the Company has not entered into any non-cash transaction with its directors or persons connected with its directors and hence reporting requirement under Clause 3 (xv) of the Order are not applicable to the Company.
- (xvi) (a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and has obtained registration vide registration no. B-05.05378.
- (b) According to the information and explanations given to us, the Company has conducted Non-Banking Financial Companies activities during the year under a valid Certificate of Registration (CoR) from the Reserve Bank of India ("RBI") as per the Reserve Bank of India Act, 1934.
- (c) According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the RBI. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has not incurred cash losses during the year and the immediately preceding financial year.
- (xviii) There was no resignation of statutory auditors during the year hence clause 3(xviii) of the Order is not applicable to the Company.



- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation 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 the 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) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For Shankar Saraf & Associates

Chartered Accountants

ICAI Firm Registration No. 025896E

*Shankar Saraf*



Shankar Saraf

Partner

Membership No. 060678

UDIN: 25060678BMIWTL5939

Place: Kolkata

Date: 20<sup>th</sup> Day of May, 2025

**Annexure “B” to the Independent Auditor’s Report**

**(Referred to in paragraph 2 (e) under ‘Report on other legal and regulatory requirements’ section of our report to the Members of VFS Capital Limited (Formerly known as Village Financial Services 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”)**

**Opinion**

We have audited the internal financial controls over financial reporting of VFS Capital Limited (“the Company”) as at 31st March 2025, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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 2025, 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.

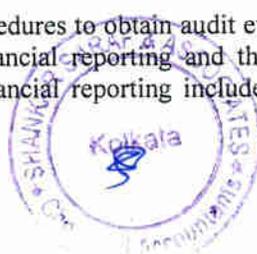
**Management’s Responsibility for Internal Financial Controls**

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.

**Auditor’s 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, issued by ICAI and deemed to be prescribed 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 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 judgment, including the assessment of the risks of material misstatement of the standalone 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 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 standalone 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.

#### 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.

For Shankar Saraf & Associates

Chartered Accountants

ICAI Firm Registration No: 325896E



Shankar Saraf  
Partner

Membership No. 060678

UDIN: 25060678BMJWTL5939

Place: Kolkata

Date: 20<sup>th</sup> Day of May, 2025



# VFS Capital Limited

CIN: U51109WB1994PLC063746

Balance Sheet as at March 31, 2025

(Amount in ₹ lakhs unless otherwise stated)

	Note	31st March, 2025	31st March, 2024
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	5,929.74	5,929.74
Reserves and surplus	4	16,176.12	14,571.25
		<b>22,105.86</b>	<b>20,500.99</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	19,300.03	18,993.48
Long-term provisions	6	1,717.35	1,694.51
		<b>21,017.38</b>	<b>20,687.99</b>
<b>Current liabilities</b>			
Short-term borrowings	7	37,227.72	41,275.91
Trade payables:			
- Total outstanding dues of micro enterprises and small enterprises		15.86	17.20
- Total outstanding dues of creditors other than micro enterprises and small enterprises	8	25.69	33.80
Other current liabilities	9	1,258.16	902.47
Short-term provisions	6	259.63	289.34
		<b>38,787.06</b>	<b>42,518.72</b>
<b>Total</b>		<b>81,910.30</b>	<b>83,707.70</b>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment and Intangible assets			
(i) Property, Plant and Equipment	10A	654.56	707.88
(ii) Intangible assets	10B	38.92	24.43
Non-current investments	11	5.00	5.00
Deferred tax assets (Net)	12	478.42	493.57
Long-term loans and advances	13	22,319.23	20,859.32
Other non-current assets	14	6,364.37	5,697.90
		<b>29,860.50</b>	<b>27,788.10</b>
<b>Current assets</b>			
Current investments	11	-	-
Cash and bank balances	15	3,236.76	4,027.84
Short-term loans and advances	13	47,560.76	50,630.81
Other current assets	14	1,252.28	1,260.95
		<b>52,049.80</b>	<b>55,919.60</b>
<b>Total</b>		<b>81,910.30</b>	<b>83,707.70</b>

### Significant accounting policies

2.1

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Shankar Saraf & Associates

Chartered Accountants

ICAI Firm Registration No. 325896E

Shankar Saraf  
Partner

Membership No: 060678

UDIN:

250606788MIWTL5939

Place : Kolkata

Date : May 20, 2025

For and on behalf of the Board of Directors

VFS Capital Limited

Ajit Kumar Maity  
Chairman

DIN:00250806

Niraj Kumar Jaideoka  
Company Secretary  
Membership No: 36570

Kuldip Maity  
Managing Director and CEO

DIN:00250869

Subhasis Ghosh  
Chief Financial Officer



# VFS Capital Limited

CIN: U51109WB1994PLC063746

## Statement of profit and loss for the year ended

(Amount in ₹ lakhs unless otherwise stated)

	Note	31st March, 2025	31st March, 2024
<b>I. Income</b>			
Revenue from operations	16	19,303.47	17,813.43
Other income	17	97.08	71.94
<b>Total income</b>		<b>19,400.55</b>	<b>17,885.37</b>
<b>II. Expenses</b>			
Employee benefits expense	18	5,183.10	5,382.67
Finance costs	19	9,259.40	7,991.70
Depreciation and amortisation expense	20	143.50	90.09
Provisions and write offs	21	89.92	(828.74)
Other expenses	22	2,544.24	2,281.06
<b>Total expenses</b>		<b>17,220.16</b>	<b>14,916.78</b>
<b>Profit before Tax</b>		<b>2,180.39</b>	<b>2,968.59</b>
<b>Tax expense:</b>			
Current tax		540.33	440.18
Deferred tax		15.15	237.00
Tax for earlier year		20.04	(2.35)
<b>Total tax expense</b>		<b>575.52</b>	<b>674.83</b>
<b>Profit after tax for the year</b>		<b>1,604.87</b>	<b>2,293.76</b>
<b>Earnings per equity share (EPS)</b>	23		
Basic and diluted (₹)		2.71	3.87
Nominal value of share (₹)		10.00	10.00

### Significant accounting policies

2.1

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Shankar Saraf & Associates

Chartered Accountants

ICAI Firm Registration No. 325896E

Shankar Saraf

Partner

Membership No: 060678

UDIN:

250606788MIWTL5939

Place : Kolkata

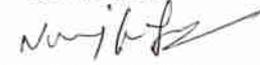
Date : May 20, 2025

For and on behalf of the Board of Directors  
VFS Capital Limited

  
Ajit Kumar Maity

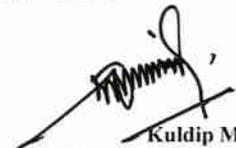
Chairman

DIN:00250806

  
Niraj Kumar Jaideoka

Company Secretary

Membership No: 36570

  
Kuldeep Maity

Managing Director & CEO

DIN:00250869

  
Subhasis Ghosh

Chief Financial Officer



# VFS Capital Limited

CIN: U51109WB1994PLC063746

Cash flow statement for the year ended March 31, 2025

(Amount in ₹ lakhs unless otherwise stated)

	31st March, 2025	31st March, 2024
<b>Cash flow from operating activities:</b>		
Profit before tax and extraordinary items	2,180.39	2,968.59
Adjustments for :		
Gratuity	80.31	121.44
Gain on sale of mutual fund (short term)	(72.79)	(68.05)
Interest on margin money deposits	(694.54)	(620.11)
Provisions and write offs	89.92	(828.74)
Depreciation and amortization	143.50	90.09
<b>Operating profit before working capital changes</b>	<b>1,726.79</b>	<b>1,663.22</b>
Decrease/ (Increase) in loans and advances	1,018.04	642.93
Decrease/ (Increase) in other assets	(309.13)	1,479.39
Increase in current liabilities	247.01	(506.58)
<b>Cash generated from/used in operations</b>	<b>2,682.70</b>	<b>3,278.95</b>
Direct Tax (net)	(47.01)	(686.37)
<b>Net cash generated from/ (used in) operating activities (A)</b>	<b>2,635.69</b>	<b>2,592.59</b>
<b>Cash flow from investing activities:</b>		
Purchase of fixed assets	(106.72)	(277.61)
Investments in short term mutual funds	(21,100.00)	(17,800.00)
Decrease/ (Increase) in term deposits	1,575.91	(2,201.59)
Interest on margin money deposits	694.54	620.11
Proceeds of sale of short term mutual funds	21,172.79	17,868.06
Proceeds from sale of fixed assets	2.05	3.90
<b>Net cash used in investing activities (B)</b>	<b>2,238.57</b>	<b>(1,787.14)</b>
<b>Cash flow from financing activities:</b>		
Proceeds from borrowings	52,550.00	42,600.00
Repayment of borrowings	(56,291.65)	(48,708.36)
Proceeds from issue of share capital	-	-
<b>Net cash generated from/ (used in) financing activities (C)</b>	<b>(3,741.65)</b>	<b>(6,108.36)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>1,132.61</b>	<b>(5,302.91)</b>
Cash and cash equivalents at the beginning of the year	241.79	5,544.70
<b>Cash and cash equivalents at the end of the year</b>	<b>1,374.40</b>	<b>241.79</b>
<b>Cash and cash equivalents comprises of :</b>		
Balance with banks:		
- in current accounts	1,244.35	186.00
- deposits with original maturity of less than three months	-	-
Cash on hand	130.05	55.79
	<b>1,374.40</b>	<b>241.79</b>

### Significant accounting policies

2.1

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Shankar Saraf & Associates

Chartered Accountants

ICAI Firm Registration No. 325896E

Shankar Saraf  
Partner

Membership No: 060678

UDIN: 25060678BMLWTL5939

Place : Kolkata

Date : May 20, 2025

For and on behalf of the Board of Directors  
VFS Capital Limited

Ajit Kumar Maity  
Chairman

DIN:00250806

Niraj Kumar Jaideoka  
Company Secretary  
Membership No: 36570

Kuldip Maity  
Managing Director & CEO  
DIN:00250869

Subhasis Ghosh  
Chief Financial Officer

## Significant Accounting Policies and Notes on Accounts

### 1. Reporting entity

VFS Capital Limited, (here in after referred as "the Company" or "VFS"), is engaged in Micro Finance activities for providing financial services to the poor women in the rural and urban areas of India who are organized as joint liability groups (JLG's). The Company is registered as a non-deposit accepting Non-Banking Financial Company ('NBFC-ND') with the Reserve Bank of India ('RBI') and is classified as a Non-Banking Financial Company – Micro Finance Institution ('NBFC-MFI') with effect from September 27, 2013.

