

Date: 10/06/2024

To,  
Listing & Compliance Department,  
National Stock Exchange of India Limited  
Exchange Plaza, Plot No. C/1, G Block,  
Bandra - Kurla Complex,  
Bandra, Mumbai- 400051.

**Sub: Transcript of H2 FY 24 Earnings Conference Call held on June 6, 2024.**

**Ref: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**Ref:** Stock Symbol: **MOS**

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed, the transcript of H2 FY24 Earnings Conference Call held on June 6, 2024.

The above information will also be made available on the website of the Company at [www.mos-world.com](http://www.mos-world.com).

This is for your information and record.

Thanking You,

**For MOS Utility Limited**

**Mansi Sharad Bhatt**  
**Company Secretary & Compliance Officer**  
**Membership No. A70589**  
**Encl: A/a**

**MOS Utility Limited**

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CIN NO: L6600MH2009PLC194380



“MOS Utility Limited  
H2 FY '24 Earnings Conference Call”  
June 06, 2024



**MANAGEMENT:** **MR. CHIRAG SHAH – CO-FOUNDER AND DIRECTOR – MOS UTILITY LIMITED**  
**MR. PRADEEP VISHWAKARMA – CHIEF FINANCIAL OFFICER – MOS UTILITY LIMITED**  
**MRS. MANSI BHATT – COMPANY SECRETARY AND COMPLIANCE OFFICER – MOS UTILITY LIMITED**

**MODERATOR:** **Ms. SARITA DUBE – KIRIN ADVISORS PRIVATE LIMITED**

**Moderator:**

Ladies and gentlemen, good day and welcome to MOS Utility Limited H2 FY '24 Earnings Conference Call hosted by Kirin Advisors Private Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Sarita Dube from Kirin Advisors. Thank you and over to you, ma'am.

**Sarita Dube:**

Good morning, thank you. On behalf of Kirin Advisors, I welcome you all to the conference call of MOS Utility Limited. From management side, we have Mr. Chirag Shah, Co-Founder and Director, Mr. Pradeep Vishwakarma, CFO, Mrs. Mansi Bhatt, CS and Compliance Officer.

Now I hand it over the call to Mr. Chirag Shah, Director and Co-Founder. Over to you, sir.

**Chirag Shah:**

I warmly welcome each one of you to our first conference call for MOS Utility Limited. Before we delve into the specifics of our performance of H2 '24 and FY '24. Let me give a brief overview of the company. One of the leading providers of digital products and services in the B2B2C space and financial technology sectors, utilizing an integrated business model through its online portal.

The company launched its IPO as a book-built issue valued at INR49 crores. The IPO consisted of a fresh issue of 57 lakh shares, raising INR43 crores and an offer for sale of 8 lakh shares, total rupees INR6.08 crores. We integrate physical and digital channels, leveraging a strong network of partners throughout the India.

Our extensive network, comprising over 172K MOS Pramukh, 11,000 MOS distributors and 900 master distributors, spans every corner of India. The company offers a diverse range of empowering services aimed at individuals, business and communities. In the domain of banking, we extend facilities like domestic money transfer, Aadhaar ATM, micro-ATM, Aadhaar Pay and NSDL kiosk banking, particularly targeting underprivileged rural communities to foster economic participation and improve living standards.

Our comprehensive travel services covers flight booking, bus booking, hotel booking and railway bookings. Servicing is a one-stop solution for various travel needs with reliability of affordability. We also provide utility services such as a quick mobile recharge, Bharat bill payment, cash management service, LIC life insurance premium and PAN card applications, ensuring convenient management of essential services like electricity, water and insurance.

Additionally, our insurance services encompass two-wheeler, four-wheeler, health and travel insurance. Facilitated by MOS agents to offer customizable insurance products. Partnering with leading courier and cargo companies, our courier and cargo service ensure convenience and efficiency in shipping and logistics.

We also offer digitized entertainment services and essential digital marketing strategies like SEO, SMM and Google Ads to enhance brand visibility and drive conversions, completing our

suite of comprehensive offerings. Our commitment to government aspirations drives us to foster financial inclusion through innovative solution and user-friendly platforms. Our journey is marked by technological innovation and steadfast dedication to financial inclusion with a user-centric approach.

