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## INDEPENDENT AUDITORS' REPORT

To the members of FROG CELLSAT LIMITED

Report on the Audit of Standalone financial statements

### Opinion

We have audited the accompanying standalone financial statements of **FROG CELLSAT LIMITED** ("the company"), which comprise the balance sheet as at March 31, 2023, the statement of profit and loss, the cash flow statement for the year then ended, notes to the financial statements, a summary of the significant accounting policies and other explanatory information hereinafter referred to as "Standalone Financial Statements".

In our opinion and to the best of our information and according to the explanations given to us the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2023, its profit and loss and its cash flows for the year ended on that date.

### Basis of Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those standards are further described in Auditor's Responsibility for the Audit of Financial Statements section of our report. We are independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Key Audit Matters

Key Audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed



in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the following matters to be the key audit matters to be communicated in our report:

| S. no. | Key Audit Matter   | How our audit addressed the key audit matter   |
|--------|--|--|
| 1      | <p><b>Incentive schemes:</b></p> <p>As described in the accounting policy as per note 2 of the standalone financial statements, Production Linked Incentives are recognized as income when, on the basis of the judgment of the management and based on the supporting data with respect to the eligibility conditions, the Company fulfils the eligibility conditions as per the approval letter. The management applies its judgement for the recognition of incentive income based on the management's assessment for likelihood of recoverability.</p> | <p>We have examined eligibility and certainty of the controls relating to the recognition and measurement of incentive income. In this connection, we have:</p> <ol style="list-style-type: none"> <li>Reviewed Government schemes and policies relating to the production-linked incentives applicable on the company.</li> <li>Examined approval letters for the scheme from the respective government departments and subsequent departmental orders and regulations issued from time to time.</li> <li>Checked the eligibility criteria including investment made by the Company.</li> <li>Performed substantive procedures for the calculation of eligible amounts of incentives and the claims made by the management.</li> <li>Reviewed management assessment for the likelihood of recoverability</li> </ol> |
| 2      | <p><b>Provision for inventory</b></p> <p>With reference to the note 17 of the financial statements, there are several litigations pending for the inventory filed by the Company. Also, provision created on the inventory involves significant management judgement and estimates.</p>  | <ol style="list-style-type: none"> <li>We evaluated the management's judgements in making their estimates with regard to such matters.</li> <li>We also assessed the relevant disclosures made by the management in this regard in the standalone financial statements.</li> <li>We obtained details of the legal matters on the ongoing litigation from the external consultant to corroborate management's assessment.</li> </ol>  |
| 3      | <p><b>Revenue recognition for service income</b></p> <p>Revenue from services provided is recognized based on contractual terms and ratably over the period in which services are rendered. Revenue from the end of the last billing to the Balance Sheet date is recognized as unbilled revenues. Revenue from fixed-price and fixed-timeframe contracts, where there is no uncertainty as to measurement or collectability of consideration, is</p>  | <ol style="list-style-type: none"> <li>We tested the effectiveness of controls relating to the identification of distinct performance obligations.</li> <li>We selected a sample of contracts with customers and performed the following procedures: <ul style="list-style-type: none"> <li>Obtained and read contract documents and other documents forming part of the contract</li> <li>Identified significant terms and conditions in the contract to assess management's conclusions.</li> </ul> </li> </ol>  |



|  |  |   |
|--|--|---|
|  | recognized based upon the percentage-of-completion method. | c. We evaluated management's ability to reasonably estimate the value of the performance obligation by comparing actual costs incurred with prior year estimates. |
|--|--|---|

**Other Matter**

We draw attention to the fact that the financial statements for the prior year were audited by another independent auditor, as disclosed in the current standalone financial statement. Our opinion of the current financial statement does not extend to the financial statement of the prior year.

The financial statements of the prior year were audited by M/s Rajan K Gupta & Co. whose report dated 14-07-2022 expressed an unmodified opinion on those financial statements.

Our responsibility is to express an opinion on the current year's financial statement only and does not extend to the financial statement of the prior year. Consequently, we do not express an opinion on the financial statement for the prior year.

**Other Information**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations

**Management's and Board of Directors' Responsibilities for the Standalone Financial Statements**

The company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash



flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The board of directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's responsibility for the Audit of Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Report on other legal and regulatory requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;





- e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements. Refer note 46 to the standalone financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. (i) The management has represented that to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries;
  - (ii) The management has represented that to the best of its knowledge and belief no funds have been received by the company from any person(s) or entities including foreign entities ("Funding Parties") with the understanding that such company shall whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or provide guarantee, security or the like on behalf of the Ultimate beneficiaries; and
  - (iii) Based on the audit procedures performed, nothing has come to our notice that has caused us to believe that the above representations given by the management contain any material miss-statement.
  - v. No dividend declared or paid during the year by the Company as per section 123 of Companies Act 2013.



- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

**For Singhi Chugh & Kumar  
Chartered Accountants  
FRN: 013613N**

  


**Harsh Kumar  
Partner  
M. No. 088123**

**Place: New Delhi**

**Date: 29-05-2023**

**UDIN: 23088123 BGYRCK5987**

## Annexure A

As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we state as under, for the year ended on 31<sup>st</sup> March, 2023:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, Intangible Assets and Capital work in Progress.

(b) All Property, Plant and Equipment have been physically verified by the management at reasonable intervals as per the regular programme of physical verification. In our opinion the frequency of verification is reasonable having regard to the size and nature of its business. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no revaluation of the Property, Plant and Equipment or Intangible assets has been done by the Company during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the company for any Benami Property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) In respect to Inventory and Working Capital:

(a) In our opinion, the inventories have been physically verified during the year by the management at reasonable intervals. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by Management were appropriate. No variance greater than 10% or more in the aggregate for each class of inventory was noticed during the physical verification.

(b) The Company has sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of the security of current assets. The Company has filed monthly returns or statements with such banks, where applicable, which are in agreement with the unaudited/audited books of account, as applicable. Refer note 7 to the Standalone Financial Statements.

(iii) In respect of Investments, Guarantee/ security, Loans or advances:





(a) In our opinion and according to the information and explanations given to us, the Company has made investments in its wholly-owned subsidiary and granted an unsecured loan to its wholly-owned subsidiary during the year, the details of which are given below -

- the Company has made an investment of ₹5 lakhs in the company, Frog Services Private Limited, acquiring its 100% control, making it a wholly owned subsidiary.
- The company has granted an unsecured loan of ₹9 lakhs to one of its subsidiaries, Frog Tele Private Limited at an interest rate of 8.5% per annum payable monthly which is repayable on demand. The closing balance outstanding as at 31-03-2023 is ₹9 lakhs.