The Company provides small value collateral free loans for income generating activities to poor women.

### 2. 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). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016, the provisions of the Reserve Bank of India ("RBI") as applicable as per Master Direction-Reserve Bank of India (Non-Banking Financial Company-Scale Based Regulation) Directions, 2023 vide circular No: RBI/DoR/2023-24/105 DoR.FIN.REC.No.45/03.10.119/ 2023-24 dated October 19, 2023 with Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022 RBI/DOR/2021-22/89 DoR.FIN.REC. 95/03.10.038/2021-22 March 14, 2022, as amended from time to time and other applicable clarifications provided by RBI.

The financial statements are prepared on a going concern basis, as the management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on going concern assumption.

The financial statements have been prepared under the historical cost convention on an accrual basis except interest on non-performing loans which is accounted for on realization basis. The accounting policies applied by the Company are consistent with those applied in the previous year, unless specified otherwise.

An asset or liability is respectively classified as current when it is expected to be realized or settled in the Company's normal operating cycle or within 12 months after the reporting date. Current assets and liabilities include current portion of non-current assets and non-current liabilities respectively. All other assets and liabilities are classified as non-current as required by Schedule III of the Companies Act, 2013.

#### 2.1 Significant accounting policies/ accounting estimate

##### A. Use of estimates

The preparation of financial statements in conformity with the Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and disclosure of contingent liabilities, at the date of the financial statements and the result of the operations during the reporting year end. Although these estimates are made as per the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

##### B. Property, plant and equipment

All property, plant and equipment have been stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of assets and are recognized in the statement of profit and loss when the asset is derecognized.

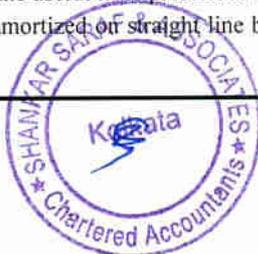
##### C. Intangible assets

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and accumulated impairment loss, if any.

##### D. Depreciation and amortization

Depreciation on property, plant and equipment has been provided on the straight-line method over the useful lives of assets estimated by the management, which is consistent with the useful lives prescribed under Schedule II of the Companies Act, 2013.

Intangible assets other than software are amortized on straight line basis over a period of five years. Software is amortized on a straight line basis over a period of three years.



**E. Leases**

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

**F. Impairment**

The carrying amount of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on internal as well as external factors. An impairment loss is recognized when the carrying amount of the asset is more than its recoverable value which is the greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**G. Borrowing cost**

Borrowing costs includes interest which are recognized on time proportion basis taking into account the amount outstanding and the rate applicable on the borrowings.

Loan processing fees and other ancillary fees incurred for arrangement of borrowings from banks and financial institutions are charged to the statement of profit and loss over the period of loan.

**H. Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

(i) Interest income on portfolio loans is recognized in the statement of profit and loss on time proportion basis taking into account the amount outstanding and the rates applicable, except in the case of Non-Performing Assets ("NPAs"), where it is recognized upon realization, as per prudential norms of RBI. Any such income recognized before the assets become non-performing and remaining unrealized are reversed.

(ii) Interest income on deposit with banks or financial institutions is recognized on a time proportion accrual basis taking into account the amount outstanding and the rate applicable.

(iii) Processing fees are recognized as income upfront when it becomes due.

(iv) Profit arising at the time of securitization of loan portfolio is amortized over the life of underlying loan portfolio and any loss arising therefrom is accounted for immediately. Income from interest strip (excess interest spread) is recognized in the statement of profit and loss, net of any losses at the time of actual receipt.

(v) Income from services rendered as business correspondent of banks are accounted on accrual basis as and when such services are rendered.

(vi) All other income are recognized on an accrual basis.

**I. Investments**

Investments that are readily realizable and intended to be held for not more than one year are classified as current investment, all other investments are classified as long term investment.

Current investments are carried at lower of cost and fair market value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline, other than temporary, in the value of investments. On disposal of investment, the difference between the carrying amount and net disposal proceeds are charged or credited to the statement of profit and loss.

**J. Retirement and other employee benefits**

(i) Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable under the scheme. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset.

(ii) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each year. Actuarial gains and losses for defined benefit plan are recognized in full in the year in which they occur in the statement of profit and loss.

(iii) The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service.



#### **K. Taxation**

(i) Tax expenses comprise of Current and Deferred Tax. Current Income Tax is measured at the amount expected to be paid to the Tax Authorities in accordance with the Income Tax Act, 1961. Income Tax computation has been made in compliance with relevant applicable Income Computation & Disclosure Standards as notified by CBDT under Income Tax Act 1961. Deferred Income Taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

(ii) Deferred Tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

(iii) The carrying amount of the Deferred Tax Assets is reviewed at each Balance Sheet date. The Company writes down the carrying amount of the Deferred Tax Assets to the extent that it is no longer reasonably certain or virtually certain as the case may be, that sufficient future taxable income will be available against which Deferred Tax asset can be realized. Any such write down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available.

#### **L. Classification of loan portfolio**

Loans are classified as follows:

(i) Standard Assets - the asset in respect of which, no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business;

(ii) Non-performing assets - an asset for which, interest/principal payment has remained overdue for a period of more than 90 days.

"Overdue" refers to interest and/or installment remaining unpaid from the day it became receivable.

The above classification is in compliance with the Section VI of Master Direction-Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 vide circular No: RBI/DoR/2023-24/105 DoR.FIN.REC.No.45/03.10.119/ 2023-24 dated October 19, 2023.

#### **M. Provision for portfolio loans**

Provision on portfolio loans are made at the higher of management estimate or minimum provision required as per the Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 vide circular No: RBI/DoR/2023-24/105 DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023. The Management treats a loan as overdue as soon as a scheduled installment is failed.

As per the Section VI of the RBI Master Directions, 2023, the aggregate loan provision to be maintained by NBFC-MFIs at any point of time shall not be less than the higher of a) 1% of the outstanding loan portfolio or b) 50% of the aggregate loan installments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan installments which are overdue for 180 days or more. NBFC-BL shall make provision for standard assets at 0.25 percent of the outstanding, which shall not be reckoned for arriving at net NPAs.

The aggregate loan provision of the Company at any point of time shall not be less than the higher of a) 2% of the gross portfolio outstanding or b) 50% of the aggregate loan installments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan installments which are overdue for 180 days or more.

Non-performing loans are written off when the prospect of recovery is considered remote as per the management estimates.

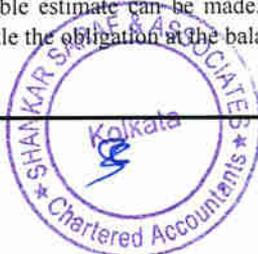
#### **N. Earnings per share**

Basic earnings per share is computed by dividing the profit or loss after tax for the year (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

#### **O. Provisions**

A provision is recognized when the Company has a present obligation as a result of past event, 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 its present value and are determined based on 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.



**P. Foreign currency transactions**

All transactions in foreign currency are recognized at the exchange rate prevailing on the date of the transaction. Foreign currency monetary items are reported using the exchange rate prevailing at the close of the reporting year. Exchange differences arising on the settlement of monetary items or on the restatement of Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

**Q. Cash flow statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing, and investing activities of the Company are segregated based on the available information. Cash flows in foreign currencies are accounted at the actual rates of exchange prevailing at the dates of the transactions.

**R. Cash and cash equivalents**

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand and unrestricted amount of cash at bank and unrestricted short-term investments with an original maturity of three months or less.

**S. Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

**T. Government grant**

Government grant related to revenue is recognized on a systematic basis in the profit and loss statement. Such grants are deducted from their related expense in the profit and loss statement.



**Notes forming part of financial statements**
*(Amount in ₹ lakhs unless otherwise stated)*

Note - 3 : Share capital	31st March, 2025	31st March, 2024
<b>Authorised:</b>		
8,01,40,000 (March 31, 2024: 8,01,40,000) equity shares of ₹ 10/- each	8,014.00	8,014.00
30,00,000 (March 31, 2024: 30,00,000) preference shares of ₹ 10/- each	300.00	300.00
	<b>8,314.00</b>	<b>8,314.00</b>
<b>Issued, subscribed and paid up:</b>		
5,92,97,360 (March 31, 2024: 5,92,97,360) equity shares of ₹ 10/- each	5,929.74	5,929.74
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>5,929.74</b>	<b>5,929.74</b>

**Terms/Rights attached to equity shares:**

The Company has only one class of equity shares having at par value of ₹10/- per share. Each holder of the equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holders of the equity 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 number of equity shares held by the shareholders.

**The reconciliation of number of shares is set out below:**

Particulars	31st March, 2025	31st March, 2024
Number of shares at the beginning of the year	5,92,97,360	5,92,97,360
	-	-
Number of shares at the end of the year	<b>5,92,97,360</b>	<b>5,92,97,360</b>

**Details of shareholders holding more than 5% of the aggregate shares of the Company:**

Particulars	As at 31st March 2025		As at 31st March 2024	
	Equity shares	% of holding	Equity shares	% of holding
Kuldip Maity	5,38,78,535	90.86	5,38,78,535	90.86
IDFC First Bank Limited	41,66,667	7.03	41,66,667	7.03

**Details of shareholdings of Promoters:**
*As on 31st March 2025*

Shares held by promoters at the end of the year			% change during the year
Promoter name	No. of shares	% of total shares	
Kuldip Maity	5,38,78,535	90.86	--

*As on 31st March 2024*

Shares held by promoters at the end of the year			% change during the year
Promoter name	No. of shares	% of total shares	
Kuldip Maity	5,38,78,535	90.86	11.62

**For the period of five years immediately preceding the Balance Sheet date:**

-- On 30.03.23, the Company issued 1,48,24,340 Bonus shares of ₹10/- each amounting to ₹1,482.43 lakhs.

