

'We will likely double revenue this fiscal year'

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BENGALURU

Moglix, a business-to-business (B2B) marketplace for industrial goods, aims to double its revenue this financial year as it continues to grow its operations. In an interview, Rahul Garg, chief executive, said the Tiger Global-backed firm may have the option to break even in the next 12 months or to continue investing in business growth. He said Moglix's successful foray into the United Arab Emirates (UAE) will become a template for its entry into other foreign markets. *Edited excerpts:*

What was the growth you saw last year considering the market environment? How do the next few quarters look?

(Last year), while the world was in chaos, I think India was a shining star. While there are all sorts of global issues with respect to

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the venture environment, (but) I think India is still the bright star.

We primarily work with manufacturing and infrastructure customers. Today, about 85-90% of our business is in India. Within that, (mainly) manufacturing and infrastructure. So, therefore, for us, the impact is always from what is happening in manufacturing and infrastructure (sectors), which are growing.

As Moglix, we continue to grow and we will probably grow over 100% year-on-year (in terms of revenue). We launched multiple things in 2021 and 2022. A lot (of our strategy) is doubling down on executions, operations for many of these (products), because we have a very strong momentum and we need to make sure that we scale up in each one of these.

When do you target to break even?

We will start to have the option, maybe in 12 months, to break even. These are choices that we are still debating on as a company because we are very close to it. So, we don't have to really push the button on whether we should get to breaking even or invest towards expansion into new markets, or new products and solutions we can offer to the customers. We are continuing



to go in that direction, but will we push the lever hard? The answer may be no for this year. On an aggregate basis, we are pushing towards growth with directionally continuing to go both on an absolute and percentage basis towards profitability.

Please elaborate on your UAE operations. How much investment has gone into the expansion?

When we invest into new verticals or new countries, we look at it like a seed stage startup. The UAE operations have started to become a Series B startup in the context of Moglix. Some time this year, we will become the largest player in that market as well, which is what we aspire to achieve.

We do close to 100,000 SKUs (stock keeping units), as opposed to India which is around 800,000 SKUs. We have continued to invest into building teams and warehouses in the region. We do domestic supplies like Indian operations. It is a test bet for us which has been working out very well, which gives us, in the next 6-12 months, a template for expanding into

more countries.

We have committed \$10 million dollars to the UAE and have invested only a few million dollars. This will broadly be the kind of investment we will be making in the UAE in the next couple of years.

Do you plan to expand overseas?

We are still scratching the surface in terms of what needs to be done in India.

There is no rush to go to multiple countries immediately.

You've made a few acquisitions. How many more are you looking at? How much of the allocated \$100 million have you used?

There's no specific number. (So far) we have invested north of \$10 million. When looking at

acquisitions, sometimes you may be looking for great teams, great products, great customers or supply ecosystems. So, all of those dimensions are there. The general desire is to acquire medium size, but sometimes we find small and sometimes large (companies).

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Rahul Garg
CEO, Moglix