



# IPO INSIGHTS



## Muthoot Microfin Limited

**Issue Dates - Opens: 18-12-2023 | Closes: 20-12-2023**

<b>IPO Note</b>	<ol style="list-style-type: none"> <li><b>Muthoot Microfin Limited, a subsidiary of Muthoot Pappachan Group, provides micro-loans to female customers with a focus on rural regions in India.</b></li> <li><b>The Company is a part of the Muthoot Pappachan Group, a business conglomerate with presence across financial services, automotive, hospitality, real estate, information technology infrastructure, precious metals and alternate energy sectors.</b></li> </ol>
<b>Rating</b>	<b>★ ★ ★ (Good)</b>

## IPO SNAPSHOT

<b>Issue Size</b>	<b>₹ 960 Crores</b>
<b>Issue Type</b>	<b>Book Built Issue IPO</b>
<b>Fresh Issue</b>	<b>₹ 760 Crores</b>
<b>Offer for Sale</b>	<b>₹ 200 Crores</b>
<b>Face Value Per Share</b>	<b>₹ 10</b>
<b>Price Band Per Share</b>	<b>₹277 to ₹291</b>
<b>Minimum Lot Size</b>	<b>51 shares</b>
<b>Listing On</b>	<b>BSE, NSE</b>
<b>Registrar to the Issue</b>	<b>Kfin Technologies Limited</b>

# IPO SNAPSHOT – Muthoot Microfin Limited

## About the Company

- The Company is a microfinance institution providing micro-loans to women customers (primarily for income generation purposes) with a focus on rural regions of India.
- The Company is also the third largest amongst NBFC-MFIs in South India in terms of gross loan portfolio, the largest in Kerala in terms of MFI market share, and a key player in Tamil Nadu with an almost 16% market share, as of December 31, 2022.
- In 2021, the company launched the "Mahila Mitra" mobile application, which enables digital payment methods such as QR codes, websites, SMS-based links and voice-based payment methods. As of March 31, 2023, 1.18 million customers have downloaded the Mahila Mitra application and 1.70 million customers have made digital transactions.
- They primarily adopt a joint liability group model which caters exclusively to women in lower income households and is premised on the fact that if such individuals are given access to credit, they may be able to identify new opportunities and supplement and grow their existing income.
- As of March 31, 2023, the company has 2.77 million active customers, 1,172 branches in 321 districts in 18 states and union territories in India, and employs 10,227 people.
- The Company primarily provide loans for income generating purposes to women customers living in rural areas.

## Competitive Strengths

- Market leadership with a pan-India presence
- Rural focused operations, with a commitment towards health and social welfare of our customers
- Brand recall and synergies with the Muthoot Pappachan Group
- Robust risk management framework leading to healthy portfolio quality
- Streamlined operating model with effective use of technology and access to diversified sources of capital and effective cost of funds
- Experienced and Professional Management, with Strong Corporate Governance and support from Promoters and Investors

## Financials (₹ in Crores)

Particulars	31-3-2021	31-3-2022	31-03-2023	Y-o-Y	2 - Yrs CAGR
NII	622.78	728.62	1290.65	77%	44.01%
PAT	7.05	47.40	163.89	246%	382.55%
PAT Margin	1.1%	6.5%	12.7%		

## Valuation

- Attributing Annualized FY23 Earnings asking P/E = 24.29

## Peers

Company Name	P/E ratio
Equitas Small Finance Bank Limited	22.79
Ujjivan Small Finance Bank Limited	10.27
CreditAccess Grameen Limited	33.90
Spandana Sphoorty Financial Limited	605.23
Bandhan Bank Limited	17.82
Suryoday Small Finance Bank Limited	22.58
Fusion Micro Finance Limited	13.73

Note : P/E ratio is calculated as closing share price as on December 14, 2023.

## Promoters

- Thomas John Muthoot & Thomas Muthoot
- Thomas George Muthoot & Preethi John Muthoot
- Remmy Thomas & Nina George
- Muthoot Fincorp Limited

## Objects of the issue

- Augmenting the capital base to meet future capital requirements.

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