(b) In our opinion and according to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the investment made and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination, in the case of the loans and advances given to the wholly-owned subsidiary, the loan is repayable on demand and the interest is payable on a monthly basis. Receipts of interest are regular.

(d) According to the information and explanations given to us and on the basis of our examination, there is no overdue amount for more than 90 days in respect of the loan given.

(e) All the loans fallen due during the year have been received back. Further, no fresh loans were granted to same parties to settle the existing overdue loans or advances in nature of loan.

(f) Loan granted to the wholly owned subsidiary during the year of ₹ 9 lakhs is repayable on demand. However, payment of interest has been stipulated on a monthly basis.

| Name of the Party   | ₹ in lakhs | Promoters | Related Parties |
|---|------------|-----------|-----------------|
| Aggregate of loans/advances in nature of loan                     | 9.00       |           | 9.00            |
| Percentage of loans/advances in nature of loan to the total loans | 100%       |           | 100%            |

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security as specified under Section 185 of the Companies Act, 2013 ("the Act") and the Company has not provided any security as specified under Section 186 of the Act except for a loan granted to its wholly owned subsidiary of ₹9 lakhs as disclosed in clause (iii) of this report. Further, in our opinion, the Company has complied with



the provisions of Section 186 of the Act in relation to loans given, guarantees provided and investments made.

- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of sections 73 to 76 of the Act. Accordingly, reporting under para 3(v) of the order is not applicable.
- (vi) According to the information and explanations given to us, the maintenance of cost records has not been specified by the Central Government under Section 148(1) of Companies Act, 2013, in respect of the activities carried on by the Company. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been regular in depositing undisputed statutory dues including Goods & Service Tax, Provident fund, Employees' State Insurance, Income-Tax, Custom Duty, Cess and other statutory dues with the appropriate authorities except for some slight delay in depositing the statutory liabilities during the year;

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods & Service Tax, Provident fund, Employees' State Insurance, Income-Tax, Custom Duty, Cess and other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable except for the below.

| S.No | Name of the statute | Nature of dues | (₹ in Lakhs) | Period to which amount relates<br>(Financial Year) | Forum where the dispute is pending |
|------|---------------------|----------------|--------------|--|------------------------------------|
| 3.   | Income Tax Act 1961 | TDS Defaults*  | 5.99         | Various Years                                      | TDS – Traces                       |

\* TDS defaults of ₹ 5.99 lakhs relating to prior years are rectifiable in nature.

- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods & Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Sales Tax, Service Tax, Custom Duty, Value Added Tax or Cess or other statutory dues which have not been deposited on account of any dispute.
- (viii) There are no transactions during the year that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 which were not recorded in the books of account.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender.



- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, as defined in the Act. Accordingly, clause 3(ix)(e) of the Order is not applicable.
- (f) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the order is not applicable.
- (x) (a) According to the information and explanations given to us and audit procedures performed by us, the Company has applied the money raised by way of Initial Public Offer (IPO) for the purpose for which they were raised. Following are the details of the utilization of IPO proceeds -

| Particulars                                    | Amount   |
|--|----------|
| <u>Utilization of funds:</u>                   |          |
| Initial Public Offer Expenses                  | 251.79   |
| Deposit with NSE                               | 41.57    |
| Cost incurred towards Capital Work in Progress | 3,588.83 |
| Others   | -        |
| Total utilization                              | 3,882.18 |

- (b) Based on examination of the books and records of the Company and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of the shares or debentures during the year. Accordingly, paragraph 3 (x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.



- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) No whistle-blower complaint received during the year.
- (xii) The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related party are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards (Refer note 49 of the Standalone Financial Statements).
- (xiv) a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has an internal audit system commensurate with the size and nature of business of the Company.
- b) The reports of the Internal Auditor for the period under audit have been considered by us.
- (xv) The Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934, not conducted non-banking financial or housing finance activities during the year and is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year, therefore, this paragraph of the Order is not applicable.
- (xviii) There has been a change in the statutory auditors of the company during the year as the previous auditors have been appointed as the Internal auditors of the Company. No objections, issues or concerns have been raised by the outgoing auditors.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, the auditor is of the opinion that no material uncertainty exists as on the date of the audit report and the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any



guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
- (xxi) The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

**For Singhi Chugh & Kumar**  
**Chartered Accountants**  
**FRN: 013613N**

  


**Harsh Kumar**  
**Partner**  
**M. No. 088123**

**Place: New Delhi**

**Date: 29-05-2023**



**Annexure B to the Independent Auditors' report on the Standalone Financial Statements of FROG CELLSAT LIMITED for the year ended 31 March 2023**

**Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

**Opinion**

We have audited the internal financial controls with reference to standalone financial statements of **FROG CELLSAT LIMITED** ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company as at and for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

**Management's and Board of Directors' Responsibilities for Internal Financial Controls**

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether



adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

### **Meaning of Internal Financial Controls with Reference to Standalone Financial Statements**

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

### **Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



For Singhi Chugh & Kumar  
Chartered Accountants  
FRN: 013613N

  
Harsh Kumar  
Partner  
M. No. 088123



Place: New Delhi

Date: 29-05-2023

Frog Cellsat Limited  
CIN: L51909DL2004PLC127530  
B-3, Sector 65, Noida, Uttar Pradesh-201301, India  
Standalone Balance Sheet as at 31st March 2023

(₹ in Lakhs except otherwise stated)

