

June 15, 2023

To,
The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai– 400051

Company Trading Symbol: FROG

Subject: Transcript of interaction with Analysts/Institutional Investors/Funds – Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)

Dear Sir/Madam,

This is in furtherance to our letter dated June 08, 2023 and June 13, 2023, wherein we had given advance intimation and Audio recording, respectively, of the earnings conference call held on Monday, June 12, 2023 at 04:30 noon IST to discuss the Company’s Financial Year 2022-23 Earnings.

Pursuant to Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Transcript of the Earnings Call for Financial Year 2022-23 with the Analysts/Investors.

The above information will also be made available on the website of the Company at www.frogcellsat.com.

Request to kindly take the same into record.

Thanking you.

Yours faithfully,

For Frog Cellsat Limited

MANISHA
MAKHIJA

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MANISHA MAKHIJA
Date: 2023.06.15
12:43:48 +05'30'

Manisha Makhija
Company Secretary

Encl.: As above



“Frog Cellsat Limited
FY '23 Results Conference Call”

June 12, 2023



MANAGEMENT: **MR. KONARK TRIVEDI – MANAGING DIRECTOR –
FROG CELLSAT LIMITED**
**MR. PANKAJ GANDHI – CHIEF EXECUTIVE OFFICER –
FROG CELLSAT LIMITED**
**MR. CHARAN JEET KALRA – CHIEF FINANCIAL OFFICER –
FROG CELLSAT LIMITED**

MODERATOR: **MR. CHAITANYA SATWE – CAPTIVE IR**

Moderator: Ladies and gentlemen, good day and welcome to Frog Cellsat Limited FY23 Results Conference Call hosted by Captive IR. Before we begin, I would like to mention that some of the statements made in today's discussions may be forward-looking in nature and may involve risk and uncertainties. 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 the 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 Mr. Konark Trivedi, Managing Director, Frog Cellsat Limited. Thank you and over to you, sir.

Konark Trivedi: Thank you. Good evening and welcome to this conference call with Frog Cellsat. I am delighted to have the opportunity to address all of you today and share some exciting updates about our company and the remarkable prospects that lie ahead. Before delving into that, let me briefly introduce myself. I am a first-generation entrepreneur. Before incorporating Frog Cellsat in 2004, I worked for HCL Tech, managing their VSAT business. By qualification, I am an electronics and telecommunication engineer. I did my post-graduation from Westminster University, London in mobile and satellite communications.

Since 2004, we have built a solid company with a solid team. Our focus has been business growth, profitability, and personal growth of our team members. We maintain a very strong culture and as a result, more than 50% of our team is working with us for more than five years. Our CXOs are with us for more than 10 years, making a very solid company. Some key points of our company are we are a profitable company and we have been profitable 18 out of 19 years of existence. We are a 100% debt-free company and promoter group holding is more than 74% currently.

We are one of the PLI recipients of telecom companies. We are a Make in India-focused company and one of the beneficiaries of government's policy of Make in India. Diving into accelerating growth prospects that lie ahead, we are witnessing a monumental shift in the telecommunications landscape. The advent of 5G technology, the Internet of Things, and increasing demand for high-speed connectivity have opened up unparalleled opportunities for our industry. We are at the forefront of this resolution and our growth trajectory is poised to show its in the quarters and years to come.

One of the key drivers of our future success is our unwavering commitment to research and development. We invest heavily in fostering a culture of innovation, constantly pushing the boundaries of what is possible. Our team of brilliant minds is tirelessly working on breakthrough solutions that will reshape the telecom industry. From advanced network infrastructure to next-generation wireless technologies, we are determined to be the catalyst of change.

Additionally, our strategic partnership with the Israeli company has been vital in diversifying our product portfolio. We have formed alliance with industry leaders to gain valuable insights and create synergies that will drive our growth. Our commitment to hold strong relationship with our customers and partners is unwavering, and we will continue to leverage these connections

to stay ahead of the curve. On the business front, we stand on a healthy order book of INR650 million, which gives us a good growth visibility.

