

CMP: INR 238

Rating: Positive

Stock Info

BSE	538446
Bloomberg	DHCL:IN
Reuters	MONB.BO
Sector	NBFC
Face Value (INR)	10
Equity Capital (INR cr)	25.6
Mkt Cap (INR cr)	722
52w H/L (INR)	250 / 223
Avg Yearly volume (in 000')	1,396

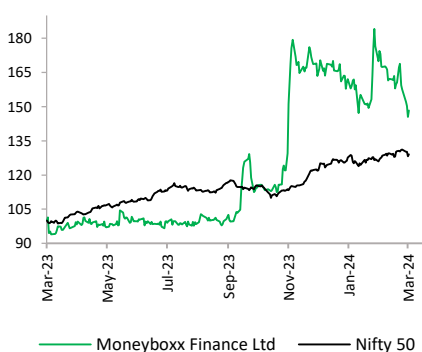
Shareholding Pattern %

(As on February, 2024)

Promoters	47
Public & Others	53

Stock Performance (%)	1m	6m	12m
Moneyboxx Finance Ltd	-11.5	49	57
Nifty 50	1.1	9.7	30.5

Moneyboxx Finance Ltd Vs Nifty



Business Overview & Mix:

- Unsecured Loan Portfolio: Moneyboxx's loan Portfolio consists of 77% of Unsecured Loans and the rest 23% as Secured Loans.
- The Unsecured Loans range between ticket sizes of INR 70,000 to INR 3 lakhs with a maximum tenure of up to 2 years. The average tenure of unsecured loans is 28 months (Door to Door basis). The Company doesn't intend to extend the maximum tenure of the unsecured loans in the future in view of the risk and also the cattle life span.
- The Secured Loans range between ticket sizes of INR 2 lakhs to INR 10 lakhs with a maximum tenure of up to 7 years. The average tenure of secured loans is 52 months (Door to Door basis). The company will be increasing their ticket sizes in the next 2-3 years down the line as the demand increases as well as the customers history mature over time.
- Livestock Owners (65% of overall loans, Agro PSL category): Moneyboxx's USP is their customers who are owners of Cattle livestock (Jersey Cows & Buffaloes) making up 65% of their loan book.
- The criteria for Livestock owners is that they have to have a minimum herd size of 5 cattles and a second income apart from the cattle's produce.
- The Yields for the Unsecured portfolio stands at 30.7% and for the secured Portfolio varies between 25-26%.

Unique Selling Proposition (USP):

- Moneyboxx Finance Ltd belongs to PSL category with 65% of the loan book consisting of customers who are livestock owners (Jersey Cows & Buffaloes). To qualify for loans, livestock owners must possess a minimum herd size of 5 cattle and demonstrate a secondary source of income besides the livestock's produce.
- Company hires full time vets who offers services like vaccination, treatment and artificial insemination, free of cost to the lenders who are livestock owners. This also helps them to monitor the asset.
- They have various tie ups for fruit bearing plantation for planting fruit bearing trees at the farmers lands, which helps them to increase the farmers income. The 10 -15% cost of which is borne by the company and remaining qualifies as CSR.
- During the past 5 years, company has built a strong distribution network, which will help them to increase their AUM as a quicker pace.

Guidance:

- The Management gave guidance of AUM of INR 7,000 mn for FY24 end and of INR 12,000 mn by FY25 end and INR 20,000 mn by FY26 end on a conservative basis as they have already achieved INR 5,300 mn by end of Dec 2023.
- The Management is expecting the NBFC's Credit rating to improve from current BBB(-) to BBB by the end of March 2024, to BBB(+) by Nov 2024, and achieve A(-) credit rating by Dec 2025.
- The Management maintains guidance of 20% RoE for FY25.

OUTLOOK

The NBFC has 65% of their AUM financing Cattle Livestock owners with their business spread across 8 states and 92 branches as of Dec 2023. The Company has recently completed Equity Capital raising in Q3FY24 end, for further expansion of their business in the Southern part of India. We believe the growing secured book of Moneyboxx will stabilize their Yields & Spreads in the longer run as the average Opex costs are expected to come below 9% in the future.

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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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