



Date: May 07, 2024

To,

BSE Limited
Corporate Relationship Department,
2nd Floor, New Trading Wing,
Rotunda Building,
P.J. Towers, Dalal Street, Mumbai 400 001

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra (E),
Mumbai 400 051

Scrip Code: 544055

Scrip Code: MUTHOOTMF

Dear Madam/Sir,

Sub: Monitoring Agency Report for the quarter and year ended March 31, 2024

Pursuant to Regulation 32(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Regulation 82(4) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, enclosed herewith the Monitoring Agency Report with respect to the utilisation of Issue proceeds for the quarter and year ended March 31, 2024, issued by CARE Ratings Limited.

Kindly be informed that the draft of the enclosed report was duly reviewed by the Audit Committee and taken on record by the Board of Directors of the Company.

We request you to kindly take the above information on record.

Thanking you,

Yours faithfully,
For **Muthoot Microfin Limited**

Neethu Ajay
Company Secretary and Chief Compliance Officer
Membership No. A34822

MUTHOOT MICROFIN LIMITED
CIN:L65190MH1992PLC066228

Regd. Office: 13th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra - 400051
Administrative: Office 5th Floor, Muthoot Towers, M G Road, Kochi, Kerala - 682035, Tel: +91 -484-4277500, +91-484-4300127, F: +91-484-4300127 E: info@muthootmicrofin.com
www.muthootmicrofin.com

No. CARE/CRO/GEN/2024-25/1001

The Board of Directors
Muthoot Microfin Limited
5th Floor, Muthoot Towers,
MG Road, Ernakulam
Kerala 682035

May 06, 2024

Dear Sir,

Monitoring Agency Report for the quarter ended March 31, 2024 - in relation to the Initial Public Offer of Muthoot Microfin Limited ("the Company")

We write in our capacity of Monitoring Agency for the Initial Public Offer consisting of Fresh Issue for the amount aggregating to Rs. 760 crore of the Company and refer to our duties cast under 41 of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations.

In this connection, we are enclosing the Monitoring Agency Report for the quarter ended March 31, 2024 as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated December 01, 2022.

Request you to kindly take the same on records.

Thanking you,
Yours faithfully,

R. Ravishankar

Ravi Shankar R
Associate Director
Ravi.s@careedge.in

Report of the Monitoring Agency

Name of the issuer: Muthoot Microfin Limited

For quarter ended: March 31, 2024

Name of the Monitoring Agency: CARE Ratings Limited

(a) Deviation from the objects: Nil

(b) Range of Deviation: Not Applicable

Declaration:

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit related analyses. We confirm that there is no conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer, or while undertaking credit rating or other commercial transactions with the entity.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.

R. Ravishankar

Signature:

Name and designation of the Authorized Signatory: Ravi Shankar R

Designation of Authorized person/Signing Authority: Associate Director

1) Issuer Details:

Name of the issuer	: Muthoot Microfin Limited
Name of the promoter	: Thomas John Muthoot, Thomas Muthoot, Thomas George Muthoot, Preethi John Muthoot, Remmy Thomas, Nina George, Muthoot Fincorp Limited
Industry/sector to which it belongs	: NBFC-MFI

2) Issue Details

Issue Period	: December 18, 2023 to December 20, 2023
Type of issue (public/rights)	: Initial Public Offering
Type of specified securities	: Equity shares
IPO Grading, if any	: Not applicable
Issue size (in ` crore)	: Rs. 960 crore (Note 1)

Note 1:

The company had offered 3,30,07,054 Equity Shares under IPO, comprising Fresh Issue of 2,61,34,205 shares and Offer for Sale of 68,72,849 at Rs. 291 per share (including share premium of Rs. 281 per share) aggregating to ₹960 crore. The issue was Subscribed by 11.52 times and the company has allotted 3,30,07,054 Equity Shares to the applicants.