Additionally, we developed several new products in 5G space, defensive space and in the mobile network space and our product offerings stand at 20+ products currently. On the capex front, the construction of Phase 1 for our new manufacturing facility in Noida, encompassing a covered area of one lakh square feet, will be completed by the end of Q1, financial year 24. We will be commencing full-fledged manufacturing operations from this facility, utilizing the additional space to accommodate our growing needs.

Simultaneously, Phase 2 of the construction is underway and is projected to be completed by the end of Q3, financial year 24, adding an additional 600,000 square feet of manufacturing space to support our expanding operations – sorry, 60,000 square feet of manufacturing space to support our expanding operations. Further, on the financial front, our total revenue stood at INR136.2 crores. As we had mentioned in our earnings release, we witnessed a slow rollout by mobile operators of 5G products related to FCS portfolio. 5G-related orders could not be billed as it was anticipated in Q4, financial year 23.

In terms of profitability and margins, EBITDA increased by ~10% from INR19.9crores in financial year 22 to INR 21.92 crores in financial year 23. And our margins improved from 14.97% to 16.48% over the same period due to the effective inventory cost management and lower raw material costs. We continue to remain debt-free and in conclusion, the future for FCS is promising. With the convergence of ground breaking technologies, our commitment to innovation, strategic partnerships and steadfast focus on sustainability, we are well positioned to seize the abundant growth opportunities that lie ahead.

Here I would like to also take the opportunity to introduce our CEO, who we have appointed recently, Mr. Pankaj Gandhi, who has 30-plus years of experience from the industry working for several multinational companies, has joined us just last month, who is also available on the call, and our CFO, Mr. CJ Kalra, who is with the company for last more than 10 years. I thank you for your time, and I am happy to answer any questions you may have. Thank you.

Moderator: Sir should we start the flow for questions and answers? Should we begin the Q&A?

Konark Trivedi: Yes, please.

Moderator: Thank you very much. The first question is from the line of Mulesh Savla from Shah and Savla. Please go ahead.

Mulesh Savla: Thanks for taking my question. First of all, sir, I would request you to arrange the con call immediately after the results. Then the effect of con call will really be experienced by the investing community. Now the result implications are lost. So my request is to arrange the call immediately after the results are announced. So that is just a suggestion. But now my first question is, did we get any visible orders from the defence sector as we were expecting some orders from the defence sector?

- Konark Trivedi:** Right. So to answer, firstly, on your comment, the call should be done right after the results. Point noted. This is the first time we as a company are doing such a call.
- Mulesh Savla:** Okay. That is really nice that we have started this initiative and I must appreciate that you are coming out with quarterly results, which otherwise SMEs are not liable to come out every quarter. They are asked to publish their results half yearly. So I really appreciate that and I'm sure you will have the call also immediately after the results henceforth. Yes, thank you for that.
- Konark Trivedi:** Right. Point noted. We got listed in October 22 and we want to be as transparent as possible with our investors and trying to do all the things which our big brothers, big companies are doing in this area. So coming to your second question, are we seeing any orders from the defence segment? So yes, we are seeing orders from the defence market slowly and steadily. There is a much bigger opportunity lies ahead because government has come out with another notification recently where they have stopped or put a restriction on further imports of any spare parts for, what do you say, spare parts for any defence supplies like planes or aircraft and this is going to benefit us going forward.
- Mulesh Savla:** So that might benefit us, in fact, is true. But have we received any concrete orders or big ticket orders from this segment?
- Konark Trivedi:** Yes, so we have received orders. So far, you know, past 18 months, we have seen orders in excess of INR3 crores from defense market and these are various, you know, various small and big orders.
- Mulesh Savla:** Okay. Okay. Any traction with the department for any big ticket orders or some tenders or things like that?
- Konark Trivedi:** Look, these are, I will say, you know, these are more like, you know, sample orders. Once sample will be submitted back and approved, then the high volume orders are going to come.
- Mulesh Savla:** Okay. Okay. Great, sir. So is there any update on PLI scheme incentives, whether we have filed any claim for the incentive, whether we have received anything so far or it is yet to be done?
- Konark Trivedi:** So we have provisioned in our results incentive of around INR2 crores. And so that is where we are. And the government is finalizing, the formats of how to file for these incentives. So that is in the pipeline.
- Mulesh Savla:** Okay. So we expect that to be received by quarter one or quarter two?
- Konark Trivedi:** Look, to be on safe side, we should, I think we should be receiving it only in quarter two.
- Mulesh Savla:** Okay. Okay. Great, sir. So, just a brief understanding of the growth trajectory that you may be aspiring to, achieve for the company. So if you can just share with us any growth numbers for estimated for FY24, FY25 and FY26.
- Konark Trivedi:** Look, for FY24, we have given, our projection as growth of 45% to 50%. And that seems to be highly likely.

