

**CMP: INR 334**

**Rating: BUY**

**Target Price: INR 760**

**Stock Info**

BSE	538446
Bloomberg	DHCL
Reuters	MONB.BO
Sector	NBFC
Face Value (INR)	10
Equity Capital (INR cr)	30.5
Mkt Cap (INR cr)	1029
52w H/L (INR)	373 / 142
Avg Yearly volume (in 000')	1,992

**Shareholding Pattern %**

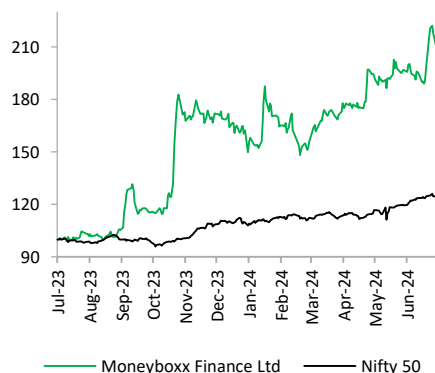
(As on June, 2024)

Promoters	47
Public & Others	53

**Stock Performance (%)**

	1m	6m	12m
Moneyboxx Finance Ltd	8.6	41.8	112.5
Nifty	3.9	15.2	24.3

**Moneyboxx Finance Ltd Vs Nifty**



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**Moneyboxx Finance Ltd** is a non-deposit taking NBFC lending small ticket loans to people in the cattle rearing business and other allied activities. The NBFC is led by Mr. Deepak Aggarwal and Mr. Mayur Modi, Co-Founders of Moneyboxx Finance, both Chartered Accountants with 20+ years of experience in Investment Banking and Credit Underwriting across several multi national banks. The Company specializes in the business of lending to Owners of cattle herds operating across 8 states in Northern India.

Moneyboxx Finance Ltd has successfully raised INR 2.71 bn through issuance of equities, which will help them to support their growth plans. It includes issuance of INR 1.58 bn through preferential equity and INR 1.13 bn through equity warrants both promoter and non promoter.

Particulars	Share Price	Fund Raised (In Mn)	Pre-money Book Value (In Mn)	Post-money Book Value (In Mn)	Pre-money P/B	Post-money P/B
Equity	302.20	1585.3	1688.5	4403.3	6.28x	3.12x
Warrants (Promoter & Non - Promoter)	302.20	1129.5	1688.5	4403.3	6.28x	3.12x
<b>Total</b>		<b>2714.8</b>				

This fresh capital help them to expand their business in rural India. They plan to add 60 to 75 new branches in existing and new states. Further, their AUM is expected to double in FY25. In FY24, their AUM stood at INR 7.3 bn.

Pre-money their PBV stood at 6.28x at a price of INR 348, which reduced to 3.12x post-money.

**OUTLOOK**

**Moneyboxx Finance Ltd posted profitability for the first time in FY24. We expect the growth momentum to pickup in coming periods. The fund raising will help the company to achieve its growth plans. Management has shifted its focus from unsecured book to building their secured book. Their secured book stood at 24% in FY24, which is further expected to increase to 40% in FY25. This will help them to diversify their risk. Their average borrowing IRR improved from 15.2% in FY23 to 14.6% in FY24. Further, their incremental borrowing stood at 13% during H2FY24. We expect their incremental cost to further reduce to 12% in Q1FY25, on the back of improved credit rating. The improvement in secured book is expected to impact their yields, but their spreads are not expected to be impacted, due to the anticipated reduction in average borrowing rate. Management plans to add 60 – 75 branches in FY25. the company currently has 100 branches across 8 states in the northern, central, and western parts of India. They plan to enter south India in FY25 and establish pan-India presence as part of its medium-term business plan. This will help them to scale up the business. The expansion of branches, along with improved productivity in existing branches will help them to double their AUM in FY25. We have a positive outlook on the long – term performance of the company. We have a BUY rating on the stock, with TP of INR 760, valued at 3x FY27E P/ABV.**