We ensure seamless access to a wide range of services, continuously adapting to industry dynamics to offer the right solution for diverse communities. During the year, our company acquired majority stake in three prominent entities. 51% of Indicore Infocomm Private Limited, 51% of JC Ventures Private Limited and 61% of MOS Logconnect Private Limited. The strategic acquisitions further strengthen our position in key sectors and expand our portfolio, enhancing our capabilities to deliver innovative solutions and drive sustainable growth.

We have led a digital revolution impacting over 4 million households and 269,000 villages, spanning across more than 40,000 pin codes, 29 states and 2,400 cities and towns. Our relentless efforts have breached the digital divide, empowering communities with access to essential service and financial inclusion. Through our expansive network and innovative solution, we have transformed lives, driving progress and connectivity nationwide.

Financial highlights. In the consolidated H2 FY '24, our company demonstrated strong financial performance. Total income surged to INR105 crores, marking a remarkable Y-on-Y growth of 90%. Our EBITDA reached to INR10.42 crores, reflecting a solid year-on-year growth of 55 percentage. While our profit after tax stood at INR6.38 crores, indicating a substantial year-on-year growth of 71.32%. Our earnings per share also exhibited growth, reaching to INR2.57, with a year-on-year increase of 7.98%.

Moving to the full financial year '24, our company's performance remained impressive. As per consolidated financials, total income for the year reached INR193 crores, demonstrating a strong growth year-on-year 76.07%. Our EBITDA continued its upward trajectory, reaching to almost INR17.85 crores, with Y on Y growth of 68%. The PAT showed a substantial increase, reaching INR12.13 crores, reflecting a remarkable Y on Y growth of 113%.

Additionally, our earnings per share showed positive growth, reaching INR4.17, with a Y on Y increase of 12.10%. The way forward, looking ahead, MOS Utility Limited is poised for continued growth and innovation in the ever-evolving digital landscape, with a strong foundation built on technological prowess and a deep understanding of customer needs. We are committed to expanding our service offerings and geographic reach. Our focus remains on driving financial inclusion, empowering individuals and communities across India with accessible and user-friendly digital solutions.

Leveraging our extensive network and strategic acquisitions, we aim to further strengthen our position in a key sector and enhance our portfolio of innovative services. In summary, with a focus on technological innovation and customer-centric solutions, we aim to expand our service and strengthen our position in key sectors. Our strong financial performance and nationwide impact reflect our dedication to transforming lives and creating lasting value for all stakeholders.

Now I request to open the floor for a question and answer. Thanks again for your presence.

- Moderator:** Thank you very much. We will now begin the question and answer session. The first question is from the line of Lakshya Saraf, individual investor. Please go ahead. Lakshya, may I request you to unmute your line and go ahead with your question, please. Hello, Lakshya, can you hear us?
- Lakshya Saraf:** Actually, my question was that they have three acquisitions and what is the purpose? What is the future of investing in those acquisitions?
- Chirag Shah:** Sorry, can you come again?
- Lakshya Saraf:** MOS Utility has done three acquisitions by acquiring major stakes in three companies like JC Venture and other two. So what is the future plan by acquiring? Like what will be the benefit to the companies they acquire if they have acquired those three?
- Chirag Shah:** Yes, so JC Venture, they have a 1,100 PSU bank branch point. They work for the Bank of India and it's called as a mini Bank of India branch. So it helps us to extend our service into the rural area for in financial inclusion, where consumers can open their saving accounts, deposit, withdrawals, passbook printing, loan recovery. So these kind of services we are adding in MOS Utility and already we got more 2,000 mandate from the Bank of India.
- So this business can grow 2x, 3x, 4x in next 1-2 years. And the Indicore Infocomm, they are into mobile top-up and bill payment business. So majorly fintech players like Mobi Kwik or other like PayNearby, Spice Money, they use their API content to sell these utility services to their consumer. So they have a good and large network of utility services.
- Lakshya Saraf:** Okay and the last one was there at MOS Logistics.
- Chirag Shah:** Yes, so MOS Logconnect, we have built an aggregator platform of courier service. We have integrated nine courier companies into the one platform. So our all points now they can book the courier for the customer, where we arrange the pickup and drop service. So it's a value added service for our agent points and for the company to increase the more revenue.
- Lakshya Saraf:** Okay and like I would like to ask you that providing by acquisition of the company provides API service to us like MobikWik, what could be like rising our net profit from that or like raising revenue? Because if we have acquired that there should be some effect on P&L in upcoming years. So how much increase do you expect?
- Chirag Shah:** So by providing API to MobikWik and other companies, so it is means that the business is growing almost 15 to 20% month on month and we are acquiring more and more partners in B2C and B2B space both, where they can use our API and extend our service to the consumer.
- Moderator:** Thank you. So the line for the participant dropped. We move on to the next question. The next question is from the line of Mahesh Seth, individual investor. Please go ahead. Mahesh, go ahead.
- Mahesh Seth:** Hello. Good morning, sir. First of all, congratulations for a good set of numbers. So I wanted to ask that what are the key drivers behind the strong year on year growth in our total income, EBITDA and PAT overall from top line to bottom line? What are the key drivers?