-- On account of Scheme of Amalgamation as approved by Hon'ble NCLT, Kolkata Bench vide its order dated 08.11.2021, 2,98,20,000 Equity Shares @ Rs.10/- each held by M/s Shivam Investment Advisory Private Limited were cancelled and 2,98,20,000 Equity Shares @ Rs.10/- each were allotted by the Company on 07.12.2021.



**Notes forming part of financial statements**
*(Amount in ₹ lakhs unless otherwise stated)*

<b>Note - 4 : Reserves and surplus</b>	<b>31st March, 2025</b>	<b>31st March, 2024</b>
<b>a. Capital reserve</b>		
Balance as per last financial statements	2.45	2.45
Add: Addition during the year	-	-
<b>Closing Balance</b>	<b>2.45</b>	<b>2.45</b>
<b>b. Securities premium</b>		
Balance as per last financial statements	1,688.22	1,688.22
Less: Capitalized for issue of Bonus Share	-	-
Add: Addition during the year	-	-
<b>Closing Balance</b>	<b>1,688.22</b>	<b>1,688.22</b>
<b>c. Statutory reserve</b>		
Balance as per last financial statements	2,798.38	2,339.63
Add: Amount transferred from surplus balance in the statement of profit and loss	320.97	458.75
<b>Closing Balance</b>	<b>3,119.35</b>	<b>2,798.38</b>
<b>d. General reserve</b>		
Balance as per last financial statements	627.71	513.02
Add: Amount transferred from surplus balance in the statement of profit and loss	80.24	114.69
<b>Closing Balance</b>	<b>707.95</b>	<b>627.71</b>
<b>e. Surplus</b>		
Balance as per last financial statements	9,454.49	7,734.17
Add: Profit for the year	1,604.87	2,293.76
<b>Amount available for appropriation</b>	<b>11,059.36</b>	<b>10,027.93</b>
<i>Appropriation :</i>		
Transferred to statutory reserve @ 20% of net profit	320.97	458.75
Transferred to general reserve @ 5% of net profit	80.24	114.69
<b>Net surplus in the statement of profit and loss</b>	<b>10,658.15</b>	<b>9,454.49</b>
<b>Total (a+b+c+d+e)</b>	<b>16,176.12</b>	<b>14,571.25</b>

*(Amount in ₹ lakhs unless otherwise stated)*

<b>Note - 5 : Long-term borrowings</b>	<b>31st March, 2025</b>	<b>31st March, 2024</b>
<b>Rupee Loans:</b>		
<b>Secured:</b>		
<b>Term loans</b>		
-- from Banks/Small Finance Banks	32,137.94	34,231.89
-- from Financial Institutions/NBFCs	20,389.81	21,037.50
	<b>52,527.75</b>	<b>55,269.39</b>
<b>Unsecured:</b>		
<b>Subordinated debt</b>		
-- from Banks	4,000.00	5,000.00
	<b>4,000.00</b>	<b>5,000.00</b>
<b>Total</b>	<b>56,527.75</b>	<b>60,269.39</b>
Less: Current maturities of long-term borrowings disclosed under the head "Short-term borrowings" (Refer Note - 7)	37,227.72	41,275.91
<b>Long-term borrowings</b>	<b>19,300.03</b>	<b>18,993.48</b>



**Notes forming part of financial statements**

**NOTE - 5A : Long-term borrowings (Contd...)**

*(Amount in ₹ lakhs unless otherwise stated)*

**Terms of repayment of long term borrowings as on March 31, 2025**

Description	Due within 1 year		Due within 1 to 2 years		Due within 2 to 3 years		Interest Rate (p.a.)	Total
	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount		
<b>Term Loans:</b>								
<i>Secured:</i>								
<b>Monthly repayment schedule</b>								
From Banks:								
0-3 Yrs	197	16,057.82	81	7,104.14	8	557.98	11.20%-13.00%	23,719.94
From NBFCs/Fls:								
0-3 Yrs	130	11,167.90	58	5,619.57	13	1,762.34	10.50%-14.25%	18,549.81
<b>Total (a)</b>	<b>327</b>	<b>27,225.72</b>	<b>139</b>	<b>12,723.71</b>	<b>21</b>	<b>2,320.32</b>		<b>42,269.75</b>
<b>Quarterly repayment schedule</b>								
From Banks:								
0-3 Yrs	10	4,462.00	7	3,956.00	-	-	11.00% - 12.00%	8,418.00
From NBFCs/Fls:								
0-3 Yrs	11	1,540.00	3	300.00	-	-	9.90%-11.25%	1,840.00
<b>Total (b)</b>	<b>21</b>	<b>6,002.00</b>	<b>10</b>	<b>4,256.00</b>	<b>-</b>	<b>-</b>		<b>10,258.00</b>
<i>Unsecured:</i>								
<b>Bullet repayment schedule</b>								
From Banks:								
0-3 Yrs	2	4,000	-	-	-	-	16.00% - 16.50%	4,000.00
<b>Total (c)</b>	<b>2</b>	<b>4,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>4,000.00</b>
<b>Grand Total (a+b+c)</b>	<b>350</b>	<b>37,227.72</b>	<b>149</b>	<b>16,979.71</b>	<b>21</b>	<b>2,320.32</b>		<b>56,527.75</b>

**Note:**

(a) The above term loans are secured by hypothecation of portfolio loans covered by deed of hypothecation and term deposits.

(b) The term loans amounting to ₹ 52,527.75 lakhs are guaranteed by the promoter directors of the Company.

# Bank overdraft is secured by term deposits with banks.



Notes forming part of financial statements

**NOTE - 5B : Long-term borrowings (Contd...)**

*(Amount in ₹ lakhs unless otherwise stated)*

**Terms of repayment of long term borrowings as on March 31, 2024**

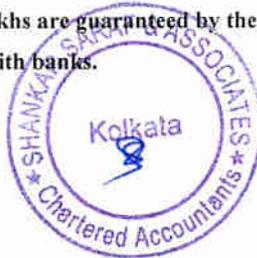
Description	Due within 1 year		Due within 1 to 2 years		Due within 2 to 3 years		Interest Rate (p.a.)	Total
	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount		
<b>Term Loans:</b>								
<i>Secured:</i>								
<b>Monthly repayment schedule</b>								
From Banks:								
0-3 Yrs	264	18,702.71	132	9,386.28	24	1,564.13	9.80%-13.20%	29,653.11
From NBFCs/FIs:								
0-3 Yrs	219	16,632.42	12	785.08	-	-	5.15%-14.00%	17,417.50
<b>Total (a)</b>	<b>483</b>	<b>35,335.13</b>	<b>144</b>	<b>10,171.36</b>	<b>24</b>	<b>1,564.13</b>		<b>47,070.61</b>
<b>Quarterly repayment schedule</b>								
From Banks:								
0-3 Yrs	12	2,160.78	6	1,462.00	3	956.00	8.95% - 12.00%	4,578.78
From NBFCs/FIs:								
0-3 Yrs	12	1,780.00	11	1,540.00	3	300.00	9.90% - 11.25%	3,620.00
<b>Total (b)</b>	<b>24</b>	<b>3,940.78</b>	<b>17</b>	<b>3,002.00</b>	<b>6</b>	<b>1,256.00</b>		<b>8,198.78</b>
<i>Unsecured:</i>								
<b>Bullet repayment schedule</b>								
From Banks:								
0-3 Yrs	2	2,000.00	1	3,000.00	-	-	16.00% - 16.50%	5,000.00
<b>Total (c)</b>	<b>2</b>	<b>2,000.00</b>	<b>1</b>	<b>3,000.00</b>	<b>-</b>	<b>-</b>		<b>5,000.00</b>
<b>Grand Total (a+b+c)</b>	<b>509</b>	<b>41,275.91</b>	<b>162</b>	<b>16,173.36</b>	<b>30</b>	<b>2,820.13</b>		<b>60,269.39</b>

**Note:**

(a) The above term loans are secured by hypothecation of portfolio loans covered by deed of hypothecation and term deposits.

(b) The term loans amounting to ₹ 55,269.39 lakhs are guaranteed by the promoter directors of the Company.

# Bank overdraft is secured by term deposits with banks.



**VFS Capital Limited**

CIN: U51109WB1994PLC063746

**Notes forming part of financial statements***(Amount in ₹ lakhs unless otherwise stated)*

Note - 6 : Provisions	Non-current portion		Current portion	
	31st March, 2025	31st March, 2024	31st March, 2025	31st March, 2024
Provision for employee benefits:				
-- Gratuity	-	-	80.31	99.25
Provision for loan loss:				
-- contingent provision against standard assets	78.33	71.67	179.32	190.09
-- against non performing assets	1,639.02	1,622.84	-	-
<b>Total</b>	<b>1,717.35</b>	<b>1,694.51</b>	<b>259.63</b>	<b>289.34</b>

*(Amount in ₹ lakhs unless otherwise stated)*

Note - 7 : Short-term borrowings	31st March, 2025	31st March, 2024
Current maturities of long-term borrowings (Refer note 5)	37,227.72	41,275.91
<b>Total</b>	<b>37,227.72</b>	<b>41,275.91</b>

*(Amount in ₹ lakhs unless otherwise stated)*

Note - 8 : Trade payables	31st March, 2025	31st March, 2024
Total outstanding dues of micro enterprises and small enterprises	15.86	17.20
Total outstanding dues of creditors other than micro enterprises and small enterprises	25.69	33.80
<b>Total</b>	<b>41.55</b>	<b>51.00</b>

**Trade payables ageing schedule:**

The following schedule reflects ageing of trade payables with respect to the date of transactions:

*As on 31st March 2025**(Amount in ₹ lakhs unless otherwise stated)*

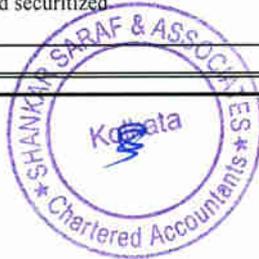
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	15.86	-	-	-	15.86
(ii) Others	25.69	-	-	-	25.69
(iii) Disputed dues-MSME	-	-	-	-	-
(iii) Disputed dues-Others	-	-	-	-	-
<b>Sub Total-A</b>	<b>41.55</b>	-	-	-	<b>41.55</b>
(v) Unbilled amount	-	-	-	-	-
<b>Sub Total-B</b>	-	-	-	-	-
<b>Total (A+B)</b>	<b>41.55</b>	-	-	-	<b>41.55</b>

*As on 31st March 2024**(Amount in ₹ lakhs unless otherwise stated)*

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	17.20	-	-	-	17.20
(ii) Others	33.80	-	-	-	33.80
(iii) Disputed dues-MSME	-	-	-	-	-
(iii) Disputed dues-Others	-	-	-	-	-
<b>Sub Total-A</b>	<b>51.00</b>	-	-	-	<b>51.00</b>
(v) Unbilled amount	-	-	-	-	-
<b>Sub Total-B</b>	-	-	-	-	-
<b>Total (A+B)</b>	<b>51.00</b>	-	-	-	<b>51.00</b>

*(Amount in ₹ lakhs unless otherwise stated)*

Note - 9 : Other current liabilities	31st March, 2025	31st March, 2024
Interest accrued but not due on borrowings	101.92	183.64
Employee benefits and other expenses payable	657.02	495.11
Payable for portfolio loans assigned and securitized	384.42	135.19
Statutory dues	114.80	88.53
<b>Total</b>	<b>1,258.16</b>	<b>902.47</b>



**Notes forming part of financial statements**
*(Amount in ₹ lakhs unless otherwise stated)*
**Note - 10A : Property, Plant and Equipment**

Cost or Valuation	Building	Furniture and fixtures	Computers	Office equipments	Electrical equipments	Other equipments	Vehicle	Total
<b>Gross Block:</b>								
At 1st April 2023	11.05	627.16	317.76	16.52	82.34	3.76	60.72	1,119.32
Additions for the year	-	191.10	1.65	10.05	58.57	-	-	261.36
Disposals	-	-	(3.90)	-	-	-	-	(3.90)
As at 31st March 2024	11.05	818.26	315.51	26.57	140.91	3.76	60.72	1,376.78
Additions for the year	-	17.49	1.46	8.21	15.31	5.17	35.69	83.33
Disposals	-	-	-	-	-	-	(2.05)	(2.05)
As at 31st March 2025	11.05	835.75	316.97	34.78	156.22	8.93	94.36	1,458.06
<b>Depreciation:</b>								
At 1st April 2023	1.73	229.53	262.47	7.19	45.14	1.68	35.79	583.54
Charge for the year	0.18	31.19	37.62	0.79	9.69	0.08	5.82	85.36
Disposals	-	-	-	-	-	-	-	-
As at 31st March 2024	1.91	260.72	300.09	7.98	54.83	1.76	41.61	668.90
Charge for the year	0.18	100.65	6.05	0.87	15.87	0.10	10.88	134.60
Disposals	-	-	-	-	-	-	-	-
As at 31st March 2025	2.08	361.37	306.14	8.86	70.69	1.87	52.49	803.50
<b>Net Block:</b>								
As at 31st March 2025	8.97	474.38	10.83	25.93	85.53	7.07	41.87	654.56
As at 31st March 2024	9.14	557.54	15.42	18.59	86.08	2.00	19.11	707.88

**Note - 10B: Intangible assets**

Particulars	Computer softwares	Trademark	Total
<b>Gross Block:</b>			
At 1st April 2023	49.40	0.87	50.27
Additions for the year	16.25	-	16.25
Disposals	-	-	-
As at 31st March 2024	65.66	0.87	66.52
Additions for the year	23.26	0.13	23.39
Disposals	-	-	-
As at 31st March 2025	88.92	1.00	89.91
<b>Amortization:</b>			
At 1st April 2023	36.72	0.65	37.37
Charge for the year	4.65	0.08	4.73
Disposals	-	-	-
As at 31st March 2024	41.37	0.73	42.09
Charge for the year	8.84	0.06	8.90
Disposals	-	-	-
As at 31st March 2025	50.21	0.79	50.99
<b>Net Block:</b>			
As at 31st March 2025	38.71	0.21	38.92
As at 31st March 2024	24.29	0.14	24.43





**VFS Capital Limited**  
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**Notes forming part of financial statements**

(Amount in ₹ lakhs unless otherwise stated)

Note - 11 : Investments	Non-current portion		Current portion	
	31st March, 2025	31st March, 2024	31st March, 2025	31st March, 2024
<b>Trade Investment</b>				
Investment in equity shares (unquoted) 50,000 fully paid up equity shares of Alpha Micro Finance Consultants Private Limited at face value of ₹10/- per share	5.00	5.00	-	-
<b>Total</b>	<b>5.00</b>	<b>5.00</b>	<b>-</b>	<b>-</b>

(Amount in ₹ lakhs unless otherwise stated)

Note - 12 : Deferred tax assets: non-current (net)	31st March, 2025	31st March, 2024
<i>Deferred tax liabilities on account of:</i>		
Fixed assets: Impact of difference between tax depreciation and depreciation charged for financial reporting	9.29	(0.32)
<i>Deferred tax assets on account of:</i>		
Impact of provision against standard assets and non-performing assets	448.92	448.34
Impact of expenditure charged to statement of profit and loss but allowed for tax purpose on payment basis	20.21	45.55
Impact of provision against other assets	-	-
<b>Total</b>	<b>478.42</b>	<b>493.57</b>

(Amount in ₹ lakhs unless otherwise stated)

Note - 13 : Loans and advances (Unsecured, considered good unless otherwise stated)	Non-current portion		Current portion	
	31st March, 2025	31st March, 2024	31st March, 2025	31st March, 2024
<b>Loan portfolio:</b>				
Considered good	19,581.81	17,917.29	44,831.01	47,522.42
Considered doubtful	1,407.36	1,467.71	-	-
Advances recoverable in cash or kind	35.00	35.00	29.75	38.39
Advance tax (net of provision)	563.46	1,076.82	-	-
Margin money with non-banking financial companies and financial institutions*	731.60	362.50	2,700.00	3,070.00
<b>Total</b>	<b>22,319.23</b>	<b>20,859.32</b>	<b>47,560.76</b>	<b>50,630.81</b>

\* Placed as lien towards term loans availed.

(Amount in ₹ lakhs unless otherwise stated)

Note - 14 : Other assets (Unsecured, Considered good unless otherwise stated)	Non-current portion		Current portion	
	31st March, 2025	31st March, 2024	31st March, 2025	31st March, 2024
Non-current bank balances (Refer note - 15)	5,271.45	4,922.77	-	-
Accrued interest on loans	-	-	160.61	141.31
Interest accrued but not due on term deposits	588.37	437.68	195.85	287.43
Security deposit for rent and others	78.67	62.78	-	-
Gain receivable on securitisation	-	-	69.39	25.56
Unamortized costs related to borrowings	425.88	274.67	733.07	782.01
Service fees and GST input receivable	-	-	93.36	24.64
<b>Total</b>	<b>6,364.37</b>	<b>5,697.90</b>	<b>1,252.28</b>	<b>1,260.95</b>





# VFS Capital Limited

CIN: U51109WB1994PLC063746

(Amount in ₹ lakhs unless otherwise stated)

Note - 15 : Cash and bank balances	Non-current portion		Current portion	
	31st March, 2025	31st March, 2024	31st March, 2025	31st March, 2024
<b>Cash and cash equivalents:</b>				
Balance with banks				
- on current account	-	-	1,244.35	186.00
- deposits with original maturity of less than three months			-	-
Cash on hand	-	-	130.05	55.79
	-	-	<b>1,374.40</b>	<b>241.79</b>
<b>Other bank balances:</b>				
Deposit with remaining maturity period of less than twelve months (*)	-	-	1,862.36	3,786.05
Deposit with remaining maturity period of more than twelve months (*)	5,271.45	4,922.77	-	-
	<b>5,271.45</b>	<b>4,922.77</b>	<b>1,862.36</b>	<b>3,786.05</b>
Amount disclosed under non-current assets (Refer Note - 14)	(5,271.45)	(4,922.77)	-	-
<b>Total</b>	-	-	<b>3,236.76</b>	<b>4,027.84</b>

\* Placed as lien towards term loans availed.





# VFS Capital Limited

CIN: U51109WB1994PLC063746

## Notes forming part of financial statements

(Amount in ₹ lakhs unless otherwise stated)

Note - 16 : Revenue from operations	31st March, 2025	31st March, 2024
Interest income on portfolio loans	15,721.69	13,984.13
Service fees	1,802.91	1,454.82
Income from securitization and direct assignment	747.88	1,240.91
<b>Other operating revenue:</b>		
Processing fee on portfolio loans	335.62	512.66
Interest on margin money deposits	694.54	620.11
Recovery of bad debts	0.83	0.80
<b>Total</b>	<b>19,303.47</b>	<b>17,813.43</b>

(Amount in ₹ lakhs unless otherwise stated)

Note - 17 : Other income	31st March, 2025	31st March, 2024
Gain on sale of mutual fund (short term)	72.79	68.05
Dividend income	12.50	-
Other non-operative income	11.79	3.89
<b>Total</b>	<b>97.08</b>	<b>71.94</b>

(Amount in ₹ lakhs unless otherwise stated)

Note - 18 : Employee benefits expense	31st March, 2025	31st March, 2024
Salaries and allowances	4,649.60	4,807.03
Contribution towards provident fund	373.82	371.10
Contribution towards E.S.I.C	74.06	79.22
Gratuity expense	80.31	121.44
Staff welfare expense	5.31	3.88
<b>Total</b>	<b>5,183.10</b>	<b>5,382.67</b>

(Amount in ₹ lakhs unless otherwise stated)

Note - 19 : Finance costs	31st March, 2025	31st March, 2024
Interest expense	7,410.91	6,810.88
Other borrowing costs	1,848.49	1,180.82
<b>Total</b>	<b>9,259.40</b>	<b>7,991.70</b>

(Amount in ₹ lakhs unless otherwise stated)