**Financial Summary**

Y/E Mar (Rs Mn)	FY22	FY23	FY24	FY25E	FY26E	FY27E
Nil	117.4	271.3	648.0	1340.1	2576.8	4393.1
PAT	-37.2	-68.0	91.4	272.7	779.2	1541.4
Networth	345.1	764.0	1688.5	6155.0	9434.2	13475.6
Adj BVPS (Rs)	15.8	30.5	55.0	136.3	187.8	253.3
EPS (Rs)	-1.7	-2.7	3.0	6.1	15.5	29.0
P/E (x)	-194.5	-122.7	111.7	55.3	21.6	11.6
P/Adj BV (x)	21.2	11.0	6.1	2.5	1.8	1.3

## Moneyboxx Finance Ltd: Previous Funding Rounds

Funding Rounds	Share Price (INR)	Fund Raise (INR crore)	Pre-money Valuation (INR crore)	Pre-money Book Value (INR crore)	Post-money Book Value (INR crore)	Pre-money P/B	Post-money P/B	Pre-money AUM multiple	Post-money AUM multiple
Mar-19 #		19.03			19.03				
Feb-20	70	11.65	128.92	15.48	27.13	8.33x	5.18x	4.40x	4.80x
Dec-21	95	14.42	190.78	20.85	35.27	9.15x	5.82x	2.05x	2.20x
Jun-22	115	20.77	248.39	32.51	53.28	7.64x	5.05x	1.88x	2.04x
Mar-23	160	24.26	374.49	48.78	76.40	7.68x	5.46x	1.09x	1.16x
Dec-23	172	74.16	440.22	84.51	158.68	5.21x	3.24x	0.82x	0.96x
<b>Total</b>		<b>164.29</b>							
Warrants conversion ^		13.46							
ESOP allotment		0.87							
<b>Total</b>		<b>178.61</b>							
<b>Proposed: Q1 FY25</b>	<b>280 *</b>	<b>150</b>	<b>856</b>	<b>171 @</b>	<b>321</b>	<b>5.01x</b>	<b>3.14x \$</b>	<b>1.10x</b>	<b>1.29x</b>

# Equity as of March 31, 2019

^ Warrants converted to Equity worth INR 13.46 crore issued to Co-CEOs in Sep'22 (3.36 received in Sep'22, 5.18 received in Sep'23 and 4.92 received in Mar'24)

@ Projected Pre-money book value as of June 30, 2024 (Q1 FY25)

\* (a) Offer price subject to SEBI Guidelines (b) Commitment per applicant – INR 1 crore or higher  
\$ Post-money P/B multiple of 3.14x assuming equity fund raise of INR 150 crore

## Income Statement

P&L (INR mn)	FY22	FY23	FY24	FY25E	FY26E	FY27E
Interest income	222.9	488.0	1076.1	2077.6	3858.0	6485.6
Interest expense	105.6	216.8	428.1	737.5	1281.2	2092.5
<b>NII</b>	<b>117.4</b>	<b>271.3</b>	<b>648.0</b>	<b>1340.1</b>	<b>2576.8</b>	<b>4393.1</b>
Non-interest income	10.1	16.4	203.5	406.7	761.6	1195.8
<b>Net revenues</b>	<b>127.5</b>	<b>287.6</b>	<b>851.5</b>	<b>1746.8</b>	<b>3338.3</b>	<b>5588.9</b>
Operating expenses	170.0	335.8	641.4	1128.5	1883.0	2861.2
Depreciation	9.4	17.3	33.5	54.8	93.3	141.0
<b>Total Opex</b>	<b>179.4</b>	<b>353.1</b>	<b>674.9</b>	<b>1183.2</b>	<b>1976.3</b>	<b>3002.2</b>
<b>PPOP</b>	<b>-51.9</b>	<b>-65.5</b>	<b>176.6</b>	<b>563.6</b>	<b>1362.0</b>	<b>2586.7</b>
<b>Provisions</b>	<b>13.4</b>	<b>33.9</b>	<b>71.1</b>	<b>171.8</b>	<b>320.8</b>	<b>526.9</b>
<b>PBT</b>	<b>-65.2</b>	<b>-99.4</b>	<b>105.6</b>	<b>391.8</b>	<b>1041.2</b>	<b>2059.8</b>
Tax	-28.0	-31.4	14.2	119.0	262.0	518.4
<b>PAT</b>	<b>-37.2</b>	<b>-68.0</b>	<b>91.4</b>	<b>272.7</b>	<b>779.2</b>	<b>1541.4</b>