- Chirag Shah:** The key drivers are we have increased our agent network almost 3x in last one year. So maximum agent network we increased our GTV, our profit, our EBITDA and PAT increased a lot.
- Mahesh Seth:** Okay. This is the main key driver behind your growth, right?
- Chirag Shah:** Yes, right.
- Mahesh Seth:** Okay. And how do you plan to maintain and further accelerate your impressive financial growth in the coming years? Are there any plans?
- Chirag Shah:** Yes, so we'll maintain our organic and inorganic growth both the way. And our acquired company will also perform in the same way.
- Mahesh Seth:** Okay. So yes, I also wanted to ask about the acquisition that you did with the companies you mentioned earlier. So how did the acquisition contribute to your overall business? Can you elaborate more on this?
- Chirag Shah:** The contribution of their business is almost 30% to 40% of our EBITDA and PAT. It will increase by our acquired company.
- Mahesh Seth:** Okay. Thank you for answering the question. Thank you.
- Moderator:** Thank you. Next question is from the line of Agastya Dave from CAO Capital. Please go ahead.
- Agastya Dave:** Thank you very much for the opportunity. So my question is actually a follow up of the statement that you made to a previous participant. You said that your agent network has increased by 300% this year. So are all your agents contributing to revenue as much as they can? Are all agents equally productive?
- Because if I do a normal math, you grew by 100-odd percent but your network increased by 300%. So is it fair to assume that all agents will not be equally productive and all geographies where you have expanded will not be fully productive? So what is the maximum potential revenue that you can generate based on your current distribution network?
- Chirag Shah:** Yes, rightly said. Our 30% agents, they contribute almost 70% of revenue. And other 70% are contributing 30%-40% revenue. Because these 30% agents use all the services: travel, banking, PSU bank, etcetera. And some of the 70% network, some of them are doing only travel services, some of them are doing only banking services, some of them are doing only courier services. So yes, we have a divided network according to the services.
- Agastya Dave:** So sir, to what extent you can grow based -- so assume even though this is a hypothetical assumption that you don't grow your network. So with the current base of agents, how big can the company become?
- Chirag Shah:** If you don't increase the agent network, then no doubt productivity will be slow. But we will try to activate all the agents, they serve all the services. We can try for that. But the end is not here. We want to increase our agent network almost 3x to 5x in next 2-3 years.

**Agastya Dave:** From the current base, which is 3x bigger than last year?

**Chirag Shah:** Yes.

**Agastya Dave:** So you want to grow another 3x to 5x over, sir, what period of time?

**Chirag Shah:** Within two years. We have already got mandate from the Bank of India to open another 2,000 branches and other courier services and we have started post office to our network, so these kind of product and service.

**Agastya Dave:** Sir, in this, how much will be your investment going forward to expand this? Will there be a capex element involved and will there be a P&L expense involved also in these services?