| Particulars  | Note No. | As at<br>31st March 2023 | As at<br>31st March 2022 |
|--|----------|--------------------------|--------------------------|
| <b>I. EQUITY AND LIABILITIES</b>   |          |                          |                          |
| <b>(1) Shareholders' Fund</b>  |          |                          |                          |
| (a) Share Capital  | 3        | 1,537.52                 | 5.00                     |
| (b) Reserves and Surplus   | 4        | 10,009.27                | 6,072.53                 |
|  |          | 11,546.79                | 6,077.53                 |
| <b>(2) Non Current Liabilities</b>   |          |                          |                          |
| (a) Long Term Borrowings   | 5        | -                        | 272.72                   |
| (b) Long-Term Provisions   | 6        | 136.54                   | 94.32                    |
|  |          | 136.54                   | 367.04                   |
| <b>(3) Current Liabilities</b>   |          |                          |                          |
| (a) Short Term Borrowings  | 7        | -                        | 335.32                   |
| (b) Trade Payables   |          |                          |                          |
| i) total outstanding dues of Micro, Small and Medium Enterprises;                      | 8        | 294.38                   | 535.32                   |
| ii) total outstanding dues of creditors other than Micro, Small and Medium Enterprises | 8        | 851.58                   | 999.55                   |
| (c) Other Current Liabilities  | 9        | 498.32                   | 242.16                   |
| (d) Short-Term Provisions  | 10       | 114.11                   | 35.09                    |
|  |          | 1,758.39                 | 2,147.44                 |
| <b>TOTAL</b>   |          | <b>13,441.72</b>         | <b>8,592.01</b>          |
| <b>II. ASSETS</b>  |          |                          |                          |
| <b>(1) Non Current Assets</b>  |          |                          |                          |
| (a) Property, Plant & Equipment and Intangible Assets                                  |          |                          |                          |
| (i) Property Plant and Equipment   | 11.1     | 787.03                   | 616.72                   |
| (ii) Intangible Assets   | 11.2     | 25.60                    | 4.08                     |
| (iii) Capital Work-in-Progress   | 11.3     | 3,588.83                 | 705.05                   |
| (b) Non-Current Investment   | 12       | 6.00                     | 1,014.03                 |
| (c) Deferred Tax Assets (Net)  | 13       | 366.78                   | 257.14                   |
| (d) Long Term Loans and Advances   | 14       | 335.45                   | 130.58                   |
| (e) Other Non-Current Assets   | 15       | 520.19                   | 309.19                   |
|  |          | 5,629.88                 | 3,036.80                 |
| <b>(2) Current assets</b>  |          |                          |                          |
| (a) Current Investments  | 16       | 5.20                     | 5.20                     |
| (b) Inventories  | 17       | 2,504.29                 | 2,381.39                 |
| (b) Trade Receivables  | 18       | 2,785.08                 | 1,964.25                 |
| (c) Cash and Cash Equivalents  | 19       | 2,013.12                 | 419.80                   |
| (d) Short-Term Loans and Advances  | 20       | 268.99                   | 637.96                   |
| (e) Other Current Assets   | 21       | 235.16                   | 43.65                    |
| (f) Deferred Government Grant Receivable   |          | -                        | 102.96                   |
|  |          | 7,811.84                 | 5,555.21                 |
| <b>TOTAL</b>   |          | <b>13,441.72</b>         | <b>8,592.01</b>          |

Summary of Significant Accounting Policies 2  
The accompanying notes form an integral part of the Standalone Financial Statement.

As per our report of even date

For Singhi, Chugh and Kumar

Chartered Accountants

Firm Regn. No. : 813613N

Harsh Kumar

Partner

Membership No.: 088173

Place: New Delhi

Date: 29-05-2023

For and on behalf of the board of directors of

Frog Cellsat Limited

Konark Trivedi

Director

DIN: 00537897

Place: Noida

Date: 28-05-2023

Satish Bhanu Trivedi

Director

DIN: 02037127

Place: Noida

Date: 28-05-2023

Charan Jeet Kalra

CFO

Place: Noida

Date: 28-05-2023

Manisha Makhija

Company Secretary

Place: Noida

Date: 28-05-2023



Frog Cellsat Limited  
CIN: L51909DL2004PLC127530  
B-3, Sector 65, Noida, Uttar Pradesh-201301, India  
Standalone Statement of Profit and Loss for the year ended 31st March 2023

(₹ in Lakhs except per share data)

| Particulars   | Note No. | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
|---|----------|--|--|
| <b>I. Income</b>  |          |  |  |
| Revenue from Operations   | 22       | 13,303.62                              | 13,293.10                              |
| Other Income  | 23       | 333.29                                 | 273.71                                 |
| <b>II. Total Income</b>   |          | <b>13,636.91</b>                       | <b>13,566.80</b>                       |
| <b>III. Expenses</b>  |          |  |  |
| Cost of Material Consumed   | 24       | 6,761.00                               | 8,108.01                               |
| Change in Inventories   | 25       | 67.61                                  | (167.18)                               |
| Employee Benefits Expense   | 26       | 977.12                                 | 601.78                                 |
| Finance Cost  | 27       | 67.91                                  | 53.38                                  |
| Depreciation and Amortization Expense   | 28       | 158.10                                 | 135.50                                 |
| Other Expenses  | 29       | 3,248.91                               | 2,847.09                               |
| <b>IV. Total Expenses</b>   |          | <b>11,280.65</b>                       | <b>11,578.58</b>                       |
| <b>V. Profit before Exceptional and Extraordinary Items and Tax (III -IV)</b> |          | <b>2,356.26</b>                        | <b>1,988.23</b>                        |
| Exceptional Items   |          | -                                      | -                                      |
| Prior Period Expenses   |          | -                                      | -                                      |
| <b>VI. Profit before Extraordinary Items and Tax</b>                          |          | <b>2,356.26</b>                        | <b>1,988.23</b>                        |
| Extraordinary Items   | 32       | 251.79                                 | -                                      |
| <b>VII. Profit Before Tax</b>   |          | <b>2,104.47</b>                        | <b>1,988.23</b>                        |
| <b>VIII. Tax Expenses</b>   |          |  |  |
| -Current Tax  |          | 668.10                                 | 594.75                                 |
| -Earlier Years  |          | -                                      | 143.58                                 |
| -Deferred Tax   | 13       | (109.64)                               | (145.83)                               |
| <b>IX. Profit for the Period from Continuing Operations (VII-VIII)</b>        |          | <b>1,546.01</b>                        | <b>1,395.73</b>                        |
| Profit/(Loss) For the Period From Discontinuing Operations                    |          | -                                      | -                                      |
| Tax Expenses of Discontinuing Operations                                      |          | -                                      | -                                      |
| <b>X. Profit/(Loss) For the Period From Discontinuing Operations</b>          |          | -                                      | -                                      |
| <b>XI. Net Profit/(Loss) For the Period (IX+X)</b>                            |          | <b>1,546.01</b>                        | <b>1,395.73</b>                        |
| <b>XII. Earning per equity share of face value of ₹ 10 each</b>               |          |  |  |
| Basic EPS   | 30       | 11.68                                  | 12.35                                  |
| Diluted EPS   | 30       | 11.68                                  | 12.35                                  |

Summary of Significant Accounting Policies 2

The accompanying notes form an integral part of the Standalone Financial Statement.

