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**Micro Housing Finance Corporation announces audited FYE March 31, 2015 financials  
– highlights include 32% increase in PAT / 40% increase in loans outstanding / 5 star  
GIIRS (social impact) rating**

**Mumbai, India** – Micro Housing Finance Corporation (“MHFC”), a housing finance company that is focused on providing housing loans to financially excluded urban lower income families, has just announced its FYE March 31, 2015 audited results.

Income from Operations was 49% higher at ₹25.32 cr, as against ₹16.98 cr in the corresponding period last year, and after expenses, the company’s PBT was ₹8 cr, 38% higher than the ₹5.79 cr made in FYE March 31, 2014. The company made a provision of ₹2.42 cr for tax (₹1.57 cr for the corresponding period last year), after which PAT was up 32% at ₹5.57 cr (₹4.21 cr in the previous year), even after a new statutory deduction of ₹0.57 cr (PY NIL) for deferred tax liability charged to the profit and loss account per NHB directions issued during the year.

Housing loans outstanding as on March 31, 2015 was ₹ 194 cr, growing approx 40% over the corresponding figure of ₹138 cr in the previous year. In terms of cumulative housing loans sanctioned, this stands at ₹303 cr, as against ₹220 cr at the same time last year. Close to 6,500 financially excluded families, mostly employed in the informal sector, ranging from self employed vegetable vendors and barbers to salaried employees like housemaids, drivers and security guards, have now bought homes with housing assistance from MHFC. The Company currently operates in 6 states – Maharashtra, Gujarat, Madhya Pradesh, Rajasthan, West Bengal and a recent entry during the year into Chhattisgarh.

In terms of portfolio quality, for the first time in 7 financial years, the Company had 22 (PY NIL) loan accounts as on March 31, 2015 which were classified as non-performing assets (“NPAs”) per the prudential guidelines issued by the NHB. The amount of such Gross NPAs was ₹1.03 cr (PY NIL) which was 0.53% (PY NIL) of the housing loan portfolio of the Company as at March 31, 2015. The Company has created necessary provisions in accordance with the NHB Directions, after which Net NPAs stood at ₹0.85 cr (PY NIL) and 0.44% (PY NIL) of the housing loan portfolio. While this represents an increase over previous years, this number is still below average for the industry, and thus is believed to be continued evidence and support that lower income customers are equally (if not more) conscious and disciplined in repaying housing loans.

**CIN: U67190MH2008PLC182274**

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In terms of funding, the Company did not raise any fresh equity during the year, but with retained profits, net worth increased to ₹85.76 cr (PY ₹80.76 cr). However, the Company increased its long term debt to ₹153.08 cr (PY ₹83.54 cr) of which approx. 40% is refinance support from the NHB. Other lenders include the largest nationalised bank, State Bank of India, and the leading private sector housing finance provider, HDFC Ltd, and commercial banks such as HDFC Bank Ltd, ING Vysya Bank Ltd, DCB Bank Ltd and IndusInd Bank Ltd. The Company's capital adequacy ratio stood at 63% of risk weighted assets, as against the minimum requirement of 12%.

During the year, the Company also received highest possible social impact ratings from GIIRS, the world's leading impact rating agency - a "5 star Impact Operations Rating", and a "Platinum Impact Business Model Rating" - which reflect strong execution against its mission of generating positive social impact. The Company also received an upgrade in its Long Term Bank Facilities credit rating and is now rated "CARE A-", which according to the rating agency, "...takes into account the steady scale up in MHFC's business volumes while maintaining healthy asset quality and profitability parameters." Finally, the Company was shortlisted by the Financial Times ("FT"), London for its prestigious "2015 Boldness in Business Awards" in the 'Entrepreneurship' category.

According to Madhusudhan Menon, Chairman of MHFC, "While there was a general slowdown in the sector due to limited approvals granted for housing projects pending elections at the centre and in the states that we operate in, it was another solid year for the company. We remained focused on only helping underserved financially excluded lower income families, and even with this social impact "limitation", on most parameters we showed at least 40% growth. In some critical building blocks like financing, technology and developer relationships, we made strong progress, which should serve us very well in the coming year when rapid growth is expected in connection with the "Housing for All" initiative of the new government. We are especially excited about new housing coming up from state housing boards as this is aimed at EWS and LIG families, and have put in processes and manpower to cater to their requirements."

The FYE March 31, 2015 audited results are available online on the company website at the following address: [http://mhfcindia.com/AuditedFinancials\\_FYE2015.pdf](http://mhfcindia.com/AuditedFinancials_FYE2015.pdf)

### **Notes to the Editor**

**ABOUT MICRO HOUSING FINANCE CORPORATION:** *MHFC is a housing finance company headquartered in Mumbai, India, focused on serving lower income groups in urban areas, specifically those in the informal sector. MHFC, through this initiative, seeks to efficiently and sustainably enable access to housing finance services to the underserved and un-served segments of the urban population. For more information on MHFC, please visit <http://www.mhfcindia.com>.*

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