- Mulesh Savla:** 25% to 30% you said?
- Konark Trivedi:** 45% to 50%.
- Mulesh Savla:** 45% to 50%. Okay, great. That's really good number. And how about EBITDA margin?
- Konark Trivedi:** We'll be maintaining our EBITDA margin at 16% to 18%.
- Mulesh Savla:** Any chance of improvement once the scale is achieved or newer products are introduced?
- Konark Trivedi:** Look, there is always a chance to improve once, there is a product cycle which goes in like, initially the margins are low, then you increase the margins as you improve the product and then, the second other stages, third stages, there is more competition which gets into it, so margin goes down. So there is always a product cycle, which is there. So Yes, definitely chance for increasing the margins are there.
- Mulesh Savla:** Great, sir. Great. And, sir, we were into some area coverage, something we get orders related to airports and metro stations and all. So any new addition of those customers in the last quarter or any expected in the coming quarter?
- Konark Trivedi:** We have submitted our bid for a few projects. So results are still awaited. We are hoping for some results.
- Mulesh Savla:** Okay. That's all from my side, sir. All the very best. Thank you. Thanks for taking my question.
- Konark Trivedi:** Thanks.
- Moderator:** Thank you. The next question is from the line of Gaurav Agarwal from 91 Capital. Please go ahead.
- Gaurav Agarwal:** Hello, sir. Thank you for taking my question. Sir, one is you mentioned about your order book. I was not able to get that. What was the order book that you mentioned?
- Konark Trivedi:** Hello, Mr. Gaurav. The order book as on 31, March, stands at INR65 crores.
- Gaurav Agarwal:** Okay. And, sir, have you received any orders in the last two months? Would you be able to share order book as of now?
- Konark Trivedi:** See, the situation keeps changing. The order keeps getting bill. What I know is that in last two months, we have got additional orders, somewhere around INR10 crores.
- Gaurav Agarwal:** Okay. And are you expecting any big bang orders, maybe from, you know, to the likes like Tejas or from 5G or from any other area where you are very, very hopeful to get in this year, FY '24? I'm talking about the order book.
- Konark Trivedi:** Yes, so we are expecting some orders related to BSNL 5G, BSNL 4G projects. We are expecting and things have progressed well and we have started to receive some small orders already on that front. The number should go up in next quarter.

Gaurav Agarwal: Okay. And in terms of opportunity size, how good could be the opportunity? So you have given your FY '24, your broad guidance. Just like if one were to think over the next four or five years, in terms of the revenue trajectory that can grow from INR133-odd crores, where can we go, you know, because all the tailwinds that we have, all the orders that we are aiming for, all the government -- and central that we are getting, it would be great if, you can just give us a medium to long term kind of a vision or let's say, a practical aspiration that we have, that we can take this company to that level in the next four or five years.

Konark Trivedi: Look, firstly, for sure, there are a lot of opportunities which are there for us. Firstly, domestic market and then in the international market. So domestic market, now this BSNL 4G project is there, which is, which itself is a quite big opportunity for us. And I tag it as the opportunity of a run rate business of about INR100 crores for next three years. That's the kind of opportunity which exists there.

And then, you know, we have opportunity in Jio, which is also of the similar level or maybe higher level, which is there. And then, there are other opportunities which we have in the defense segment, which are there. Opportunities brought by new products, like, 5G FWA terminals is there. Opportunities from new products like interference mitigation solution that we have. Opportunity from manufacturing services that we have. So there are a lot of opportunities which are there on the table. And we are working on all of them.