Particulars	Remarks
Total shares issued and subscribed as part of OFS	68,72,849
Total proceeds received under OFS (in Rs. crore)	200
Total shares issued and subscribed as part of fresh issue	2,61,34,205
Total proceeds received under fresh issue (in Rs. crore)	760
Total shares issued as part of IPO	3,30,07,054
Total proceeds received from IPO (in Rs. crore)	960
Details of expenses incurred related to issue (in Rs.)	55.19
Share issue expenses portion of selling shareholder utilised by company*	0.21
Net Proceeds of IPO (Rs.)	705.02

*As per the offer document, the cost of the object was ₹ 704.81 crore which was on the basis of proposed net proceeds after issue expenses of ₹ 55.19 crore. Share issue expenses of ₹ 55.19 crore (as per the offer document) were revised to ₹ 55.98 crore earlier due to a revision in additional provision of around ₹ 1 crore for offer expenses in Dec 2023 in which the monitoring account share was ₹ 0.79 crore and rest was ₹ 0.21 crore (corresponds to offer for sale). The same amount of ₹1 cr was kept in the Public Offer Account. However, based on the revised estimate of issue expenses, during Q4FY24, the Company has transferred this additional provision of ₹ 1 crore from the Public Offer Account to the Monitoring Account. Accordingly, the same has been utilized for the capital augmentation purpose, but out of which ₹ 0.21 crore pertains to selling shareholders which will be transferred to them during the final settlement of the amount unspent in the Public Offer Account. The same has been mentioned in Chartered Accountant report (Chartered Accountant certificate from Sharp & Tannan Associates, Chartered Accountants dated April 24, 2024).

3) Details of the arrangement made to ensure the monitoring of issue proceeds:

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	Yes	Chartered Accountant certificate*, Bank statements	All the proceeds from IPO has been utilized appropriately for the objectives mentioned in the offer document.	Nil
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	No material deviations from the expenditures disclosed in the offer document as of now because offer expenses still not yet been paid off fully	As confirmed by the issuer's management	Not Applicable	Nil
Whether the means of finance for the disclosed objects of the issue have changed?	Not Changed	As confirmed by the issuer's management	No	Nil
Is there any major deviation observed over the earlier monitoring agency reports?	Not applicable	As confirmed by the issuer's management	No, there are no material deviations observed from last monitoring agency report	Nil
Whether all Government/statutory approvals related to the object(s) have been obtained?	No specific approval is required for the objects of offer. Prospectus is filed after approval of SEBI for DRHP, UDRHP and RHP filing so it implies the approval of the objects of offer	As confirmed by the issuer's management	Not applicable	Nil
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Not applicable	As confirmed by the issuer's management	Not applicable	Nil
Are there any favorable/unfavorable events affecting the viability of these object(s)?	Not Applicable	As confirmed by the issuer's management	Not applicable	Nil
Is there any other relevant information that may materially affect the decision making of the investors?	Not Applicable	As confirmed by the issuer's management	Not applicable	Nil

*Chartered Accountant certificate from Sharp & Tannan Associates, Chartered Accountants dated April 24, 2024

#Where material deviation may be defined to mean:

- Deviation in the objects or purposes for which the funds have been raised
- Deviation in the amount of funds actually utilized by more than 10% of the amount projected in the offer documents.

4) Details of objects to be monitored:

(i) Cost of objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Original cost (as per the Offer Document) in Rs. Crore	Revised Cost in Rs. Crore	Comments of the Monitoring Agency [^]	Comments of the Board of Directors		
						Reason for cost revision	Proposed financing option	Particulars of -firm arrangements made
1	The object of the issue is to augment the capital base of the company. The Net Proceeds will be utilised for increasing business of our Company which is towards onward lending, which is expected to arise out of growth in our Company's business and assets, primarily towards onward lending under our Company's lending verticals.	Chartered Accountant certificate*, Bank statements, Offer Document	704.81	705.02	As per the offer document, the cost of the object was ₹ 704.81 crore which was on the basis of proposed net proceeds after issue expenses of ₹ 55.19 crore. Share issue expenses of ₹ 55.19 crore (as per the offer document) were revised to ₹ 55.98 crore earlier due to a revision in additional provision of around ₹ 1 crore for offer expenses in Dec 2023 in which the monitoring account share was ₹ 0.79 crore and rest was ₹ 0.21 crore (corresponds to offer for sale). The same amount of ₹1 cr was kept in the Public Offer Account. However, based on the revised estimate of issue expenses, during Q4FY24, the Company has transferred this additional provision of ₹ 1 crore from the Public Offer Account to the Monitoring Account. Accordingly, the same has been utilized for the capital augmentation purpose, but out of which ₹ 0.21 crore pertains to selling shareholders which will be transferred to them during the final settlement of the amount unspent in the Public Offer Account. The same has been mentioned in Chartered Accountant report (Chartered Accountant certificate from Sharp & Tannan Associates, Chartered Accountants dated April 24, 2024).	Nil	Nil	Nil
2	General Corporate Purpose (GCP)	Chartered Accountant certificate*, Bank statements, Offer Document	Not Applicable	Not Applicable		Nil	Nil	Nil
Total			704.81	705.02				

* Chartered Accountant certificate from Sharp & Tannan Associates, Chartered Accountants dated April 24, 2024

[^] This deviation is not material.