**As per our report of even date**

**For Singhi, Chugh and Kumar**  
Chartered Accountants  
Firm Regn. No. : 013613N

Harsh Kumar  
Partner  
Membership No.: 888123  
Place: New Delhi  
Date: 29-05-2023

**For and on behalf of the board of directors of**  
Frog Cellsat Limited

Konark Trivedi  
Director  
DIN:00537897  
Place: Noida  
Date: 28-05-2023

Satish Bhanu Trivedi  
Director  
DIN:02037127  
Place: Noida  
Date: 28-05-2023

Charan Jeet Kalia  
CFO  
Place: Noida  
Date: 28-05-2023

Manisha Makhija  
Company Secretary  
Place: Noida  
Date: 28-05-2023





## Frog Cellsat Limited

CIN: L51909DL2004PLC127530

B-3, Sector 65, Noida, Uttar Pradesh-201301, India

Standalone Cash Flow Statement for the period ended 31st March 2023

(₹ in Lakhs except otherwise stated)

|           | Particulars   | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
|-----------|---|--|--|
| <b>A.</b> | <b>Cash Flows from Operating Activities:</b>  |  |  |
|           | Profit/(Loss) before tax & extraordinary items  | 2,356.26                               | 1,988.23                               |
|           | <u>Adjustment to reconcile profit before tax to net cash flows</u>                                  |  |  |
|           | Depreciation and amortisation expense   | 158.10                                 | 135.50                                 |
|           | Dividend Income   | (0.01)                                 | (0.27)                                 |
|           | Provision for doubtful debts  | 39.52                                  | -                                      |
|           | Provision for doubtful advances   | 37.46                                  | 37.46                                  |
|           | Sundry balances/ assets written off   | 2.83                                   | 25.04                                  |
|           | Loss on sale of fixed asset/ Investment   | 4.10                                   | 3.99                                   |
|           | Loss on mark to market on current investments   | -                                      | 12.19                                  |
|           | Net gain on sale of current investment  | -                                      | (29.40)                                |
|           | Interest expense  | 61.08                                  | 49.09                                  |
|           | Interest income   | (109.63)                               | (75.46)                                |
|           | Provision for advances to creditors   | 5.47                                   | -                                      |
|           | Provision for creditors   | (0.74)                                 | -                                      |
|           | Deferred grant/ production linked incentive recognized as income                                    | (214.87)                               | (93.97)                                |
|           | Provision for warranty, gratuity, leave encashment & CSR  | 37.76                                  | (32.22)                                |
|           | Provision for inventories/ (written back)   | 11.02                                  | (21.76)                                |
|           | <b>Operating Profit before Working Capital Changes</b>  | <b>2,388.33</b>                        | <b>1,998.42</b>                        |
|           | Movements in working capital :  |  |  |
|           | Increase / (decrease) in trade payables   | (388.17)                               | (887.28)                               |
|           | Increase / (decrease) in other current liabilities  | 255.90                                 | 49.45                                  |
|           | Increase / (decrease) in short term provisions  | (14.46)                                | -                                      |
|           | Decrease / (increase) in trade receivables  | (860.34)                               | 682.17                                 |
|           | Decrease / (increase) in short loans and advances   | 367.48                                 | (361.39)                               |
|           | Decrease / (increase) in inventories  | (133.91)                               | (720.21)                               |
|           | Decrease / (increase) in non current assets   | (211.00)                               | -                                      |
|           | Deferred grant received   | 102.96                                 | -                                      |
|           | Decrease / (increase) in other current assets   | 42.00                                  | (297.47)                               |
|           | <b>Cash generated from / (used in) operations</b>   | <b>1,548.79</b>                        | <b>463.70</b>                          |
|           | Taxes paid  | (584.62)                               | (228.04)                               |
|           | <b>Cash flows before extra ordinary items</b>   | <b>964.17</b>                          | <b>235.66</b>                          |
|           | Extra ordinary items**  | 251.79                                 | -                                      |
|           | <b>Net cash flow from/ (used in) operating activities (A)</b>                                       | <b>712.38</b>                          | <b>235.66</b>                          |
| <b>B.</b> | <b>Cash Flows from Investing Activities</b>   |  |  |
|           | Proceeds from sale of property plant and equipments   | -                                      | 8.25                                   |
|           | Proceeds of non-current investments   | 66.90                                  | 0.60                                   |
|           | Investment in subsidiary  | (5.00)                                 | -                                      |
|           | Long term loans and advances/ capital advances  | (242.33)                               | (66.89)                                |
|           | Purchase of property, plant and equipment and intangible assets including CWIP and capital advances | (3,236.53)                             | (946.07)                               |
|           | Purchase of current investments   | -                                      | 167.61                                 |
|           | Sale of current investments   | 0.00                                   | 17.21                                  |
|           | Interest received   | 109.63                                 | 75.46                                  |
|           | Dividend received   | 0.01                                   | 0.27                                   |
|           | <b>Net cash flow from/ (used in) investing activities (B)</b>                                       | <b>(3,307.30)</b>                      | <b>(743.57)</b>                        |
| <b>C.</b> | <b>Cash Flows from Financing Activities</b>   |  |  |
|           | Interest paid   | (61.08)                                | (49.34)                                |
|           | Dividend paid   | -                                      | (500.00)                               |
|           | Issue of fresh shares   | 407.52                                 | -                                      |
|           | Security premium received   | 3,749.18                               | -                                      |
|           | (Repayment)/ Proceeds of long-term borrowings   | (272.72)                               | 4.86                                   |
|           | (Repayment)/ Proceeds of short-term borrowings  | (335.32)                               | 238.04                                 |
|           | <b>Net cash flow from/ (used in) in financing activities (C)</b>                                    | <b>3,487.59</b>                        | <b>(306.44)</b>                        |



Frog Cellsat Limited  
 CIN: L51909DL2004PLC127530  
 B-3, Sector 65, Noida, Uttar Pradesh-201301, India  
 Standalone Cash Flow Statement for the period ended 31st March 2023

(₹ in Lakhs except otherwise stated)

|   |                 |               |
|---|-----------------|---------------|
| <b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b> | 892.67          | (814.35)      |
| Cash and cash equivalents at the beginning of the year                  | 419.80          | 1,234.15      |
| Cash and cash equivalents received on amalgamation (refer note 43)      | 700.65          |               |
| <b>Cash and cash equivalents at the end of the year</b>                 | <b>2,013.12</b> | <b>419.80</b> |
| <b>Components of Cash and Cash Equivalents</b>                          |                 |               |
| Cash on hand  | 2.24            | 1.33          |
| With banks- on current account  | 962.19          | 23.56         |
| Bank deposits   | 1,048.69        | 394.92        |
| <b>Total Cash and Cash Equivalents</b>                                  | <b>2,013.12</b> | <b>419.80</b> |

\* Figures in brackets represent cash outflows

\*\*Extra ordinary item is the IPO expense incurred by the company during the year (refer note 32)

Summary of Significant Accounting Policies

2

The accompanying notes form an integral part of the Standalone Financial Statement.