Currently, , what I'm telling you is what is high probable business what we are seeing on the table.

Gaurav Agarwal: Okay. Can we be a INR500 crores revenue company in the next four years?

Konark Trivedi: It's very likely.

Gaurav Agarwal: Okay. And will we be able to maintain our margins or how will the margins be at that scale?

Konark Trivedi: Yes, we should be able to maintain our margins. But the main reason which I see is, there are a few things which will help us do that. Firstly, with the growth in the revenues, we don't have to increase our base proportionately. Second is the PLI incentives should also help us maintain our margins.

Gaurav Agarwal: Okay, sir. Great. Thank you for arranging this call for the first time. I look forward to interacting with you every quarter and all the best.

Konark Trivedi: Thank you. Thanks.

Moderator: Thank you. The next question is from the line of Avinash Gupta, an individual investor. Please go ahead.

Avinash Gupta: Sir, just one obviously, it's a welcome step for Mr Gandhi to be on the board, right? That is a good thing because normally that is the way the growth of a company happens, right? So I was actually delighted. Now, I have one question. In terms of the regular business, which is the 5G and 4G, right? Everything is going well. But are we looking at some sort of do you think there's

a requirement of some sort of tie up with the international maybe Israeli company or somebody for the defense sector? Some other products, which I'm not sure, because you know the business well, right? Some other products which can probably be used in defense and maybe a focused strategy towards that side. Do you think is it worth it?

Konark Trivedi: Yes. So Avinash ji, we are working with some of the companies in the defense segment. So what is happening in the defense segment, there are two opportunities? One opportunity is the offset opportunity, whereby you know, the foreign companies, let's say a company in Israel has got the project, and they have to do a minimum 30% of that project work locally in India. So that's one opportunity. Although that opportunity is shrinking now, because government has decided not to issue any more projects like this. But there have been projects which have been awarded in the last three to four years, those projects are still open and are getting delivered. So that is one opportunity.

And second one is now going forward, the new projects are being awarded to Indian companies. So Indian companies are free to have a technology tie-up with outside companies and manufacture locally and deliver. So that is second opportunity. So we are eyeing at both of them. We are in talks with few potential partners for that. So yes we are working on that.

Avinash Gupta: Something like your satellites and that kind of stuff, right? It's like radars and that may be because you're already into communication, right?

Konark Trivedi: Right.

Avinash Gupta: And secondly, are we kind of building a team for this business, specifically something like ex army guys or something? You know, how the different sector works.

Konark Trivedi: Right. So, we have a capable team, who is managing this part of the business. And depending on the needs, we do increase our team members and we take care of that accordingly.

Avinash Gupta: Makes sense. Thanks a lot.

Konark Trivedi: Thanks.

Moderator: Thank you. The next question is from the line of Sandesh Agarwal from Sahasrar Capital. Please go ahead.

Sandesh Agarwal: Thank you, sir, for the opportunity. My first question is, what are the products that we are going to use?

Moderator: Mr. Agarwal, please use the handset mode, sir.

Sandesh Agarwal: My first question is, what are the products that we are going to supply for defense?

Konark Trivedi: Okay. So, for defense, we have got, although there are different projects under defense, one of the very big opportunities, which is where we are working on is that the subsystems and the spares for existing tanks or aircrafts, the defense have put an absolute stop on importing them. And they are developing these subsystems and spares locally in India by companies like us. So

this is one opportunity that we are on, we are working on. We are already doing some projects on this area.

And second opportunity is developing completely fresh products for them, which they were importing as one example, which we are working on is a AVD, Avalanche Victim Detector, which is a device which every soldier has to put on his harness once he's going towards on the hillside, on the, where there is snow. So this basically protects them, but in case they get stuck in an avalanche situation, they can be traced back and rescued. So this is a product that so far, they were importing it 100%. Now they've given up this project for development to us, and we are developing this product for them. So likewise, there are different opportunities which exist in defense.