**Chirag Shah:** Your voice is breaking.

**Agastya Dave:** Sir, would you require some substantial capex when you go to buy 5x in this?

**Chirag Shah:** Yes, we may require. We may require because capex technology side, we need to invest in tech side, capex and working capital we may require as far as our GTV increase. So we need some working capital on weekend and holiday side, we need more capital to prefund to our vendors.

**Agastya Dave:** But sir, if I look at the Q4 numbers, do they reflect the kind of economics of the business going forward or would there be substantial operating leverage? Yes, there will be some operational margins as you continue to add more agents and they take time to run. So how exactly will this dynamic play out?

**Chirag Shah:** So we continuously try to increase our per agent income and adding more agents. So the dynamics will perform equally in the coming year.

**Agastya Dave:** Excellent. So Q4 is a good reflection, sir, how the company will perform. Sir, your services, this is my second question then I will go back in the queue. Your services that you are currently providing, so take an agent who is providing all your portfolio services, apart from that what else can you add? What other services are there in your mind?

**Chirag Shah:** So we are planning to add a mutual fund services, so where all these points, they can start SIP for their customers and we can build good AUM in next 2-3 years. So one of these services, Demat Account opening where we can get brokering as an income, brokerage as an income.

**Agastya Dave:** So you will become a broker then?

**Chirag Shah:** Yet we have not thought it but we can write as a pilot we will partner with one of the brokers and then we will decide the way forward.

**Agastya Dave:** And sir how will you classify your current catchment area? This is like rural areas, Tier 2, Tier 3 cities, smaller towns what is the best reflection of the kind of catchment area that you have and what kind of income strata are you servicing?

**Chirag Shah:** So current our network is 30% in urban areas, metro cities and 70% in Tier 2, Tier 3 and Tier 4. So some of our services like courier service and travel ticketing and domestic money transfer urban to rural. So these are urban products and the other ATM, micro ATM and other utility services they majorly we get business from the rural areas Tier 2, Tier 3 and Tier 4 cities.

**Agastya Dave:** Great sir. Thank you very much sir. Thank you for giving me the opportunity. I will go back and look into it. Thank you.

**Chirag Shah:** Thank you.

**Moderator:** Thank you. Next question is from the line of Dhiraj Shaha from Joy Advisors. Please go ahead. Dhiraj may I request you to unmute your line and go ahead with your question please?

**Dhiraj Shaha:** Hello.

**Moderator:** Yes go ahead. Dhiraj go ahead with your question please.

**Dhiraj Shaha:** Yes sir my question is what are your competitive advantages?

**Moderator:** Dhiraj may I request you to speak a little louder and go ahead with your question please?

**Dhiraj Shaha:** Sir my question is what are your competitive advantages?

**Chirag Shah:** Competitive advantage is we do offer these 24 plus digital services under the one roof under the one tag. That's our main advantage.

**Dhiraj Shaha:** Okay and second is where do you see the company 5 years down the line?

**Chirag Shah:** 5 years down the line we are -- we want to increase our network 3x to 5x from here. Accordingly, our business will increase, accordingly profit and EBITDA will increase. And we are adding more and more banks like Bank of India. We have just added U.P Gramin Bank, Madhya Pradesh Gramin Bank. So we have started work for them also. So it will add more business to us.

**Dhiraj Shaha:** Okay sir. Thank you.

**Moderator:** Thank you very much. Next question is from Archana Singh Individual Investor. Please go ahead.

**Archana Singh:** Hello sir congratulations on your good success of numbers. My question is regarding to understanding your business and its segments and its working cycle. So can you throw some light on your business and its segments and what is your working capital cycle?

**Chirag Shah:** Sorry throw light on product wise?

**Archana Singh:** Business yes sir.

**Chirag Shah:** So product wise our core product is the banking services, financial services where we work with the Yes Bank, ICICI Bank and NSDL Payment Bank and Bank of India. So and we are adding



more and more banks in future. The other services like our utility services is one of the good segment where we do provide mobile recharge, bill payments, and cash management services.