Note - 20 : Depreciation and amortization expense	31st March, 2025	31st March, 2024
Depreciation of tangible assets	134.60	85.36
Amortization of intangible assets	8.90	4.73
<b>Total</b>	<b>143.50</b>	<b>90.09</b>

(Amount in ₹ lakhs unless otherwise stated)

Note - 21 : Provisions and write off	31st March, 2025	31st March, 2024
Provision for standard and non-performing assets	12.08	(922.35)
Portfolio loans written off	77.84	93.61
<b>Total</b>	<b>89.92</b>	<b>(828.74)</b>



*(Amount in ₹ lakhs unless otherwise stated)*

<b>Note - 22 : Other expenses</b>	<b>31st March, 2025</b>	<b>31st March, 2024</b>
Rent expenses	624.00	592.70
Consultancy and professional charges	418.03	344.07
Software customization charges	113.79	134.57
Printing and stationery	23.21	41.11
Repair and maintenance	267.27	265.92
Communication expenses	140.35	142.31
Travelling and conveyance	630.01	452.72
Expenses on corporate social responsibility	32.00	30.00
Online collection charges	35.06	47.94
Training expenses	6.01	10.01
Electricity charges	34.76	34.50
Auditor's remuneration (Refer note below)	17.44	16.63
Rates and taxes	62.74	50.34
Security charges	22.89	19.56
Filing fees	0.63	0.59
Subscription	36.80	43.27
Miscellaneous expenses	79.25	54.82
<b>Total</b>	<b>2,544.24</b>	<b>2,281.06</b>

*(Amount in ₹ lakhs unless otherwise stated)*

<b>Note - 22 (a) : Auditor's remuneration</b>	<b>31st March, 2025</b>	<b>31st March, 2024</b>
As auditors:		
- Statutory Audit fee	16.00	16.00
- Other services	1.44	0.63
<b>Total</b>	<b>17.44</b>	<b>16.63</b>





**VFS Capital Limited**  
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**Notes forming part of financial statements**

**23. Earnings per share:**

Particulars	31st March, 2025	31st March, 2024
Net profit as per profit and loss statement (₹ in lakhs)	1,604.87	2,293.76
Weighted average number of shares used in computing basic earnings per share	5,92,97,360	5,92,97,360
Earning per share (Basic and diluted) (₹)	2.71	3.87

**24. Classification of loans:**

Management classifies its loan portfolio as Standard and Non-performing asset ("NPA") as per the norms stipulated by the Reserve Bank of India (RBI).

Quality of portfolio outstanding:

Classification	As at March 31, 2025		As at March 31, 2024	
	Amount (₹ in lakhs)	Share (%)	Amount (₹ in lakhs)	Share (%)
<b>Standard:</b>				
Current	58,160.79	88.36%	59,034.34	88.23%
1-90 days	6,252.04	9.50%	6,405.38	9.57%
<b>NPA:</b>				
91- 179 days	1,212.22	1.84%	1,256.27	1.88%
180 days and more	195.13	0.30%	211.43	0.32%
<b>Total</b>	<b>65,820.18</b>	<b>100.00%</b>	<b>66,907.42</b>	<b>100.00%</b>

**25. Segment reporting**

The Company operates in a single reportable segment i.e. giving loans and other related activities, which have similar risks and returns for the purpose of Accounting Standard-17 on 'Segment Reporting'. The Company operates in a single geographical segment i.e. domestic. Hence, no additional disclosures are required under Accounting Standard-17.

**26. Expenditure in foreign currency (on accrual basis)**

There are no expenditure in foreign currency during the financial year ended March 31, 2025.

**27. Leases**

**Operating lease: Company as lessee**

Certain office premises, computers and office equipments are obtained on operating lease. The lease term is for one to three years and renewable for further periods either mutually or at the option of the Company. There are no restrictions imposed by lease agreements. There are no subleases and the leases are cancellable.

Description	Year ended March 31, 2025	Year ended March 31, 2024
Operating lease payments recognized during the year (₹ in lakhs)	624.00	592.70





VFS Capital Limited  
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Notes forming part of financial statements

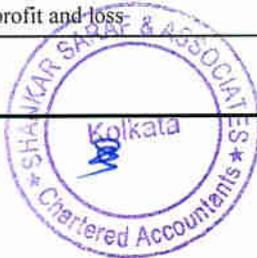
28. Employee Benefits

a) Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity on departure and it is computed at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following table summarizes the components of net benefit expense recognized in the statement of profit and loss, the funded status and amounts recognized in the balance sheet for the gratuity plans.

Particulars	31-Mar-25	31-Mar-24
<b>Assumptions:</b>		
Discount rate	6.35%	7.10%
Salary escalation	6.75%	6.75%
Expected rate of return on assets	6.35%	7.10%
Expected average remaining working life of employees (years)	27.58	28.04
Withdrawal rate	20%	20%
	(₹ in lakhs)	(₹ in lakhs)
<b>Table showing changes in present value of Defined Benefit Obligation:</b>		
Present value of defined benefit obligation as at the beginning of the year	407.22	354.12
Interest cost	26.17	26.21
Current service cost	70.10	68.49
Benefits paid	(77.29)	(91.49)
Actuarial loss/ (gain) on obligation	9.36	49.89
Present value of defined benefit obligation as at the end of the year	435.56	407.22
<b>Table showing fair value of Plan Assets:</b>		
Fair value of plan assets at the beginning of the year	368.52	321.24
Expected return on plan assets	25.58	24.66
Employer contributions	60.88	115.62
Benefits paid	(77.29)	(91.49)
Actuarial (loss)/ gain on plan assets	(0.26)	(1.52)
Fair value of plan assets at the end of the year	377.43	368.52
<b>Actuarial gain/ loss recognized:</b>		
Actuarial loss/ (gain) on obligation	9.36	49.89
Actuarial loss/ (gain) on plan assets	0.26	1.52
Actuarial loss/ (gain) recognized during the year	9.62	51.41
<b>Amount to be recognized in the Balance Sheet:</b>		
Present value of defined benefit obligation as at the end of the year	435.56	407.22
Fair value of plan assets at the end of the year	377.43	368.52
Net liability recognized in the Balance Sheet	58.13	38.70
<b>Expenses recognized in the statement of profit and loss:</b>		
Current service cost	70.10	68.49
Interest cost	26.17	26.21
Expected return on plan assets	(25.58)	(24.66)
Net actuarial (gain)/ loss recognized in the year	9.62	51.41
Expenses recognized in the statement of profit and loss	80.31	121.44





**VFS Capital Limited**  
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**Notes forming part of financial statements**

Amounts for the current period and previous year are as follows:

Particulars	As on 31st March				
	2025	2024	2023	2022	2021
Defined benefit obligation	435.56	407.22	354.12	259.58	206.98
Plan assets	377.43	368.52	321.24	268.59	214.99
(Surplus)/Deficit	58.13	38.70	32.88	(9.01)	(8.01)
Experience adjustment on present value of obligation - Loss / (Gain)	19.15	11.07	4.32	0.10	1.40
Experience adjustment on fair value of plan assets - (Loss) / Gain	(0.26)	(1.52)	(1.84)	(1.81)	7.36

The major categories of Plan Asset as a percentage of the fair value of Total Plan Asset are as follows:

Particulars	31-Mar-25	31-Mar-24
Insurance managed funds	100%	100%

The estimates of future salary increases considered in actuarial valuation takes account of inflation, seniority and other relevant factors, such as supply and demand in the employment market.

The Company expects to contribute ₹78.80 lakhs (March 31, 2024 - ₹74.92 lakhs) to gratuity fund in the next 12 months.

The overall expected rate of return on assets is determined based on market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been no significant change in expected rate of return.

(b) Amount incurred as expense for defined contribution to Provident Fund is ₹373.82 lakhs (March 31, 2024 : ₹371.10 lakhs)

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**VFS Capital Limited**  
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**Notes forming part of financial statements**

**29. Related parties, related party transactions and balances receivable/payable as at the end of the year**

As per Accounting Standard 18 (AS-18) on related party disclosure issued by the Institute of Chartered Accountants of India related parties of the Company are as follows:

**29.a: Related Parties**

**i) List of related parties over which control exists**

Description of relationship	Names of Related Parties
i) Ultimate holding company	Nil
ii) Holding company	Nil
iii) Subsidiaries	Nil
iv) Fellow subsidiaries	Nil

**ii) Other related parties with whom transactions carried out during the year**

Description of relationship	Whether any transactions	Name, if transactions taken place
<b>a) Joint Ventures and Associates</b>		
i) Joint Ventures	No	Not applicable
ii) Associates of the Reporting Enterprises	No	Not applicable
iii) Investing of which the reporting enterprises is an associate	No	Not applicable
<b>b)</b>		
i) Individuals having control or significant influence over the enterprise	Yes	Mr. Kuldip Maity
ii) Relatives of above	No	Not applicable
<b>c) Key Managerial Personnel (KMP)</b>		
i) Key Management Personnel (KMP)	Yes	Mr. Kuldip Maity, Managing Director and CEO
		Mr. Subhasis Ghosh, CFO
		Mr. Niraj Kumar Jaideoka, Company Secretary (from March 19, 2025)
		Ms. Piyali Deb, Company Secretary and Compliance Officer (upto August 06, 2024)
ii) Relatives of KMPs	Yes	Mr. Ajit Kumar Maity
<b>d)</b>		
i) Enterprises over which any person described in (b) or (c) is able to exercise significant influence	Yes	Kaydee Foundation, Fast Capital Private Limited
ii) Enterprises owned by directors of the reporting enterprises	No	Not applicable
iii) Enterprises owned by major shareholders of the reporting enterprises	No	Not applicable
iv) Enterprises that have a member of key management in common with the reporting enterprise	No	Not applicable





**VFS Capital Limited**  
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**Notes forming part of financial statements**