Sandesh Agarwal: Okay. My second question is, sir, what is the revenue mix in 2023? Like earlier, most of I think 50% of our revenue come used to come from jumper. What was the revenue mix in 2023? And what will be the mix going ahead?

Konark Trivedi: Okay, so look, we have five verticals of our products, which are there. So one is network accessories. Second one is IBS accessories. Third one is repeaters. Fourth is ODAS And fifth one is antennas. So typically, our revenues are from network accessories, which stands at about 35%. In IBS accessories, it stands at about 35%. And rest all is typically, 10% each. This is what the rough breakup of our revenues are.

Going forward, we see that one repeaters and optical DAS and antennas should be increasing their proportion from 10% currently to 15% or so. And so network accessories might go down slightly, in terms of percentage. But IBS accessories might further increase going up to, it can be even 50%. because of the 5G growth.

Sandesh Agarwal: That's it, sir. Thank you so much.

Konark Trivedi: Thanks.

Moderator: Thank you. The next question is from the line of Amit Mishra, an individual investor. Please go ahead.

Amit Mishra: So I wanted to ask on 5-year vision, but it's already been addressed earlier. But in terms of, like main three industries you have mentioned in your presentation, like telco, defense, infrastructure. So, the other industries you are targeting, or would you be just focusing on these? Or you will evolve as opportunities arises? Can you elaborate a bit further on what you have said before on the vision? Next five years?

Konark Trivedi: Right. Right. So, so look, these itself, you know, that these three industries are quite, quite a big industries to work on. And in these industries also, we are focused on specific things. So, so like, telcos is anyway, we are serving them to our equipment. But when you talk about defense, there also our focus area is going to be more related with telecom focus.

Their needs based on telecommunications or mainly electronics domain. And going to infraprojects, infraprojects again, if it is metros or airports, then there also we are focused on telecom related equipment and services.

Amit Mishra: So, we rely on the whole domain and whichever industry we are, find electronics opportunity, we go there and develop our business?

Konark Trivedi: Exactly.

Amit Mishra: Understood. Understood. And in terms of, what you see in top line and what kind of aspirational targets you have like for the company for next five years?

Konark Trivedi: Look, as you mentioned, we are looking for 45% to 50% growth in current year. And so, so, and this is, this is backed by, a lot of opportunities which are there on the table, which we discussed with you, in quite a detail. So, future looks very bright for us going forward.

Amit Mishra: Okay. But you don't want to put a number on aspirational target. It's still okay. I won't hold against you?

Konark Trivedi: But look, someone said, will you be doing INR500 crores revenues within five years? So, I answered yes. So far that number is fine.

Amit Mishra: Sorry, I missed that thing. Thanks. That's, that's good enough. And second question is on the guidance itself, what we, what you just mentioned. See, like in H1 last year, we received some guidance for H2 for, FY '23. And that was reiterated in January as well. Similar sort of guidance. But we missed that big margin. I saw the explanation that there were some delays and all from the players.

So, what makes us confident this time for achieving the growth 45%, 50% and the margin what you have guided 15% to 18%. Would that same scenario can happen or what kind of, is the number solid? And is it all coming from telco or is it for also defense and inference? How it's bifurcated in three main, main verticals, if you can?

Konark Trivedi: Right. So, look, so firstly, what we are expecting is growth from the INR136 crores that we did last year. We are expecting a nominal growth from that, from the same customers. Okay. That's, that's one is a nominal growth from there.

Amit Mishra: It was my follow up question, actually.

Konark Trivedi: And then the balance part of the growth is coming from addition of new customers or new opportunity, which has come from BSNL 4G project. So this is, this is how the mix is looking.

Amit Mishra: Okay. So basically we are seeing this growth all from additional clients with new orders, basically. So I saw the order book from, on 30th Jan, you reported INR42 crores and 31st March, you got INR65 crores. So that's a healthy increase in two months. And you said INR10 crores more since 31st March.

Konark Trivedi: Right.

