





MHFC Customer Story

Shankar Khatawat

Shankar Khatawat arrived in Pune from his village in Andhra Pradesh in search of employment. He found a job as a construction worker in the Urli-Kanchan area, earning a daily wage of ₹500. When his wife, Manemamma, also began working as an on-site helper, their combined monthly earnings were enough to comfortably cover their expenses and still save a sizeable amount for the future.

Like many other construction workers in the area, Shankar moved into a rented 200 sq foot room in a slum in Urli-Kanchan, with his wife and two sons, Rakesh (3 yrs) and Premesh (6 yrs). Although the rent was substantial, the room came with only limited access to basic services like water, electricity and sanitation, and without any formal rental agreement.

The Khatawats spent 8 years living in the slum, but things took a positive turn when Shankar's supervisor decided to buy a flat in an upcoming affordable housing development in Urli-Kanchan, and encouraged him to do the same. Shankar had enough money saved to put down an initial deposit for a flat, but required assistance to finance the rest of it. Despite earning and saving enough every month to pay a mortgage, since Shankar had no paperwork to support either of these claims, he was automatically ineligible for a mortgage loan from any mainstream housing finance company. For MHFC, however, Shankar and Manemamma exactly fit the target customer profile.

With a sales agreement and a loan sanction letter now in hand, Shankar is set to move into his new flat early next year. The new home will bring Shankar and his family improved living conditions and a new-found sense of financial security, but most importantly, it will allow him to bring his daughter Lalitha, who currently stays with her grandparents in Andhra Pradesh, to live with them in Pune.

MICRO HOUSING FINANCE CORPORATION LIMITED

(UNAUDITED FINANCIAL RESULTS FOR THE YEAR ENDED SEP 30, 2011)

(Rupees in lakhs)

PARTICULARS	HYE 9/30/2011 (Unaudited)	HYE 9/30/2010 (Unaudited)	FYE 3/31/2011 (Audited)
Income from Operations	205.09	54.39	133.44
Total Expenditure	139.69	82.20	195.51
Profit / (Loss) Before Tax	65.40	(27.81)	(62.06)
Provision for Tax	NIL	NIL	0.02
Profit / (Loss) After Tax	65.40	(27.81)	(62.04)
Paid Up Equity Share Capital	2304.30	1166.66	2304.30
Reserves	1291.55	120.38	1226.15
Long Term Debt	NIL	NIL	NIL
Current Liabilities and Provisions	74.93	12.18	98.64
Current Assets	1540.88	1005.91	2569.13
Housing Loans	2123.20	286.60	1052.31

Notes:

1. The above financial results of the Company have been approved by the Board of Directors at their meeting held on October 21, 2011.
2. The main business of the Company is to provide loans for the purchase of residential houses (specifically for the urban lower income segments and the informal sector).
3. Housing Loans sanctioned during the period ₹16 cr (previous HYE Sep 30, 2010 ₹8.4 cr) .
4. The Company has set aside a Contingency Provision of 1% on Standard Assets (above the NHB requirement of 0.4%) or ₹21.23 lakhs (PY NIL).

For MICRO HOUSING FINANCE CORPORATION LTD.,
sd/-
MADHUSUDHAN MENON
CHAIRMAN

Place: Mumbai
Date: October 21, 2011



MICRO HOUSING FINANCE CORPORATION

3 Victoria Building
S. A. Brelvi Marg
Off Horniman Circle
Fort, Mumbai 400001

Phone: +91 22 2266 0130 / 0427

Email: contact@mhfcindia.com

Web: www.mhfcindia.com