As per our report of even date

**For Singhi, Chugh and Kumar**

Chartered Accountants

Firm Regn. No.: 013613N



**Harsh Kumar**  
Partner

Membership No.: 688123

Place: New Delhi

Date: 29-05-2023

**For and on behalf of the board of directors of**

Frog Cellsat Limited



**Konark Trivedi**  
Director

DIN:00537897

Place: Noida

Date: 28-05-2023



**Satish Bhanu Trivedi**  
Director

DIN:02037127

Place: Noida

Date: 28-05-2023



**Charan Jeet Kaira**  
CFO

Place: Noida

Date: 28-05-2023



**Manisha Makhija**  
Company Secretary

Place: Noida

Date: 28-05-2023

## 1 Corporate Information

Frog Cellsat Limited was originally incorporated in New Delhi as "Frog Cellsat Private Limited" on July 12, 2004 under the Companies Act, 1956, vide certificate of incorporation issued by the registrar of companies, National Capital Territory of Delhi & Haryana. The company was subsequently converted into a public company and consequently the name was changed to "Frog Cellsat Limited" vide fresh certificate of incorporation dated March 25, 2014 issued by the registrar of companies, National Capital Territory of Delhi & Haryana. The company got listed on NSE SME platform during the financial year 2022-23 w.e.f. October 13, 2022. The company is MSME as per Udyam Reg. No. UDYAM-UP-28-0004879.

The company manufactures cost-effective in-building coverage solutions and mobile network accessories for mobile service providers and operators. The company caters to both domestic and international market. The company also provides installations, repair and maintenance services.

## 2 Summary of Significant Accounting Policies

### a) Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles of India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ('the Act'). The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year unless otherwise disclosed.

### b) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities at the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements which in management's opinion are prudent and reasonable. Actual results may differ from the estimates used in preparing the accompanying financial statements. However, accounting estimates could change from period to period. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Any revision to accounting estimates is recognised prospectively in current and future periods and, if material, their effects are disclosed in the notes to the Standalone financial statements.

### c) Functional and Presentation Currency

These financial statements are presented in Indian Rupees (₹), the company's functional currency. All Financial information presented in Indian Rupee has been rounded off to the nearest lakh as per the requirements of Schedule III of "the Act" unless otherwise stated.

### d) Current-Non-Current Classification

All assets and liabilities are classified into current and non-current.



**Assets**

An asset is classified as current when it satisfies any of the following criteria:

- i) It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- ii) It is held primarily for the purpose of being traded;
- iii) It is expected to be realized within 12 months after the reporting date; or
- iv) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

**Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

- i) It is expected to be settled in the Company's normal operating cycle;
- ii) It is held primarily for the purpose of being traded;
- iii) It is due to be settled within 12 months after the reporting date; or
- iv) The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include the current portion of non-current financial liabilities. All other liabilities are classified as non-current.

**e) Operating Cycle**

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the above definition and nature of business, the company has ascertained its operating cycle as less than 12 months for the purpose of current/ non current classification of assets and liabilities.

**f) Property, Plant and Equipment Intangible Assets & CWIP**

**Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost less accumulated depreciation. The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the working condition for its intended use and interest on loans attributable to the acquisition of assets up to the date of commissioning of assets.

Subsequent costs related to an item of property, plant and equipment are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are recognized in statement of profit and loss during the reporting period when they are incurred.

An item of property, plant and equipment is de-recognized on disposal or when no future economic benefits are expected from its use or disposal. The gains or losses arising from de-recognition are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**Intangible Assets**

Intangible assets are recognized if it is probable that the future economic benefits that are attributable to the assets will flow to the Company and cost of the assets can be measured reliably. The cost of intangible assets comprises its purchase price, including any duties and other taxes and any directly attributable expenditure on making the asset ready for its intended use.



An item of an intangible asset is de-recognized on disposal or when no future economic benefits are expected from its use or disposal. The gains or losses arising from de-recognition are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Subsequent costs related to intangible assets are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

**Capital Work In Progress**

Capital work in progress are carried at cost, comprising direct cost, related incidental expenses during the construction period, attributable borrowing costs for the qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production. Advances given towards the construction of the capital asset outstanding at each balance sheet date are disclosed as capital advances under long term loans and advances.

**g) Depreciation and Amortisation**

Depreciation on Property, Plant and Equipment is provided on written down value method at the rates arrived at on the basis of the estimated economic useful life of the assets. The useful life for building, plant & machinery & leasehold improvements is considered as prescribed in Schedule II of the Companies Act, 2013, representing the management's estimate of the useful life of these assets and following consistency with previous year.

Amortization of the intangible asset begins when the asset is acquired and is available for use. It is amortized over the period of expected future benefit. Amortization expense is recognized in the statement of profit and loss unless such expenditure forms part of the carrying value of another asset. The estimated useful life of the intangible assets, amortization method and the amortization period are reviewed at the end of each financial year. Intangible assets are amortized with a finite useful life using the Written down value method.

| <b>Property, Plant and Equipment</b> | <b>Useful life</b>                                   | <b>Schedule II</b> |
|--------------------------------------|--|--------------------|
| <b>Property, Plant and Equipment</b> |  |                    |
| Building                             | 30 years   | 30 years           |
| Plant & Machinery                    | 15 years   | 15 years           |
| Furniture & Fixtures                 | 10 years   | 10 years           |
| Leasehold Improvement                | 10 years   | 10 years           |
| Office Equipment                     | 5 years  | 5 years            |
| Computers and peripherals            | 3 Years  | 3 Years            |
| Office Vehicle                       | 8 years  | 8 years            |
| <b>Intangible Assets</b>             |  |                    |
| Software                             | 3/6 years based on the life of the software/ license | 6 years            |

The company's computer software has an estimated useful life of three years as its licence is renewed after every three years.

The company has estimated residual value of the assets to be 5% of the cost of the asset.

**h) Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.





**Sale of goods**

Revenue from sale of goods is recognized on transfer of all significant risks and rewards related to the ownership of such goods to the buyer. Sales are stated net of trade discount, sales return, duties and GST. Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection.

**Sale of service**

Revenue from services provided is recognized based on contractual terms and ratably over the period in which services are rendered. Revenue from the end of the last billing to the Balance Sheet date is recognized as unbilled revenues. Revenue from fixed-price and fixed-timeframe contracts, where there is no uncertainty as to measurement or collectability of consideration, is recognized based upon the percentage-of-completion method.

**Interest income**

Interest income is recognized on time proportion basis on interest rates implicit in the transaction.

**Dividend Income**

Dividend income is recognised on receipt basis.

**Other Income**

Other income is recognized based on the contractual obligations on accrual basis.

Lease rentals are recognised on a straight line basis over the period of lease.