- Amit Mishra:** So these are all new orders, I believe, right?
- Konark Trivedi:** Right.
- Amit Mishra:** Okay. So can you share, you know, some of the clients name, like you said BSNL, is it all from BSNL or some of the clients as well?
- Konark Trivedi:** No. So, this order book is, has a very miniscule part of BSNL 4G project. This order book is from our existing customers only, which has constituted INR136 crores last year.
- Amit Mishra:** Okay. So it depends on the order cycle, basically. So maybe your first quarter, Jan to March is like seasonally better quarter for booking orders. Because the increase was big. 42. I was assuming it's, it's an additional order you received from 42 to 65 from new client or something?
- Konark Trivedi:** No, so it's, see, to explain it further than what we have already explained in the earnings release, we had orders in the last quarter, Q4 of financial year '23, but the same could not be built because the rollout of projects related to our product by operators is a bit slow. So they have not picked, they've issued the orders, but they have not picked up the equipment. That's where it is.
- Amit Mishra:** Okay. So just the last question is on capex. So you provided the progress. I think there was some miscommunication earlier. In the presentation, you said that you have a 600,000 for Q4, sorry, Q3 FY '24, but you mentioned 60,000?
- Konark Trivedi:** Yes. 60,000.
- Amit Mishra:** Okay. 60,000. So all this would be using IPO money or would you need additional funds, internal accruals or debt?
- Konark Trivedi:** Yes. So, so we'll be using some internal accruals as well. But we should not be going for debt for this. 100% IPO money we are putting in this capex and some internal accruals.
- Amit Mishra:** Yes. And then onwards, you don't see a big capex requirement and that taking that your internal accruals would be sufficient?
- Konark Trivedi:** Yes. Of course, your working capital. Working capital will be required definitely.
- Amit Mishra:** Yes. Okay. So for foreseeable future, you don't see any further capex next two, three years?
- Konark Trivedi:** Right.
- Amit Mishra:** That's all from my side. Thank you very much. And it's a pleasure to be here. Thank you. It's very heartening to see an SME company doing con calls immediately after listing. So I hope you continue the trend and wish all the best to your team and Mr. Pankaj Gandhi who just joined us. Thank you.
- Konark Trivedi:** Thank you.

- Moderator:** Thank you. The next question is from the line of Ritesh Vaid, an individual investor. Please go ahead.
- Ritesh Vaid:** Thank you for taking my question. Sir, I have two questions. One question is, as you mentioned, that the operating margin is substantially driven by the PLI money which you are going to get from the government or what you are going to get from the government. I would like to ask you that what is an estimation flow of a PLI for next one, two, three years or maybe four, five years, whatever the timelines are?
- And the second question was in respect to high excitement. We have Mr. Pankaj Gandhi joining the company. What would be the bifurcation of roles and responsibilities between existing promoters and Mr. Pankaj Gandhi and what would be his key mandates going forward maybe in one or two years down the line?
- Konark Trivedi:** Right. Thanks, Ritesh. So, sorry, I did not get your first question exactly. You asked about operating margin held by PLI and then...
- Ritesh Vaid:** What is the quantum of PLI money expected to come into the company from government in next one, two, three, four years or if you have a year wise would be great?
- Konark Trivedi:** Right. So, as far as PLI is concerned, we are expecting under our scheme of things, we have a potential to gain about almost about INR60 crores over the next five years from the scheme.
- Ritesh Vaid:** INR60 crores from PLI scheme?
- Konark Trivedi:** Yes, from PLI incentive. As a PLI incentive, we have potential to earn incentive up to INR60 crores over the next five years.
- Ritesh Vaid:** INR60 crores?
- Konark Trivedi:** 60. And as far as bifurcation of responsibility of Pankaj Gandhi and management is concerned, see, Pankaj Gandhi is addition to our team, a strong hand coming into our team. So, we will be playing as a team. He will be, slowly and gradually taking over all the departments of the company, but it will be step process where he will be moving on. As a first step, he's immediately taken over sales and marketing teams and slowly and gradually other teams will be taken over by him.
- I will be mainly focusing on relationships with customers, the relationship with technology partners, and basically new businesses, new business opportunities and R&D. So, that's going to be, that has been my forte all the while and I'll be focusing on those domains myself.
- Ritesh Vaid:** Thank you so much and highly appreciate the corporate governance from Frog Cellsat and appreciate your regular updates. Thank you so much.
- Konark Trivedi:** Thanks, Ritesh.
- Moderator:** Thank you. The next question is from the line of Pawan Kaul from Compound Capital. Please go ahead.