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(ii) Progress in the objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount utilised in Rs. Crore			Unutilised amount in Rs. crore	Comments of the Monitoring Agency^	Comments of the Board of Directors	
				As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
1	The object of the issue is to augment the capital base of the company. The Net Proceeds will be utilised for increasing business of our Company which is towards onward lending, which is expected to arise out of growth in our Company's business and assets, primarily towards onward lending under our Company's lending verticals.	Chartered Accountant certificate*, Bank statements, Offer Document	704.81	36.55	668.47	705.02	-	The funds received from issue proceeds were utilized towards onward lending, as per the objects of the issue.	Nil	Nil
2	General corporate purposes (GCP)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Nil	Nil
Total			704.81	36.55	668.47	705.02	-			

*Chartered Accountant certificate from Sharp & Tannan Associates, Chartered Accountants dated April 24, 2024

^ As per the offer document, the cost of the object was ₹ 704.81 crore which was on the basis of proposed net proceeds after issue expenses of ₹ 55.19 crore. Share issue expenses of ₹ 55.19 crore (as per the offer document) were revised to ₹ 55.98 crore earlier due to a revision in additional provision of around ₹ 1 crore for offer expenses in Dec 2023 in which the monitoring account share was ₹ 0.79 crore and rest was ₹ 0.21 crore (corresponds to offer for sale). The same amount of ₹1 cr was kept in the Public Offer Account. However, based on the revised estimate of issue expenses, during Q4FY24, the Company has transferred this additional provision of ₹ 1 crore from the Public Offer Account to the Monitoring Account. Accordingly, the same has been utilized for the capital augmentation purpose, but out of which ₹ 0.21 crore pertains to selling shareholders which will be transferred to them during the final settlement of the amount unspent in the Public Offer Account. The same has been mentioned in Chartered Accountant report (Chartered Accountant certificate from Sharp & Tannan Associates, Chartered Accountants dated April 24, 2024).

^ This deviation is not material

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(iii) Deployment of unutilized public issue proceeds:

Sr. No.	Type of instrument and name of the entity invested in	Amount invested	Maturity date	Earning	Return on Investment (%)	Market Value as at the end of quarter
-	-	-	-	-	-	-

(iv) Delay in implementation of the object(s) –

Objects	Completion Date		Delay (no. of days/months)	Comments of the Board of Directors	
	As per the offer document	Actual		Reason of delay	Proposed course of action
The object of the issue is to augment the capital base of the company. The Net Proceeds will be utilised for increasing business of our Company which is towards onward lending, which is expected to arise out of growth in our Company's business and assets, primarily towards onward lending under our Company's lending verticals	FY24	FY24	NA	Nil	Nil

5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document: NA*

Sr. No	Item Head	Amount in Rs. Crore	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of Monitoring Agency	Comments of the Board of Directors
	Not Applicable				Nil

* Chartered Accountant certificate from Sharp & Tannan Associates, Chartered Accountants dated April 24, 2024

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Disclaimers to MA report:

a) This Report is prepared by CARE Ratings Ltd (hereinafter referred to as "**Monitoring Agency/MA**"). The MA has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever.

b) This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments. For the purpose of this Report, MA has relied upon the information provided by the management /officials/ consultants of the Issuer and third-party sources like statutory auditors (or from peer reviewed CA firms) appointed by the Issuer believed by it to be accurate and reliable.

c) Nothing contained in this Report is capable or intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The MA is also not responsible for any errors in transmission and specifically states that it, or its directors, employees do not have any financial liabilities whatsoever to the users of this Report.

d) The MA and its affiliates do not act as a fiduciary. The MA and its affiliates also do not act as an expert to the extent defined under Section 2(38) of the Companies Act, 2013. While the MA has obtained information from sources it believes to be reliable, it does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives from auditors (or from peer reviewed CA firms), lawyers, chartered engineers or other experts, and relies on in its reports.

e) The MA or its affiliates may have other commercial transactions with the entity to which the report pertains. As an example, the MA may rate the issuer or any debt instruments / facilities issued or proposed to be issued by the issuer that is subject matter of this report. The MA may receive separate compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.

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