Travel services we are the PSP of Indian Railway, Principal Service Provider. So those travel agents they have to take license from us for the selling of railway tickets. So this is also increasing. So railway ticket, flight ticket and bus tickets. Courier services we have just started 6 months back and doing well and we are looking at 3x, 4x in next one year only.

Insurance services we majorly focus on to general insurance 2 wheeler and 4 wheeler and medical health. One of our -- one more service is a Bollywood tourism which is situated at Goregaon Film City. From last 10 years we do provide this Bollywood tourism to the lakhs of tourists. So these are the segment of the services.

**Archana Singh:** Okay, sir. Okay. And sir what are the working capital cycle?

**Chirag Shah:** Sorry working capital?

**Archana Singh:** Working capital cycle.

**Chirag Shah:** Working capital segment.

**Archana Singh:** Cycle.

**Chirag Shah:** Working capital cycle. Yes. So all the services are cash and carry -- in cash and carry model. It's a prepared model completely. No credit involved in this. Some of the good distributors and loyal we do provide them T plus 1 credit cycle. So all our vendors, like this courier company's vendors, Indian Railway means IRCTC or all banks we have to pre-fund our banks, our wallet with them. So when holiday comes so we have to do the provision for the 3 days and 2 days. So this kind of working capital we required on holidays majorly.

**Archana Singh:** Okay sir. Okay. Understood. Thank you so much, sir.

**Chirag Shah:** Thank you.

**Moderator:** Thank you. Next question is from the line of Anirudh Singh from Singh and Associates. Please go ahead. Anirudh Singh may I request you to unmute your line and go ahead with your question, please.

**Anirudh Singh:** Oh, yes. Good morning management and thank you for the opportunity. Am I audible?

**Chirag Shah:** Yes.

**Anirudh Singh:** So can you explain me like there are many competitive advantages like competition overall in the market. So how does MOS your company has a competitive advantage in B2B and B2C segment?

**Chirag Shah:** So no doubt there is a competition but in banking side one agent can work with one bank only. So we get loyal agents. When they take license from us to perform the financial and banking

service they cannot work with another bank so another competitor. So this is the main competitive advantage and we have 24 plus digital services which other competitors don't provide. One of the courier is the unique services which no other competitor has. And it's a highly profitable product also.

**Anirudh Singh:** So, can you please tell me which your digital courier service and how does will have impact in the next few years in growth wise?

**Chirag Shah:** Yes. So, growth wise, the courier services, we have just started four months back. And we are doing almost 300 to 400 bookings a day right now. It will grow up to 30,000 to 40,000 bookings a month in next year -- in within a year.

**Anirudh Singh:** So, yes, this is the estimated numbers, right?

**Chirag Shah:** Yes. Assumed.

**Anirudh Singh:** Yes. So, can you explain, how do you ensure the reliability and security of these digital services?

**Chirag Shah:** So, security wise, we have built our tech, our entire tech is in-house. One of our co-founders is CTO. And over the -- we are running this company from last 15 years. No doubt, we have faced a lot of problems due to the security, hacking and all. But now, we have built up very strong tech. So, security wise, it's a good platform now.

**Anirudh Singh:** So, basically, your security is 100% owned by yourself, not outsourced to any other company, right?

**Chirag Shah:** No, 100%. But PSU Bank side, means Bank of India side this tech is outsourced. So, bank provide us the tech. We monitor and run the business.

**Anirudh Singh:** Okay. Thank you for answering my questions.

**Moderator:** Thank you. Next question is from the line of Mansi Verma from Gajanan Capital. Please, go ahead.

**Mansi Verma:** My question was, may I know any strategic partnerships the company has done recently that has contributed to the growth of the company?

**Chirag Shah:** Yes, it's 30% to 40%.

**Mansi Verma:** Okay. So, I just wanted to know about any partnerships or collaborations you have done, not the percentage.

**Chirag Shah:** Collaboration means, can you elaborate your question?

**Mansi Verma:** Any strategic partnerships the company has done recently?

**Chirag Shah:** We have acquired a majority stake in three companies.

**Mansi Verma:** Okay.

**Chirag Shah:** Indicore, Infocomm, JC Venture and Logconnect.

**Mansi Verma:** Okay. Thank you.

**Moderator:** Thank you very much. Next follow-up question is from the line of Lakshya Saraf Individual Investor. Please go ahead.