## Balance Sheet

Balance sheet	FY22	FY23	FY24	FY25E	FY26E	FY27E
Share capital	216.0	249.2	304.9	450.3	501.5	531.4
Reserves & surplus	129.1	514.8	1383.6	5704.7	8932.6	12944.1
<b>Net worth</b>	<b>345.1</b>	<b>764.0</b>	<b>1688.5</b>	<b>6155.0</b>	<b>9434.2</b>	<b>13475.6</b>
Borrowings	994.4	2406.2	4522.3	8437.1	15025.0	24153.6
Other liability	59.7	149.7	480.8	319.9	569.2	895.8
<b>Total liabilities</b>	<b>1399.3</b>	<b>3319.8</b>	<b>6691.6</b>	<b>14912.0</b>	<b>25028.4</b>	<b>38524.9</b>
Fixed assets	50.8	98.3	237.7	322.3	466.8	587.1
Advances	1183.7	2380.8	4908.1	9817.8	17681.5	28637.5
Investments	0.0	0.0	105.3	0.0	0.0	0.0
Cash	78.8	644.0	1136.4	4266.5	5978.0	7878.6
Other assets	85.9	196.7	304.2	505.5	902.1	1421.7
<b>Total assets</b>	<b>1399.3</b>	<b>3319.8</b>	<b>6691.6</b>	<b>14912.0</b>	<b>25028.4</b>	<b>38524.9</b>

Ratios	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>Growth (%)</b>						
NII		131.15%	138.87%	106.81%	92.27%	70.49%
PBT		52.40%	206.20%	271.03%	165.78%	97.83%
PAT		82.89%	-234.35%	198.35%	185.70%	97.83%
Advances		101.12%	106.15%	100.03%	80.10%	61.96%
<b>Spread (%)</b>						
Yield on Funds	28.73%	29.41%	29.05%	30.76%	28.08%	27.02%
Cost of Borrowings	16.07%	15.20%	14.61%	13.52%	12.67%	12.02%
Spread	13.34%	13.85%	16.15%	14.55%	14.35%	14.31%
NIM	15.55%	14.83%	16.51%	16.31%	16.29%	16.19%
<b>Asset quality (%)</b>						
Gross NPAs	0.62%	0.59%	1.50%	2.00%	2.00%	2.00%
Net NPAs	0.31%	0.30%	1.00%	1.32%	1.31%	1.30%
Credit Cost	1.48%	1.48%	1.26%	1.59%	1.60%	1.59%
<b>Return ratios (%)</b>						
RoE	-13.41%	-12.63%	7.55%	6.95%	10.00%	13.46%
RoA	-3.50%	-2.88%	1.76%	2.52%	3.90%	4.85%
<b>Per share (Rs)</b>						
EPS	-1.7	-2.7	3.0	6.1	15.5	29.0
BV	16.0	30.7	55.4	136.7	188.1	253.6
ABV	15.8	30.5	55.0	136.3	187.8	253.3
<b>Valuation (x)</b>						
P/E	-194.5	-122.7	111.7	55.3	21.6	11.6
P/BV	21.0	10.9	6.0	2.5	1.8	1.3
P/ABV	21.2	11.0	6.1	2.5	1.8	1.3

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**Stock Rating Scale****Absolute Return**

BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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