**29.b: Related party transactions**

*(Amount in ₹ lakhs unless otherwise stated)*

Particulars of Related Party	Nature of Transactions	Year ended March 31, 2025	Year ended March 31, 2024
Mr. Ajit Kumar Maity	Remunerations	130.02	108.35
	Reimbursement of expenses	-	0.11
Mr. Kuldip Maity	Salaries and allowances	465.21	350.56
	Contribution towards provident fund	36.08	30.07
	Loan given/(repaid)	(25.00)	750.00
	Interest received on loan	89.97	30.08
Mr. Subhasis Ghosh	Salaries and allowances	23.25	8.32
	Contribution towards provident fund	1.40	0.50
	Reimbursement of expenses	0.10	0.04
Mr. Niraj Kumar Jaideoka	Salaries and allowances	1.04	--
	Contribution towards provident fund	0.06	--
Ms. Piyali Deb	Salaries and allowances	4.02	10.54
	Contribution towards provident fund	0.22	0.62
	Reimbursement of expenses	0.04	0.11
Kaydee Foundation	CSR expenditure	32.00	30.00
Fast Capital Private Limited	Loan	--	750.00
	Interest received on loan	90.00	26.14

**29.c: Balances payable as at the end of the year**

*(Amount in ₹ lakhs unless otherwise stated)*

Particulars of related party	31st March, 2025	31st March, 2024
Mr. Ajit Kumar Maity	7.19	5.08
Mr. Kuldip Maity	11.55	63.42
Mr. Subhasis Ghosh	1.55	1.31
Mr. Niraj Kumar Jaideoka	0.97	-
Ms. Piyali Deb	-	0.76

**Balances receivable as at the end of the year**

*(Amount in ₹ lakhs unless otherwise stated)*

Particulars of related party	31st March, 2025	31st March, 2024
Mr. Kuldip Maity	725.00	750.00
Fast Capital Private Limited	750.00	750.00

**29.d: Disclosure under Rule 16A of the Companies (Acceptance of Deposits) Rules, 2014**

Particulars of related party	31st March, 2025	31st March, 2024
Money received from (No.) directors / or the relatives of directors during the year	Nil	Nil
Balance outstanding at the end of the year	Nil	Nil

**Notes:**

Refer note no. 5A and 5B as regards to term loans personally guaranteed by promoter directors of the Company.





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**Notes forming part of financial statements**

**30. Details of Business Correspondent (BC) activity:**

The Company has entered into Direct Sale Agreements with banks under the following terms:

- Amounts received from the bank are disbursed as loan to joint-liability groups organized / monitored by the Company and such joint-liability groups are considered as banks' borrowers.
- The Company provides services in connection with recovery and monitoring of such loans.
- The Company has provided collaterals in the form of fixed deposits which would be adjusted by banks, to the extent of default made by borrowers.

The information regarding Business Correspondent activity is shown below:

*(Amount in ₹ lakhs unless otherwise stated)*

Particulars	31-Mar-25	31-Mar-24
Number of accounts	66,340	68,379
BC loan outstanding	25,418.96	21,881.96
Income from BC activities	1,802.91	1,454.82
Cash collateral	1,186.60	1,182.50

**31. Securitization transactions:**

During the year the Company has sold loans through securitization. The information on securitization activity of the Company as an originator is shown below:

*(Amount in ₹ lakhs unless otherwise stated)*

Particulars	31-Mar-25	31-Mar-24
Total number of loans securitized	18,927	10,666
Total book value of loans securitized	6,617.17	3,940.44
Sale consideration for loans securitized	5,743.62	3,417.25
Income from securitization recognized in the statement of profit and loss	544.86	554.89

**32. Assigned portfolio transactions:**

During the year the Company has sold loans through direct assignment. The information on assignment activity of the Company as an originator is shown below:

*(Amount in ₹ lakhs unless otherwise stated)*

Particulars	31-Mar-25	31-Mar-24
Total number of loans assigned	14,515	38,450
Total book value of loans assigned	4,026.51	8,125.50
Sale consideration for loans assigned	3,623.86	7,312.95
Income from assignment recognized in the statement of profit and loss	203.02	686.02

Certain loans assigned during the year have been accounted for subsequent to the Balance Sheet date, upon completion of necessary documentation and sanction related conditions.





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**Notes forming part of financial statements**

**33. Disclosure relating to CSR expenditure:**

(Amount in ₹ lakhs unless otherwise stated)

	Year ended 31st March 2025	Year ended 31st March 2024
(a) Gross amount required to be spent by the Company during the year	31.49	14.88
(b) Maximum amount approved by the Board to be spent during the year	60.00	45.00
(c) Amount spent during the year (in cash):		
(i) Construction/acquisition of any asset	--	--
(ii) On purposes other than (i) above	32.00	30.00
(d) Shortfall at the end of the year	--	--
(e) Total of previous years shortfall	--	--
(f) Reason for shortfall	Not applicable	Not applicable
(g) Nature of CSR activities	Health services, sanitation, hygiene environmental support and relief distribution	
(h) Contribution to related parties (Kaydee Foundation) in relation to CSR expenditure	32.00	30.00

**34. Additional disclosures required by Reserve Bank of India**

**RBI scale based regulations:**

Applying the scale based regulations issued by RBI vide circular dated 22 October 2021 (applicable from 01 October 2022), the Company would be classified as a Base Layer NBFC (NBFC-BL).

The Company has initiated necessary steps in terms of formulating an implementation plan and ensuring compliances with norms/changes suggested as and when they become applicable.

**i) Capital to Risk Asset Ratio ("CRAR"):**

Particulars	March 31, 2025	March 31, 2024
i) CRAR (%)	28.61%	25.97%
ii) CRAR - Tier I Capital (%)	27.67%	24.90%
iii) CRAR - Tier II Capital (%)	0.94%	1.07%
iv) Amount of subordinated debt raised as Tier-II capital	-	-
v) Amount raised by issue of Perpetual Debt Instruments	-	-

**ii) Investments:**

(₹ in crore)

Particulars	March 31, 2025	March 31, 2024
1) Value of Investments		
(i) Gross value of investments		
(a) In India	0.05	0.05
(b) Outside India	-	-
(ii) Provisions for depreciations		
(a) In India	-	-
(b) Outside India	-	-
(i) Net value of investments		
(a) In India	0.05	0.05
(b) Outside India	-	-
2) Movement of provisions held towards depreciation on investments		
(i) Opening balance	-	-
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write-off/write-back of excess provisions during the year	-	-
(iv) Closing balance	-	-





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**Notes forming part of financial statements**

**iii) Disclosures relating to securitization:**

(₹ in crore)

Sl.	Particulars	March 31, 2025	March 31, 2024
1	No. of SPVs sponsored by the NBFC for securitizations	3	3
2	Total amount of securitized assets as per the books of SPVs sponsored by the NBFC as on the date of Balance Sheet	35.11	20.45
3	Total amount of exposures retained to comply with minimum retention requirement (MRR) as on the date of Balance Sheet	-	-
	a) Off-balance sheet exposures		
	-- First loss	-	-
	-- Others	-	-
	b) On-balance sheet exposures		
	-- First loss (In the form of fixed deposits)	5.48	5.89
	-- Pool Principal	5.70	3.03
4	Amount of exposures retained to securitization transactions other than MRR		
	a) Off-balance sheet exposures		
	(i) Exposure to own securitizations	-	-
	-- First loss	-	-
	-- Others	-	-
	(ii) Exposure to third party securitizations		
	-- First loss	-	-
	-- Others	-	-
	b) On-balance sheet exposures		
	(i) Exposure to own securitizations		
	-- First loss	-	-
	-- Others	-	-
	(ii) Exposure to third party securitizations		
	-- First loss	-	-
	-- Others	-	-

**vi) Details of Financial Assets sold to Securitization/Reconstruction Company for Asset Reconstruction:**

The Company has not sold financial assets to Securitization / Reconstruction Company for asset reconstruction in the current and previous year.

**vii) Loan to Directors, Senior Officers and relatives of Directors:**

(₹ in crore)

Sl.	Particulars	March 31, 2025	March 31, 2024
1	Kuldip Maity (Managing Director & CEO)	7.25	7.50
2	Entities associated with directors (Fast Capital Private Limited)	7.50	7.50

**viii) Details of non-performing financial assets purchased / sold:**

The Company has not purchased / sold non-performing financial assets in the current and previous year.

**ix) Outstanding of loans against security of gold as a percentage to total assets is Nil. (March 31, 2024 - Nil)**





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**Notes forming part of financial statements**

**x) Asset Liability management:**

Maturity pattern of certain items of assets and liabilities as on March 31, 2025

(₹ in crore)

Particulars	Up to 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 yrs up to 5 yrs	Over 5 years	Total
Advances	45.13	43.18	40.81	115.23	203.95	209.89	-	-	658.20
Investments	-	-	-	-	-	-	-	0.05	0.05
Borrowings	26.75	30.81	43.34	99.74	171.63	193.00	-	-	565.28

Maturity pattern of certain items of assets and liabilities as on March 31, 2024

(₹ in crore)

Particulars	Up to 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 yrs up to 5 yrs	Over 5 years	Total
Advances	49.29	46.65	44.20	123.59	211.49	193.85	-	-	669.07
Investments	-	-	-	-	-	-	-	0.05	0.05
Borrowings	45.85	40.93	49.95	128.59	147.44	189.93	-	-	602.69

**xi) Exposures:**

**(a) Exposure to real estate sector:**

(₹ in crore)

Category	Year ended March 31, 2025	Year ended March 31, 2024
<b>Direct exposure</b>		
a) Residential Mortgages – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	-	-
b) Commercial Real Estate – Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	-	-
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures – i. Residential ii. Commercial Real Estate	-	-
<b>Indirect Exposure</b> Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	-	-
<b>Total Exposure to Real Estate Sector</b>	-	-





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**Notes forming part of financial statements**

**(b) Exposure to capital market:**

(₹ in crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt	-	-
ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds	-	-
iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances	-	-
v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
vii) Bridge loans to companies against expected equity flows / issues	-	-
viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
ix) Financing to stockbrokers for margin trading	-	-
x) All exposures to Alternative Investment Funds: (i) Category I (ii) Category II (iii) Category III	-	-
<b>Total exposure to capital market</b>	-	-

**(c) Sectoral exposure (includes on balance sheet and off-balance sheet exposure):**

(₹ in crore)

Sectors	2024-25			2023-24		
	Total exposure	Gross NPA	%	Total exposure	Gross NPA	%
Agriculture and Allied Activities	455.87	9.08	1.99%	481.42	8.83	1.83%
Industry	415.81	6.36	1.53%	393.27	6.14	1.56%
Services	33.66	2.14	6.36%	27.61	2.05	7.43%
Personal Loans	-	-	-	-	-	-
Others	43.00	-	-	40.00	-	-

**(d) Intra-group exposures:**

(₹ in crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Total amount of intra-group exposures	-	-
Total amount of top 20 intra-group exposures	-	-
Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	-	-



**Notes forming part of financial statements**

**(e) Unhedged foreign currency exposure:**

The Company did not have any unhedged foreign currency exposure as on the balance sheet date and did not enter into any derivative contracts at any time during the year and none were outstanding as at 31 March 2025 and 31 March 2024.