**Lakshya Saraf:** Sir, actually, you have told me that you will require capex for increasing your network to about 3x to 5x from this point. So, how, from where will you bring that money? Because currently, there is not much cash equivalent that are standing in your balance sheet.

And secondary, you have told that you have to increase like you have to go in sector of mutual funds and related. So, how much percentage of EBITDA that sector can contribute in coming three to five years? Because that sector is totally different from your current sector that is service providing in rural areas. Because mutual fund related is related to urban areas.

**Chirag Shah:** So, thanks to Mutual Fund Sahi Hai campaign, all the rural -- in rural areas also people know about this kind of product and service. But they don't opt out because they don't have right guidance and knowledge. So, our agent network will educate them why to invest in mutual fund and how much and what percentage of returns they will get. And through this, we have to invest in our technology to build this service digitally. So, we will generate our profit and from profit, we will invest into the tech.

**Lakshya Saraf:** But currently, your profit margins are -- I feel it's very low for that capex. So, do you feel any taking any depth or equity fundraising if you need?

**Chirag Shah:** Fundraising, we will look at it. But first, we will try to manage from our profit only.

**Lakshya Saraf:** Okay. And how much EBITDA that segment can contribute in the coming years?

**Chirag** It can be at around 5% to 10% EBITDA increase through this one of the services, mutual funds. But our major and primary products are banking. It will increase 30% to 40%. It will contribute in 40% EBITDA.

**Lakshya Saraf:** Okay, means you are not going towards increasing about that 40% to 50% EBITDA should come from mutual fund. You don't have any such view currently?

**Chirag Shah:** No, not big. Not because our primary business is a banking and financial services.

**Lakshya Saraf:** Okay. Thank you.

**Moderator:** Thank you very much. Next follow-up question is from the line of Agastya Dave from CAO Capital. Please go ahead.

**Agastya Dave:** Thank you very much for the opportunity again. So, the spreads that you're making in the individual transactions and individual services, what has been the trend in these spreads? So, over a period of time, when you have engaged with the bank and of course, business grows big with one of the banks, so do they ask for price cuts from you? Does your realization go down?

And they say, you maintain a fixed margin with the business? Or is it completely variable? The bigger you grow, the bigger your margins become?

- Chirag Shah:** No, a bank has a standard policy of 80-20. Whatever revenue we generate for the bank, bank give us 100% as per the decided commercial. And out of 100, we have to part 80% to our agents. So, it will remain same. Maybe in future, more banking products will add and it will increase in our profit.
- Agastya Dave:** So, if you are generating INR100, it will be 80-20. If you are generating INR1 crore, it will be 80-20?
- Chirag Shah:** Yes, right.
- Agastya Dave:** Okay. And that number doesn't change over a period of time?
- Chirag Shah:** Since last 3 years, 4 years, it remains same.
- Agastya Dave:** So, they don't put pricing pressure on you?
- Chirag Shah:** No.
- Agastya Dave:** Okay.
- Chirag Shah:** They put a business pressure on us to increase more-and-more business and increase more points.
- Agastya Dave:** So, they push you for volumes but not on your margins?
- Chirag Shah:** Yes.
- Agastya Dave:** In terms of competition, sir, I know this is like a still very nascent stage for the entire industry. Penetration levels are very low, especially in rural areas. But do you face competition in any of the jurisdictions?
- Chirag Shah:** Yes, competition are there. There are some companies, they are working in this same field. Example, in Bank of India, there are 6-7 active corporate BCs are there. So, they give us a mandate to all the companies. So, it's a matter of speed and how maximum we complete their target.
- Agastya Dave:** So, do Microfinance Companies, enter your unions, your space? Because they are also presented, they have the distribution. So, do they compete or can they compete with you?
- Chirag Shah:** No, there is no competition with the Microfinance Company. They can be our vendor in future when...
- Agastya Dave:** They can be your vendors.
- Chirag Shah:** So, in future, when we build more customers and agents, we can also start lending through them.