**Other Operating Revenue**

Export incentives, production linked incentives and subsidies are recognized when there is reasonable assurance that the Company is complying with the conditions and the incentive will be received.

**i) Inventories**

Inventories are valued at cost or net realisable value, whichever is lower. Cost comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition and is determined on weighted average method. Net Realizable Value is the estimated selling price in the ordinary course of business less estimated cost of completion and the estimated cost necessary to make the sale.

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on weighted average basis.

Work in progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct material and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on weighted average basis.

**j) Foreign Currency Transactions**

**Initial recognition**

Foreign currency transactions are recorded in the reporting currency which is Indian Rupee, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**Conversion**

Monetary assets and liabilities in foreign currency, which are outstanding as at the year-end, are revalued at the year-end at the closing exchange rate and the resultant exchange differences are recognized in the Statement of Profit and Loss at the year end.

**Exchange Differences**

All exchange differences are recognized as income or as expenses in the period in which they arise.

**k) Retirement and other employee benefits**

The Company's obligation towards various employee benefits has been recognised as follows:



**Short term employee benefit**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Short term employee benefit obligations are expensed when the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.

**Defined contribution plans**

The company's contributions to the Provident Fund and Employee State Insurance are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. Both the employee and the employer make monthly contributions to the plan at a predetermined rate of the employee's basic salary. These contributions are made to the fund administered and managed by the government of India.

**Post Employment Benefits**

**Defined benefits plans**

The company operates two defined benefit plans for its employees: gratuity and leave encashment. The cost of providing benefits under these plans is determined on the basis of actuarial valuation, carried out by an independent actuary, at each year-end. A separate actuarial valuation is carried out for each plan using the projected unit credit method which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. Actuarial losses and gain for both defined benefit plans are recognised in full in the period in which they occur in the statement of profit and loss.

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The Company provides for the Gratuity Plan based on projection valuations in accordance with Accounting Standard 15 (Revised), "Employee Benefits".

The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognized immediately in the Statement of Profit and Loss.

**l) Leases**

**Operating lease:** Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating lease. Payments made under cancellable operating leases are charged to the Profit & loss Account on a straight line basis over the period of lease.

**Finance lease:** Principal amount of the finance lease is capitalized and depreciated accordingly. Finance charges are charged to Profit & Loss Account over the period of the lease. Finance lease, which effectively transfers to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the lower of fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Finance charges are recognised as finance cost in statement of profit and loss account.



**m) Taxation**

Income-tax expense comprises current tax and deferred tax.

**Current tax**

Provision for current tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the prevailing tax laws. The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The company's current tax is calculated using the tax rates as prescribed in the section 115BAA of the Income Tax Act, 1961.

**Deferred tax**

Deferred tax liability or asset is recognized for timing differences between the profits/losses offered for income tax and profits/losses as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date.

Deferred tax asset is recognized only to the extent there is reasonable certainty that the assets can be realized in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax asset on such losses is recognized only if there is a virtual certainty of their realization. Deferred tax assets and liabilities are reviewed at each Balance Sheet date and written down or written up to reflect the amount that is reasonably/virtually certain to be realized.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax relates to the same taxable entity and the same taxation authority.

**n) Borrowing Cost**

Borrowing costs to the extent related/attributable to the acquisition/construction of assets that takes substantial period of time to get ready for their intended use are capitalized along with the respective Property, Plant and Equipment up to the date such asset is ready for use. Other borrowing costs are recognised as expense in the Statement of Profit and Loss in the period in which they are incurred.

**o) Earning Per Share**

**Basic EPS**

In determining earnings per share, the Company considers the net profit / (loss) after tax and includes the effect of extraordinary items in the profit and loss account. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue and issue of fresh equity shares under IPO that have changed the number of equity shares outstanding at the year end.

**Diluted EPS**

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



**p) Investment**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

**q) Provisions, Contingent Liabilities and Contingent Assets**

**Provisions:** A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present values and are determined based on management estimates of the obligation required to settle at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

**Provision for warranties:** The estimated liability for product warranties is recognised when products are sold. These estimates are established using historical information based on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise. The company accounts for the provision for warranties on the basis of information available to the management duly taking into account the current and past technical estimates.

**Contingent Liabilities:** Contingent liabilities are disclosed in respect of possible obligations that have arisen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of future events not wholly within the control of the Company.

When there is an obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

**Contingent assets:** Contingent assets are not disclosed in the financial statement unless an inflow of economic benefit is probable.

**r) Cash and Cash Equivalents**

Cash and Cash Equivalents in the balance sheet comprise cash at banks, cash in hand, term deposits, and fixed deposits kept as security/margin money for more than 3 months but less than 12 months. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand, bank balances in current accounts and bank deposits, as defined above, as they are considered an integral part of the Company's cash management. The deposits maintained by the Company with banks comprise of deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the principal.

**s) Government Grants and Production Linked Incentives**

**Government grants:** Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an asset the cost of the asset is shown at gross value and grant thereon is treated as capital grant. The capital grant will be recognised as income in the statement of profit and loss over the period and in proportion in which depreciation is charged. Revenue grants are recognised in the statement of profit and loss in the same period as the related cost, which they are intended to compensate are accounted for.'

**Production Linked Incentive:** Production Linked Incentives are recognised as income when, on the basis of the judgment of the management and based on the supporting data with respect to the eligibility conditions, the Company fulfils the eligibility conditions as per the approval letter. The management applies its judgement for the recognition of incentive income based on the management's assessment for likelihood of recoverability.





**t) Impairment of Assets**

The Management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's net selling price or value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

**u) Research and Development Expenditure**

Research and development expenditure that do not meet the criteria for the recognition of intangible assets are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

**v) Subsequent Expenditure**

Subsequent expenditure is recognised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

**w) Cash Flow Statement**

Cash flows are reported using the indirect method as per Accounting Standard 3, Cash Flow Statements, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from the operating, investing and financing activities of the company are segregated. The company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

**x) Investment in subsidiary**

The company has invested in two subsidiaries which are carried in the books of accounts at cost. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.





(₹ in Lakhs except otherwise stated)

### 3. Share Capital

#### A. Authorized Share Capital

1,61,00,000 equity shares of ₹ 10/- each\*  
(Previous year 1,00,000 equity shares of ₹ 10/- each)

|  | As at<br>31st March 2023 | As at<br>31st March 2022 |
|--|--------------------------|--------------------------|
|  | 1,610.00                 | 10.00                    |
|  | <u>1,610.00</u>          | <u>10.00</u>             |

The authorized share capital of the company increased by ₹ 10 lakhs (1 lakh equity shares of ₹ 10 each) due to the merger of Shiva Profiles Private Limited (transferor company) with Frog Cellsat Limited (transferee company) with effect from April 1, 2021, pursuant to section 233 and rule 25(5) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 vide order dated 10th March 2023. (Refer note 43).