**(f) Related party disclosure:**

The related party disclosures pursuant to scale based regulations disclosure guidelines issued by RBI has been disclosed in Note 29.

**(g) Disclosure of complaints:**

Refer Note 34 (xxvi)

**xii) Details of financing of parent company products:**

The Company does not have any parent company during current financial year.

**xiii) Details of Single Borrower Limit (SGL)/ Group Borrower Limit (GBL) exceeded by NBFC:**

The Company has not exceeded any limit in respect of SGL/ GBL during the current and previous year.

**xiv) Overseas Assets (for those with Joint Ventures and Subsidiaries abroad):**

The Company does not have any Joint Venture and Subsidiaries abroad.

**xv) Unsecured Advances:**

(₹ in crore)

Particulars	March 31, 2025	March 31, 2024
Portfolio loans	658.20	669.07

**xvi) Registration obtained from other financial sector regulators:**

The Company is registered with following other financial sector regulators (Financial regulators as described by Ministry of Finance):

- (i) Ministry of Corporate Affairs
- (ii) Ministry of Finance (Financial Intelligence Unit)

**xvii) Disclosure of Penalties imposed by RBI and other regulators:**

No penalties were imposed by RBI and other regulators during the current year.

**xviii) Off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms):**

There are no off-balance sheet SPVs sponsored which are required to be consolidated as on March 31, 2025 and March 31, 2024.

**xix) Ratings assigned by credit rating agencies and migration of ratings during the year:**

Deposit Instruments	Name of Rating Agency	Date of rating	Rating assigned	Valid up to
Long term Bank facilities	Infomerics Valuation and Rating Pvt. Ltd.	19-Sep-2024	IVR A-	18-Sep-25
Long term Bank facilities	Acuite Ratings & Research Limited	27-Jun-2024	ACUITE BBB+	03-Aug-25
Securitisation	CARE Ratings Limited	28-Jun-2024	CARE A (SO)	17-Jan-26
		1-Oct-2024	CARE A (SO)	17-Jun-26
		28-Mar-2025	CARE A- (SO)	18-Dec-26

**xx) Provisions and Contingencies (shown under the head expenditure in the statement of profit and loss):**

(₹ in crore)

Particulars	March 31, 2025	March 31, 2024
Provision made towards income tax	5.40	4.40
Provision for standard and non-performing assets	12.08	--
Provision for gratuity	0.80	1.21



**Notes forming part of financial statements**

**xxi) Draw down from Reserves:**

There has been no draw down from reserves during the year ended March 31, 2025 (Previous Year : Nil).

**xxii) Concentration of Deposits:**

This disclosure is not applicable as the Company is not a deposit taking NBFC.

**xxiii) Concentration of Advances, Exposures and NPAs:**

(₹ in crore)

Particulars	March 31, 2025	March 31, 2024
<b>Concentration of Advances</b>		
Total advances to twenty largest borrowers	43.14	40.24
% of advances to twenty largest borrowers to total advances	6.55%	6.01%
<b>Concentration of Exposures</b>		
Total exposure to twenty largest borrowers / customers	43.14	40.24
% of exposures to twenty largest borrowers / customers to total exposure	6.55%	6.01%
<b>Concentration of NPAs</b>		
Total exposure to top four NPA accounts	0.05	0.05

**xxiv) Sector-wise NPAs:**

Sector	% of NPAs to total advances in that sector as on March 31, 2025	% of NPAs to total advances in that sector as on March 31, 2024
Agriculture & allied activities	1.99%	1.83%
MSME	1.53%	1.56%
Corporate borrowers	-	-
Services	6.36%	7.43%
Unsecured personal loans	-	-
Auto loans	-	-
Other personal loans	-	-

**xxv) Movement of NPAs:**

(₹ in crore)

Sl.	Particulars	March 31, 2025	March 31, 2024
i)	Net NPAs to Net Advances (%)	0%	0%
ii)	<b>Movement of NPAs (Gross)</b>		
a)	Opening balance	14.67	18.65
b)	Addition during the year	0.18	(3.04)
c)	Reductions during the year (represents loan portfolio written off)	0.78	0.94
d)	Closing balance	14.07	14.67
iii)	<b>Movement of Net NPAs</b>		
a)	Opening balance	0	2.01
b)	Addition during the year	--	--
c)	Reductions during the year	0	(2.01)
d)	Closing balance	0	0
iv)	<b>Movement of provisions for NPAs</b>		
a)	Opening balance	16.23	16.64
b)	Provision made during the year	0.16	--
c)	Write back of excess provisions	0	0.41
d)	Closing balance	16.39	16.23





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**Notes forming part of financial statements**

**xxvi) Disclosure of Customer Complaints:**

SI	Particulars	March 31, 2025	March 31, 2024
i)	No. of complaints pending at the beginning of the year	-	-
ii)	No. of complaints received during the year	94	76
iii)	No. of complaints redressed during the year	94	76
iv)	No. of complaints pending at the end of the year	-	-

**Disclosures pursuant to disclosure guidelines of NBFC scale based regulations:**

i)	Details of maintainable complaints received by the NBFC from the office of Ombudsman	-	-
ii)	Number of awards unimplemented within the stipulated time	-	-
iii)	Top grounds of complaints received from customers	--- Updation of credit bureau records --- Delay in insurance claim settlement	

**xxvii) Disclosure for Credit Default Swaps - Nil (March 31, 2024 - Nil)**

**35. Disclosure of frauds:**

Disclosure of frauds reported during the year ended March 31, 2025

Particulars		No. of accounts	Value
Persons involved	Types of fraud		
Staff	Misappropriation of cash and manipulation of books of accounts	2	₹ 0.21 lakhs

**36. Details of loans transferred/acquired during the year ended 31st March 2025 under the RBI Master Direction on Transfer of Loan Exposures dated 24th September 2021 are given below:**

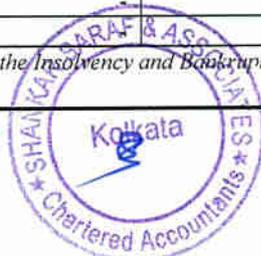
- (i) The Company has not transferred any Non Performing Assets (NPAs).
- (ii) The Company has not transferred any Special Mention Account (SMA) and loan not in default.
- (iii) The Company has not acquired any loans not in default through assignment.
- (iv) The Company has not acquired any stressed loan.

**37. Disclosure pursuant to Reserve Bank of India Circular DOR. No. BP. BC/21.04.048/2020-21 dated 06 August 2020 pertaining to Resolution Framework for COVID 19 related stress read with RBI/ 2021- 22/31 DOR.STR.REC.11/21.04.048/2021-22 dated 05 May 2021 pertaining to Resolution Framework- 2.0: Resolution of COVID 19 related stress of Individuals and Small businesses.**

Format-B:

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of 31 March 2024 (A)	Of (A) Aggregated debt that slipped into NPA during the year	Of (A) Amount written off during the year	Of (A) Amount paid by the borrowers during the year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at 31 March 2025
Personal Loans	-	-	-	-	-
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

\* As defined in section 3(7) of the Insolvency and Bankruptcy Code, 2016



**Notes forming part of financial statements**

38. Disclosures in terms of RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 04, 2019 have been given below:

(₹ in crore)

(i) Funding concentration based on significant counterparty on borrowings	March 31, 2025	March 31, 2024
Number of significant counterparties	16	16
Amount of borrowed funds from significant counterparties	551.01	588.40
Percentage of total deposits	Not applicable	Not applicable
Percentage of total liabilities	92.14%	93.09%

**Notes:**

- a. A "significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.
- b. Total liabilities has been computed as total assets less equity share capital less reserves and surplus

(ii) **Top 20 large deposits (amount in INR crore and % of total deposits) - Not applicable.** The Company being a Non-Deposit taking Non-Banking Financial Company, MFI registered with Reserve Bank of India and does not accept public deposits.

(₹ in crore)

(iii) Top 10 borrowings	March 31, 2025	March 31, 2024
Amount of borrowed funds from top 10 significant counterparties (*)	469.84	516.43
% of total borrowings	83.12%	85.69%

**Notes:**

(\*) Accrued interest on borrowings have not been considered in above calculation.

(iv) **Funding concentration based on significant instrument / product**

(₹ in crore)

Sl	Name of the instrument/product	March 31, 2025		March 31, 2024	
		Amount	% of total liabilities	Amount	% of total liabilities
i)	Debt securities	Nil	Nil	Nil	Nil
ii)	Borrowings (other than debt securities)	525.28	87.83%	552.69	87.44%
iii)	Subordinated liabilities	40.00	6.69%	50.00	7.91%

**Notes:**

- a. A "significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.
- b. Total liabilities has been computed as total assets less equity share capital less reserves and surplus.