- Pawan Kaul:** Hi. A couple of questions. So, you mentioned earlier in the call that, in terms of segmental, 50% of the revenue comes from out of jumpers and most of the revenue in the business would be network accessories, right? So, I want to understand, what part of the value chain or what part of your customer's project do these network accessories form? So, for example, you mentioned about the DSM project. So, what part of the cost of the project would these constitute?
- Konark Trivedi:** So, sorry, Pawan, I just want to understand your question. So, is your question on, where network accessory business from, where it is going to come?
- Pawan Kaul:** Yes. So, my question was, so, let's say, the total cost of putting the project, the BSNL project, let's say, INR1,000 crores and you're bidding for INR200 crores of contract, that's worth. So, I might assume that, network accessories as a form of the entire cost of the project is 20%?
- Konark Trivedi:** Yes. So, if you look into the project cost, BSNL 4G project cost, then major component of the project cost goes in the electronics, which is the baseband unit and the remote unit. And then, second portion goes into antennas and then accessories. So, that's how, it is broken into or divided into pieces.
- Pawan Kaul:** Okay. And how long did a project like BSNL take you, to kind of bid for or what is kind of the lead time for this?
- Konark Trivedi:** See, the project rollout has almost started. They have implemented, initial 100 sites or so. They've already implemented or in the process of implementing. The timelines that officially they've shared is, the project will be implemented over next 18 months. But going by the way, things work out, my estimate is that, it might take anywhere between, two years to three years time. So, a good estimate will be three years time.
- Pawan Kaul:** Okay. And so, can you talk a little bit about the competition as well? So, let's say, for example, in these projects, who are the companies that you're competing against?
- Konark Trivedi:** So, we compete against mainly multinational companies like Huber and Suhner, Amphenol. So, they are our competitors, in such projects.
- Pawan Kaul:** And in terms of the decision-making process for your customers, what is this part of a tender-based process and what kind of factors go in terms of deciding, whether they choose you or one of the competitors or is it they have two or three network suppliers on board, for the project?
- Konark Trivedi:** So, the process is, they do product evaluation. So, they ask for samples, evaluate the products, test them out, negotiate us on the prices, and then do the factory visit to ensure, that the things are fine, to see the processes that, we have, production processes. So, this is all, what they are following for finalizing the vendor. And yes, they will be keeping two vendors for all the requirements.
- Pawan Kaul:** Okay. Understood. And the new factory that, we mentioned about, you mentioned, it's over a certain area. So, what is the capacity of kind of revenue that, you can generate from this particular group?

- Konark Trivedi:** So, see, in our production process, one main ingredient is, space. And that's what, we need, with this new facility coming in, we'll have all the processes defined under one space and with a lot of spaces to grow. Going by, current estimates and current product pricing and all that, we see that, this is good enough to take us to a revenue of INR500 crores level.
- Pawan Kaul:** Understood. Okay. That's all the questions on my side. Thank you.
- Konark Trivedi:** Thanks. Thanks a lot.
- Pawan Kaul:** Thank you. The next question is from the line of Ayush Agarwal from MAPL Value Investing Fund. Please go ahead.
- Ayush Agarwal:** Thank you for the opportunity, sir. Sir, my question is that, you seem very confident about this INR500 crores number in the next, three years to four years. Can you mention like, which products will drive this growth and what kind of, customers will be there apart from BSNL which will drive this growth?
- Konark Trivedi:** Look, this number is likely to happen as, we are growing a lot of opportunities in this space. So, as I mentioned, BSNL 4G project is there. And second one is, we have Jio as a customer, which is there as an opportunity for us. Yes. So, Ayush, are you there?
- Ayush Agarwal:** Yes.
- Konark Trivedi:** So, I was mentioning to you about opportunities in front of us. So, when we are doing a lot of infra-projects, Airports and Metros, and as projected by government, there are almost 200 new Airports, which are into, which are going to come over next three years to four years' time. So, that brings us opportunity to us. Then we are, as mentioned, we are working on the defence side. So, that is another, can roll out as a big opportunity for us. Our interference mitigation system, which we have developed with the Israeli company, that also is a quite potentially, a big opportunity.
- And, we are also working on projects related to manufacturing as a service. So, there is plenty of opportunities, which are there in front of us. We are building our teams according to those opportunities, to bring those opportunities and make a success in them. So, yes, this is, where we are.
- Ayush Agarwal:** Understood. Sir, my next question is on Jio. If you can mention, how much Jio contributed in FY '23 and what is the potential in the next one years to two years?
- Konark Trivedi:** Sorry. Please come again.
- Ayush Agarwal:** How much, Jio contributed to our revenues in FY '23 and what can be the potential in one years to two years from Jio?
- Konark Trivedi:** Okay. So, Jio has not contributed much to our revenues in financial year '23. We just got a small order from them. And then, as of now, we are under evaluation by them. So, it is wait and watch.