#### B. Issued, Subscribed and Fully paid-up Share Capital

1,53,75,200 equity shares of ₹ 10/- each  
(Previous year: 50,000 equity shares of ₹ 10/- each)  
Total issued, subscribed and fully paid-up share capital

|  | As at<br>31st March 2023 | As at<br>31st March 2022 |
|--|--------------------------|--------------------------|
|  | 1,537.52                 | 5.00                     |
|  | <u>1,537.52</u>          | <u>5.00</u>              |

#### C. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

##### Equity Shares

|   | As at 31st March, 2023 |                 | As at 31st March, 2022 |             |
|---|------------------------|-----------------|------------------------|-------------|
|   | Nos.                   | ₹ in lakhs      | Nos.                   | ₹ in lakhs  |
| At the beginning of the year              | 50,000                 | 5.00            | 50,000                 | 5.00        |
| Add:                                      |                        |                 |                        |             |
| Bonus Shares*                             | 1,12,50,000            | 1,125.00        | -                      | -           |
| Initial Public Offer**                    | 40,75,200              | 407.52          | -                      | -           |
| <b>Outstanding at the end of the year</b> | <b>1,53,75,200</b>     | <b>1,537.52</b> | <b>50,000</b>          | <b>5.00</b> |

\* The Company has issued bonus shares to the existing equity shareholders amounting to ₹ 1125 lakhs by issuing 1,12,50,000 equity shares of ₹ 10 each in the ratio of 225:1 i.e. (two hundred twenty five bonus equity shares for every one share held) as on 3rd August, 2022.

\*\* During the year ended on 31 March 2023, the company issued 40,75,200 fresh equity shares of ₹ 10 each at an issue price of ₹ 102 per share through Initial Public Offer (IPO). The equity shares of the company were allotted as on 10th October, 2022 and the same were listed on SME w.e.f 13th October, 2022.

#### D. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The distribution will be in proportion to the number of equity shares held by the shareholders.

In the event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all the preferential amounts.

No dividend is declared by the company during the year.

#### E. Details of shareholders holding more than 5% shares in the Company

| Name of the Shareholders   | As at 31st March 2023 |           | As at 31st March 2022 |           |
|--|-----------------------|-----------|-----------------------|-----------|
|  | Nos.                  | % holding | Nos.                  | % holding |
| <b>Equity shares of ₹ 10 each fully paid</b>   |                       |           |                       |           |
| M/s Star Private Trust (Through its Trustee- Barclays Wealth Trustees (India) Private Limited) | 90,38,418             | 58.79%    | 39,993                | 79.99%    |
| Mr. Konark Trivedi   | 23,25,426             | 15.12%    | 10,001                | 20.00%    |

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

#### F. Promoters Shareholdings at the end of the year

| Promoter Name  | At the end of the year |                   |                           | At the beginning of the year |                   |                          |
|--|------------------------|-------------------|---------------------------|------------------------------|-------------------|--------------------------|
|  | No of Shares           | % of Total Shares | % Change during the year* | No of Shares                 | % of Total Shares | % Change during the year |
| M/s Star Private Trust (Through its Trustee- Barclays Wealth Trustees (India) Private Limited) | 90,38,418              | 58.79%            | 22500%                    | 39,993                       | 79.99%            | Nil                      |
| Mr. Konark Trivedi   | 23,25,426              | 15.12%            | 23152%                    | 10,001                       | 20%               | Nil                      |

\* The above change is due to the issue of new shares by way of IPO and issue of bonus shares during the year.



(₹ in Lakhs except otherwise stated)

**4. Reserves and Surplus**

|  | As at<br>31st March 2023 | As at<br>31st March 2022 |
|--|--------------------------|--------------------------|
| <b>Surplus in Statement of Profit and Loss Account</b>                         |                          |                          |
| Balance as per last financial statements                                       | 6,072.53                 | 5,176.80                 |
| Less :- Capitalised towards issue of bonus shares during the year              | (1,125.00)               | -                        |
| Less: Dividend   | -                        | (500.00)                 |
| Add: Profit for the year   | 1,546.01                 | 1,395.73                 |
| Add: Reserve transferred on amalgamation (refer note 43)                       | 708.57                   | -                        |
| Less: Adjustment for investment in subsidiary on amalgamation* (refer note 43) | (942.03)                 | -                        |
| <b>Closing Balance (A)</b>   | <b>6,260.08</b>          | <b>6,072.53</b>          |
| <b>Securities Premium</b>  |                          |                          |
| Balance as per last financial statements                                       | -                        | -                        |
| Add - received during the year   | 3,749.18                 | -                        |
| <b>Closing Balance (B)</b>   | <b>3,749.18</b>          | <b>-</b>                 |
| <b>Total (A+B)</b>   | <b>10,009.27</b>         | <b>6,072.53</b>          |

\*Adjustment for the investment in subsidiary, Shiva Profiles Private Limited (transferor company), resulting from its merger with the holding company, Frog Cellsat Limited (transferee company), is taken into account using the Pooling of Interest method of amalgamation as prescribed in Accounting Standard 14 "Accounting for Amalgamation" (refer to note 43).

**5. Long-Term Borrowings**

|                             | As at<br>31st March 2023 | As at<br>31st March 2022 |
|-----------------------------|--------------------------|--------------------------|
| <b>Term loans (secured)</b> |                          |                          |
| -From SIDBI bank            | -                        | 272.72                   |
|                             | <b>-</b>                 | <b>272.72</b>            |

**Secured Borrowings**

| Total loan outstanding                | Repayment terms of loan outstanding | Rate   | Nature of securities   |
|---------------------------------------|-------------------------------------|--------|--|
| NIL<br>(previous year ₹ 1,60,71,668)  | Loan repaid during the year         | 10.10% | 1. First charge by way of hypothecation in favour of SIDBI of the plant, machinery, equipment's, tools, spares, accessories and all other assets which have been or proposed to be acquired out of the proposed assistance.<br>2. Extension of first charge by way of hypothecation in favour of SIDBI of all the borrower's movables, (save and except book debts and current assets) including the movables, plant, machinery, office equipment, computers, furniture and fixtures, tools & accessories, machinery spares, both present and future.<br>3. Extension of Lien on SIDBI - FD receipt of Rs 3,703,582. |
| NIL<br>(previous year Rs 1,12,00,000) | Loan repaid during the year         | 6.00%  | 1. Loan taken on 31-12-2021.<br>2. First 24 months only interest will paid. Principal amount will repay from 01-01-2024 for next 36 months<br>3. First charge by way of hypothecation in favour of SIDBI of the plant, machinery, equipment's, tools, spares, accessories and all other assets which have been or proposed to be acquired out of the proposed assistance.  |