(v) Stock ratios in percentage	March 31, 2025	March 31, 2024
1 Commercial papers as a % of total liabilities	Not applicable	Not applicable
2 Commercial papers as a % of total assets	Not applicable	Not applicable
3 Commercial papers as a % of public fund	Not applicable	Not applicable
4 Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	Not applicable	Not applicable
5 Non-convertible debentures (original maturity of less than one year) as a % of total assets	Not applicable	Not applicable
6 Non-convertible debentures (original maturity of less than one year) as a % of public fund	Not applicable	Not applicable
7 Other short-term liabilities as a % of total liabilities	64.86%	67.27%
8 Other short-term liabilities as a % of total assets	47.35%	50.79%
9 Other short-term liabilities as a % of public fund	68.62%	70.55%

**Notes forming part of financial statements**

**(vi) Institutional set-up for Liquidity Risk Management**

The Board of Directors of the Company has an overall responsibility of management of liquidity risk. The Board approves the governance structure, policies, strategy and the risk limits for the management of liquidity risk. The Board of Directors approves the constitution of the Risk Management Committee for the effective supervision, evaluation, monitoring and review of various aspects and types of risks, including liquidity risk, faced by the Company.

Further, the Board of Directors also approves constitution of Asset Liability Committee (ALCO), whose main objective is to assist the Board and Risk Management Committee in effective discharge of the responsibilities of asset liability management, market risk management, liquidity and interest rate risk management and also to ensure adherence to risk tolerance/limits set up by the Board.

**39. Contingent Liabilities and Commitments**

Claims against the Company not acknowledged as debt *(Amount in ₹ lakhs unless otherwise stated)*

Name of the Statute	Nature of dues	Forum where case is pending	Period	Amount
The Income Tax Act, 1961	Income Tax	CIT (A)	AY 2023-24	196.42
		CIT (A)	AY 2020-21	145.44
		CIT (A)	AY 2020-21	-
		CIT (A)	AY 2018-19	36.84
		CIT (A)	AY 2014-15	19.01
Goods and Service Tax Act, 2017	GST	GST Appellate Authority, Jharkhand	FY 2020-21	1.42

**40. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006**

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the Micro, Small and Medium Enterprise Development Act, 2006 ('MSMED Act, 2006'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31st March 2025 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.

*(Amount in ₹ lakhs unless otherwise stated)*

Particulars	March 31, 2025	March 31, 2024
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	15.86	17.20
-- Principal	15.86	17.20
-- Interest	-	-
The amount of interest paid by the buyer in terms of Section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	-	-

Note : Abovementioned outstanding to the MSME does not fall within the purview of dues to the MSME under the Company Law.





# VFS Capital Limited

CIN: U51109WB1994PLC063746

## Notes forming part of financial statements

### 41. Disclosure pursuant to Annex VIII of Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023

31st March, 2025

(₹ in lakh)

Liabilities side:		Amount Outstanding	Amount Overdue
<b>1 Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid :</b>			
a.	Debentures: Secured	--	--
	Unsecured (other than falling within the meaning of public deposits)	--	--
b.	Deferred Credits	--	--
c.	Term loans	52,527.75	--
d.	Inter-corporate loans and borrowing	--	--
e.	Commercial Paper	--	--
f.	Public Deposits*	--	--
g.	Other loans (Subordinated debt from bank)	4,000.00	--
	Interest accrued but not due	101.92	--
* see note 1 below			
<b>2 Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :</b>			
a.	In the form of Unsecured Debentures:	--	--
	In the form of partly secured debentures i.e. debentures where there is a		
b.	shortfall in the value of security		
c.	Other public deposits		
* see note 1 below			
<b>Assets side:</b>			<b>Amount Outstanding</b>
<b>3 Break-up of Loans and Advances including bills receivables (other than those included in (4) below) :</b>			
a.	Secured	--	--
b.	Unsecured		69,879.99
<b>4 Break-up of Leased Assets and stock on hire and hypothecation Loans counting towards AFC activities :</b>			
			Nil
I	Lease assets including lease rentals under Sundry Debtors		
a.	Financial lease		
b.	Operating lease		
II	Stock on hire including hire charges under Sundry Debtors		
a.	Assets on hire		
b.	Repossessed Assets		
III	Other Loans counting towards AFC activities		
a.	Loans where assets have been repossessed		
b.	Loans other than (a) above		
<b>5 Break up of Investments :</b>			
<b>Current Investments :</b>			
1	Quoted		Nil
I	Shares : (a) Equity		
	(b) Preference		
II	Debentures and Bonds		
III	Units of mutual funds		
IV	Government Securities		
V	Others (Please Specify)		
2	Unquoted		Nil
I	Shares : (a) Equity		
	(b) Preference		
II	Debentures and Bonds		
III	Units of mutual funds		
IV	Government Securities		
V	Others (Please Specify)		



**VFS Capital Limited**

CIN: U51109WB1994PLC063746

**Notes forming part of financial statements**

31st March, 2025

(₹ in lakh)

**Long Term Investments :**

1	Quoted	Nil
	I Shares : (a) Equity (b) Preference	
	II Debentures and Bonds	
	III Units of mutual funds	
	IV Government Securities	
	V Others (Please Specify)	
2	Unquoted	5.00
	I Shares : (a) Equity (b) Preference	--
	II Debentures and Bonds	--
	III Units of mutual funds	--
	IV Government Securities	--
	V Others (Please Specify)	--

**6 Borrower group-wise classification of assets financed as in (3) and (4) above : (Please see Note 2 below)**

Category	Amount net of provisions		Total
	Secured	Unsecured	
1 Related Parties **			
a. Subsidiaries		--	--
b. Companies in the same group		--	--
c. Other related parties		1,475.00	1,475.00
2 Other than related parties		66,765.97	66,765.97
<b>Total</b>	<b>-</b>	<b>66,765.97</b>	<b>66,765.97</b>

**7 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)**

(Please see Note 3 below)

Category	Market value/Break up or fair value or NAV	Book Value (Net of provisions)
1 Related Parties **		
a. Subsidiaries	--	--
b. Companies in the same group	--	--
c. Other related parties	--	--
2 Other than related parties	--	--
<b>Total</b>		<b>--</b>

\*\*As per Accounting Standard of ICAI (Please see Note 3)

**8 Other Information:**

## Particulars

I. Gross Non-performing Assets	
a. Related parties	--
b. Other than related parties	14.07
II Net Non-performing Assets	
a. Related parties	--
b. Other than related parties	--
III Assets acquired in satisfaction of debt	Nil

**Notes**

- As defined in paragraph 5.1.26 of the Directions.
- Provisioning norms shall be applicable as prescribed in these Directions.
- All notified Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.





**VFS Capital Limited**  
CIN: U51109WB1994PLC063746

**Notes forming part of financial statements**

**42. Additional Regulatory Information**

**Ratios:**

Ratio	Numerator	Denominator	March 31, 2025	March 31, 2024
Current Ratio (in times)	Total current assets	Total current liabilities	1.34	1.32
Debt-Equity Ratio (in times)	Debt consists of borrowings	Total equity	2.56	2.94
Debt Service Coverage Ratio (in times)	PBT+Depreciation+Amortisation+Provisioning+Interest Paid+ Loan recovery from borrowers	Principal + Interest paid to Banks/FIs	1.06	1.02
Return on Equity Ratio (in %)	Profit after tax	Average total equity	7.53%	11.85%
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (Total current assets less total current liabilities)	1.46	1.33
Net profit ratio (in %)	Profit for the year	Revenue from operations	8.31%	12.88%
Return on Capital employed (in %)	EBIT	Capital employed = Total assets - Current liabilities	22.24%	23.74%

**43. Details of Benami Transactions:**

Where any proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, the Company shall disclose the following:-

Particulars	March 31, 2025	March 31, 2024
(a) Details of such property, including year of acquisition	Not applicable	Not applicable
(b) Amount thereof,		
(c) Details of Beneficiaries,		
(d) If property is in the books, then reference to the item in the Balance Sheet,		
(e) If property is not in the books, then the fact shall be stated with reasons,		
(f) Where there are proceedings against the Company under this law as an abettor of the transaction or as the transferor then the details shall be provided,		
(g) Nature of proceedings, status of same and Company's view on same.		

44. The Company had no immovable properties during the current year or previous year whose title deeds are not held in the name of the Company. Therefore requirement of disclosures of holding of Title Deeds of all Immovable Properties not in the name of the Company is not applicable.

45. The Company had not revalued Property, Plant and Equipment during the current year as well as in the previous year.

46. The Company had no Capital work-in-progress as well as no intangible assets under development during the current year as well as in the previous year.

47. The Company has given loans in the nature of loans to Promoters, Directors, Key Managerial Persons and Other Related Parties either severally or jointly with any other persons for which the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular.





**VFS Capital Limited**  
CIN: U51109WB1994PLC063746

**Notes forming part of financial statements**

48. The Company has availed borrowings from banks or financial institutions on the basis of security of current assets, the statements of current assets and applicable returns filed by the Company with banks or financial institutions are in agreement with the books of accounts.
49. The Company has not defaulted in the repayment of dues of term loans and the Company has not been declared as wilful defaulter by banks, financial institution or any other lender.
50. The Company has not done any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the current and previous year.
51. There are no charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.
52. The Company had no subsidiary(ies) as at 31-Mar-2025 or as at 31-Mar-2024, accordingly requirement to comply with under clause (87) of section 2 of the Act read with Companies (Restriction on Number of Layers) Rules, 2017 does not arise.
53. During the current year or previous year, no schemes of arrangements were approved by any competent authority in terms of sections 230 to 237 of the Companies Act, 2013. As such requirement of giving effect thereof in the books of account in accordance with the scheme and accounting standards does not arise.
54. The Company has used the borrowings from banks and financial institutions for the purpose for which it has been borrowed. During the current year or previous year, the company did not receive any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (i) 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 (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
55. There are no transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
56. The Company has not traded or invested in Crypto currency or Virtual Currency during the year.
57. Previous year figures have been regrouped/reclassified, where necessary, to conform to this year's classification.

As per our report of even date annexed herewith

For Shankar Saraf & Associates

Chartered Accountants

ICAI Firm Registration No. 325896E

Shankar Saraf  
Partner

Membership No: 060678

UDIN:

25060678BBIWTL5939

Place: Kolkata

Date : May 20, 2025

For and on behalf of the Board of Directors

VFS Capital Limited

Ajit Kumar Maity  
Chairman

DIN:00250806

Niraj Kumar Jaideoka

Company Secretary

Membership No: 36570

Kuldip Maity  
Managing Director and CEO

DIN:00250869

Subhasis Ghosh

Chief Financial Officer