- Ayush Agarwal:** Okay. And on Airtel, which is a big customer for us, the 5G rollout has been pretty strong. Why isn't it converting into numbers for us?
- Konark Trivedi:** Okay. So, look, any network has two parts. One part is the BTS sites, which are there. And then, once BTS sites are done, then, you go indoors. So, like, you start building infrastructure, which is indoors, inside the buildings. So, our part is mainly, the coverage inside the building, which is there. So, operator right now is, busy doing planning and implementing the outdoor network. And though, we have received, orders from operators for in-building coverage, but the rollout has not yet started that side. Or it's very slow that side. So, that is where, it's taking time. That's what we explained that, rollout related to our products has not happened as much as, we anticipated.
- Ayush Agarwal:** Got it. Sir, in your presentation, you have mentioned, there's a slide, which says that, the potential that, we can reach is roughly about a INR1,100 crores number by FY '27. But what you're saying is that, which products will contribute. So, if you can, and there's a list of products that, we do. So, if you can mention, the major products, which will contribute to this growth?
- Konark Trivedi:** Sorry, from where your taking this number?
- Ayush Agarwal:** In the presentation, sir.
- Konark Trivedi:** No, in the presentation, I think, you are picking up something from the slide on PLI.
- Ayush Agarwal:** Yes.
- Konark Trivedi:** And that is the number, which is the total number for five years revenue. Right. So, it's a five years revenue. That is the area.
- Ayush Agarwal:** Okay. So, if you can mention, which products will contribute to that and if you can give us a product by product margin profile of our products?
- Konark Trivedi:** Look, we, we will continue to keep our product portfolio defined into these five categories, as I mentioned, Network accessories and IBS accessories, Repeaters, Optical DAS and Antennas. So, we'll be working on these areas. There are products also defined in the same slide, which are covered in the PLI scheme. So, we are working on each of these products.
- Ayush Agarwal:** But right now, it's a Jumper and IBS are our largest products and Optical DAS and Digital Repeaters are small. So, do you see these also growing?
- Konark Trivedi:** Yes, they are also growing.
- Ayush Agarwal:** Okay. And if you can give a product by product margin profile, like how much Jumpers would contribute, how much, IBS and other products would contribute to the margins?
- Konark Trivedi:** Look, we have not started that practice as of now. We will see, going forward, we'll be able to do that.
- Ayush Agarwal:** Okay. All right. That's it from my side. Thank you.

Konark Trivedi: Thank you, Ayush ji.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to Mr. Konark Trivedi for closing comments.

Konark Trivedi: Right. Thank you. Thank you, everyone, for listening patiently to us and for remaining invested in us and believing in us. It's a great pleasure to have investors like you, on Board. And feel free to ask any queries you might have from us, at any point in time. You can send an email to us, with a query. More than welcome to answer. Thank you very much.

Moderator: Thank you. Ladies and gentlemen, on behalf of Frog Cellsat Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.