**Agastya Dave:** Sir, again, coming back to the capex part and the future ramp-up part. So, let's say, you start doing capex. This will be an ongoing thing. It's not like you're running a factory. This is like on a rolling basis, we will be doing whatever you need to do. But what is the lag in the ramp-up process? Once you onboard an agent or a bank in a new geography, you have established yourself. So, how soon does a new geography, a new agent ramp-up? The speed of speed post activating an agent?

**Chirag Shah:** Can you come again? Clear new omitted question.

**Agastya Dave:** Sir, let's say, there is a new bank. I am just hypothetically saying, let's say, Kotak Bank, right? XYZ Bank. He said, you come and do all these services for us." So, for them, in a new state, let's say, in Karnataka, in a district, you start this process. So, how soon does the business ramp-up?

**Chirag Shah:** That once you add something, you see a hockey stick kind of or there is a gestation period, there is a lag how will it ramp up? So what we do is, whenever we add a new service, first, the pilot is for 6 months in 6 months, we understand the product behavior, understand the margins, what net we have left, what agents we will give. After 6 months we aggressively focus on it. For example, career services. Now almost our pilot is done and tech is completely ready. All the teaching issues have been cleared. So now we will aggressively teach and teach this service to everyone. So, it takes 6 months at least to ramp up.

**Agastya Dave:** And after 6 months, for training we have launch it. After 6 months?

**Chirag Shah:** No, already launched now training will start.

**Agastya Dave:** Okay and after that when will income from sales revenue reflect in P&L commercially?

**Chirag Shah:** 1 year, within 1 year.

**Agastya Dave:** Within 1 year or after 1 year?

**Chirag Shah:** Within a year.

**Agastya Dave:** And sir again coming back to that agent on the thing that you have tripled your network. So again, if I look at this, the Q4 number, if I look at Q4, the revenues. So in terms of the capacity utilization, how much is this number equivalent to? Are you at let say it INR100 crores? You are utilizing your assets and your agents to the extent of 50%? Can they do INR200 crores or INR150 crores? What is your capability?

**Chirag Shah:** Volume capability?

**Agastya Dave:** Yes, with the existing setup, with the existing agents, with the existing services, with the existing client base?

**Chirag Shah:** So the capacity to volume is non-limited, because the volume that increases. So we need two basic things. One is the working capital and one is the technology we have to build up. Means build up means we have to, the capacity of the server, we have to increase that. To balance the

load, we have to focus more on tech. Okay. But the second working capital is already running, we just keep upgrading it. Yes, you can do that rapidly, it will be a very scalable process. Yes, quickly scalable like this.

**Agastya Dave:**

Yes, okay, so the constraint is that. Other than that, is there any other constraint?

**Chirag Shah:**

No. Because this is not the factory type, that we have to bring new machinery, we have to do this, so that is not there. Once the platform has been built, so now we have to upgrade and upgrade.

**Agastya Dave:**

Right, so rather than comparing you with a manpower intensive business, we should look at it as a more technology kind of -- nature of the business is more IT services like where the ramp up is very quick scalable business.

**Chirag Shah:**

Yes, so IT is our backbone the complete platform works, complete business run on the IT.

**Agastya Dave:**

Right, great Sir, how much was your annual spent on IT on your platform and how much do you spend?

**Chirag Shah:**

Annual approx., INR2 crores.

**Agastya Dave:**

So sir, this is purely people's salary or this includes the hardware also?

**Chirag Shah:**

This include salary, hardware both.

**Agastya Dave:**

Okay. Great sir thank you very much sir, all the best sir.

**Moderator:**

Thank you very much. As there are no further questions, I will now hand the conference over to Ms. Sarita Dube for closing comments.

**Sarita Dube:**

Thank you, everyone, for joining the conference call of MOS Utility Limited. If you have any queries, you can write us at [research@kirinadvisors.com](mailto:research@kirinadvisors.com). Once again, thank you, everyone, for joining the conference call. Thank you.

**Moderator:**

Thank you. On behalf of Kirin Advisors Private Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.