



Date: February 6, 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 ended December 31, 2023**

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, please find enclosed Monitoring Agency report with respect to the utilisation of Issue proceeds for the quarter ended December 31, 2023, 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**

Regd. Office: Door No: 40/8922 (New No 66/3628), Muthoot Towers, M G Road, Ernakulam, Kerala, India – 682 035

Tel: 0484 4161616 | [www.muthootmicrofin.com](http://www.muthootmicrofin.com) | [www.muthoot.com](http://www.muthoot.com)

CIN: U65190MH1992PLC066228

**No. CARE/CRO/GEN/2023-24/1008**

**Shri Praveen T**  
**Chief Financial Officer**  
**Muthoot Microfin Limited**  
5<sup>th</sup> Floor, Muthoot Towers,  
MG Road, Ernakulam  
Kerala 682035

February 01, 2024

Dear Sir,

**Monitoring Agency Report for the quarter ended December 31, 2023 - in relation to the Initial Public Offering of Muthoot Microfin Limited ("the Company")**

We write in our capacity of Monitoring Agency for the Initial Public Offer consisting of Fresh Issue of 2,61,34,205 equity shares aggregating to Rs.760.0 crore and refer to our duties cast under 82 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 December 31, 2023 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: December 31, 2023

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.

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:

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
Share issue expenses* (in Rs. crore)	55.98
Net proceeds available for utilisation (in Rs. crore)	704.02

\*Share issue expenses revised from Rs.55.19 crore (as per offer document) to Rs. 55.98 crore. The company has made revision in additional provision for offer expenses around Rs. 1 Cr in which the monitoring account share is Rs. 0.79 Cr and same has been mentioned in Chartered Accountant report (Chartered Accountant certificate from Sharp & Tannan Associates, Chartered Accountants dated January 25, 2024). This deviation is not material and within the permissible deviation limit of 10%.

**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 the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	Yes	Chartered Accountant certificate*, Bank statements	Yes	Nil
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	Not applicable as no deviation are there	Not applicable	Not applicable	Nil
Whether the means of finance for the disclosed objects of the issue have changed?	No	Not applicable	No	Nil
Is there any major deviation observed over the earlier monitoring agency reports?	No	Not applicable	Not applicable	Nil
Whether all Government/statutory approvals related to the object(s) have been obtained?	All statutory Approval are obtained for the offer document. No specific approval required for the object of offer	Not applicable	Not applicable	Nil
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Not applicable	Not applicable	Not applicable	Nil
Are there any favorable/unfavorable events affecting the viability of these object(s)?	No	Not applicable	No	Nil
Is there any other relevant information that may materially affect the decision making of the investors?	No	Not applicable	No	Nil

\*Chartered Accountant certificate from Sharp & Tannan Associates, Chartered Accountants dated January 25, 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.

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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	704.02	Difference is due to revision in additional provision for offer expenses around Rs. 1 crore in which the monitoring account share is Rs. 0.79 crore as per chartered accountant certificate.	Nil	Nil	Nil
2	General Corporate Purpose (GCP)	Chartered Accountant certificate*, Bank statements, Offer Document	Not Applicable	Not Applicable	Not Applicable	Nil	Nil	Nil
<b>Total</b>			<b>704.81</b>	<b>704.02</b>				

\* Chartered Accountant certificate from Sharp & Tannan Associates, Chartered Accountants dated January 25, 2024

^ This deviation is not material and within the permissible deviation limit of 10%.

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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			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	36.55	Amount utilized as on December 31, 2023 is Rs.36.55 crore which is used towards on-lending business and unutilised amount will be utilized during the financial year FY24 as per DRHP.  The funds to the tune of Rs. 80 crore was transferred from Monitoring Agency account to disbursement account on December 30, 2023. The opening balance before the transfer of funds stood at Rs. 11.97 crore and the closing balance stood at Rs. 55.40 crore as on December 31, 2023 (after considering the outflow of Rs.0.02 crore from the disbursement account which is not utilised for on-lending purpose). Hence, utilisation of proceeds stood at Rs 36.55 crore and unutilised funds stood at Rs. 43.45	Nil	Nil

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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			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
							crore in disbursement account as on December 31, 2023.		
2	General Corporate Purpose (GCP)	Chartered Accountant certificate*, Bank statements, Offer Document	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Nil	Nil
<b>Total</b>			704.81	-	36.55	36.55	667.47		

\* Chartered Accountant certificate from Sharp & Tannan Associates, Chartered Accountants dated January 25, 2024

#As per the offer document the cost of the object was Rs. 704.81 crore which was on the basis of proposed net proceeds after issue expenses being Rs. 55.19 crore. Share issue expenses was revised from Rs.55.19 crore (as per offer document) to Rs. 55.98 crore due to revision in additional provision for offer expenses around Rs. 1 crore in which the monitoring account share is Rs. 0.79 crore. Thus, net proceeds available for utilisation is revised to Rs. 704.02 crore and the same has been mentioned in Chartered Accountant report (Chartered Accountant certificate from Sharp & Tannan Associates, Chartered Accountants dated January 25, 2024).

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(iii) Deployment of unutilised public issue proceeds:

Note: The remaining unutilised balance of Rs. 667.47 crore as on December 31, 2023 (Rs. 43.45 crore in disbursement account and Rs. 624.02 crore is in monitoring account)

Sr. No.	Name of the Bank	Type of account	Amount in Rs. Crore	Source of information / certifications considered by Monitoring Agency for preparation of report
1	Axis Bank-Current A/c No-923020067931439	Monitoring Account	624.02	Bank account statement and CA Certificate*
2	Axis Bank-Current A/c No- 918020001978456	Disbursement Account	43.45^	Bank account statement and CA Certificate*
	<b>Total</b>		<b>667.47</b>	

\* Chartered Accountant certificate from Sharp & Tannan Associates, Chartered Accountants dated January 25, 2024

^The funds to the tune of Rs. 80 crore was transferred from Monitoring Agency account to disbursement account on December 30, 2023. The opening balance before the transfer of funds stood at Rs. 11.97 crore and the closing balance stood at Rs. 55.40 crore as on December 31, 2023 (after considering the outflow of Rs.0.02 crore from the disbursement account which is not utilised for on-lending purpose). Hence, utilisation of proceeds stood at Rs 36.55 crore and unutilised funds stood at Rs. 43.45 crore in disbursement account as on December 31, 2023.

Sr. No.	Type of instrument and name of the entity invested in	Amount invested (₹ in Crore)	Maturity date	Earning	Return on Investment (%)	Market Value as at the end of quarter	Balance in account (₹ in Crore)
1	Balance at current Account (With Axis Bank)-Monitoring Account-A/c No-923020067931439	624.02	Not applicable	Not applicable	Not applicable	Not applicable	624.02
2	Balance at current Account (With Axis Bank)-Disbursement Account-A/c No-918020001978456	43.45	Not applicable	Not applicable	Not applicable	Not applicable	43.45

(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 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	FY24	FY24	-	Nil	Nil
General corporate purposes (GCP)	NA	NA	-		

\*In case of continuing object(s), please specify latest/revised estimate of the completion date.

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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
					Nil

\*Chartered Accountant certificate from Sharp & Tannan Associates, Chartered Accountants dated January 25, 2024

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