**6. Long-Term Provisions**

|  | As at<br>31st March 2023 | As at<br>31st March 2022 |
|--|--------------------------|--------------------------|
| <b>Provision for Employee Benefits (Refer note 48)</b> |                          |                          |
| Provision for gratuity                                 | 134.55                   | 88.88                    |
| Provision for leave benefits                           | 1.76                     | 5.16                     |
| <b>Other Provisions</b>                                |                          |                          |
| Provision for warranties (refer note 38)               | 0.23                     | 0.29                     |
|  | <b>136.54</b>            | <b>94.32</b>             |



(₹ in Lakhs except otherwise stated)

**7. Short Term Borrowings**

|   | As at<br>31st March 2023 | As at<br>31st March 2022 |
|---|--------------------------|--------------------------|
| <b>Loans Repayable on Demand (Secured)</b>                |                          |                          |
| Cash credit from banks*                                   | -                        | 228.18                   |
| <b>Term Loans</b>   |                          |                          |
| Current maturities of long-term borrowings (Refer Note 5) | -                        | 107.14                   |
|   | <b>-</b>                 | <b>335.32</b>            |

\*The above borrowing from ICICI bank is secured by hypothecation and charge to the bank by way of exclusive charge over stocks and receivables both present and future and movable fixed assets including Plant & Machinery, Furniture & Fixtures both present and future as a continuing security and personal property of directors and fixed deposits along with personal guarantees of two directors of the Company. The Company has filed monthly returns or statements with such banks, where applicable, which are in agreement with the books of account.

**8. Trade Payables**

|  | As at<br>31st March 2023 | As at<br>31st March 2022 |
|--|--------------------------|--------------------------|
| (i) Total outstanding dues to Micro, Small and Medium Enterprises                                | 294.38                   | 535.32                   |
| (ii) Total outstanding dues of creditors other than Micro, Small and Medium Enterprises          | 852.32                   | 999.55                   |
| Less: Amount not liable to be paid to creditors (other than Micro, Small and Medium Enterprises) | (0.74)                   | -                        |
|  | <b>1,145.96</b>          | <b>1,534.87</b>          |

\*Refer note 49 for balance due to related parties

**8A. Micro, Small and Medium Enterprises**

Based on the intimation received from the Company from its suppliers regarding their status as Micro, Small and Medium Enterprise, disclosures relating to dues to suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') are as follows:-

| Particulars   | As at<br>31st March 2023 | As at<br>31st March 2022 |
|---|--------------------------|--------------------------|
| a) Principal amount and the interest due thereon and remaining unpaid to suppliers registered under the MSMED Act as at year end.   | 294.38                   | 535.32                   |
| b) the amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;  | -                        | -                        |
| c) the amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);   | 3.48                     | -                        |
| d) The amount of interest accrued and remaining unpaid at the end of accounting year; and   | -                        | -                        |
| e) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006. | -                        | -                        |

**8B. Ageing of Trade Payables (net of provisions)**

| S.No. | Particulars  | Outstanding for the following period from due date of payment |           |           |                   | Total  |
|-------|--|---|-----------|-----------|-------------------|--------|
|       |  | Less than 1 year  | 1-2 years | 2-3 years | More than 3 years |        |
| (i)   | MSME<br><i>(Last year figures)</i>                 | 294.38  | -         | -         | -                 | 294.38 |
| (ii)  | Others<br><i>(Last year figures)</i>               | 847.57  | 4.02      | -         | -                 | 851.58 |
| (iii) | Disputed dues MSME<br><i>(Last year figures)</i>   | -   | -         | -         | 0.67              | -      |
| (iv)  | Disputed dues others<br><i>(Last year figures)</i> | -   | -         | -         | -                 | -      |

\*Previous year figures are reported in italics



**9. Other Current Liabilities**

|  | As at<br>31st March 2023 | As at<br>31st March 2022 |
|--|--------------------------|--------------------------|
| Advance from customers                     | 2.71                     | 1.24                     |
| Interest accrued but not due in borrowings | -                        | 2.04                     |
| <b>Other Payables</b>                      |                          |                          |
| Retention money taken*                     | 130.79                   | -                        |
| Expenses payable                           | 88.06                    | 15.30                    |
| Employee benefit expenses payable          | 175.58                   | 102.07                   |
| Security deposits received                 | 14.00                    | 5.00                     |
| Statutory dues payable                     | 87.17                    | 116.52                   |
|  | <b>498.32</b>            | <b>242.16</b>            |

\* The retention money is received from M/s Arihanta Constructions pursuant to capital work-in-progress project of construction of multi-level office building at Plot no. C-23, Sector 80, Noida.

**10. Short-Term Provisions**

|  | As at<br>31st March 2023 | As at<br>31st March 2022 |
|--|--------------------------|--------------------------|
| <b>Provision for Employee Benefits (Refer note 48)</b> |                          |                          |
| Provision for gratuity                                 | 3.43                     | 6.63                     |
| Provision for leave benefits                           | 1.25                     | 0.69                     |
| <b>Other Provisions</b>                                |                          |                          |
| Provision for income tax (net of advance tax and TDS)  | 83.49                    | -                        |
| Provision for warranties (refer note 38)               | 25.95                    | 27.76                    |
|  | <b>114.11</b>            | <b>35.09</b>             |



Frog Cellsat Limited

CIN: L51909DL2004PLC127530

B-3, Sector 65, Noida, Uttar Pradesh-201301, India

Notes to the standalone financial statements for the year ended 31st March 2023

| 11.1 Property, Plant & Equipment | (₹ in Lakhs except otherwise stated) |               |              |               |                     |                   |              |                   |                      |                 |
|----------------------------------|--------------------------------------|---------------|--------------|---------------|---------------------|-------------------|--------------|-------------------|----------------------|-----------------|
|                                  | Lease Hold Improvements              | Computers     | Land         | Building      | Plant and Equipment | Testing Equipment | Vehicles     | Office Equipments | Furniture & Fittings | Total           |
| <b>Gross Block</b>               |                                      |               |              |               |                     |                   |              |                   |                      |                 |
| At 1st April, 2021               | 11.88                                | 126.27        | 51.65        | 137.41        | 181.00              | 879.47            | 76.13        | 144.29            | 110.28               | 1,718.38        |
| Additions                        | -                                    | -             | -            | -             | 132.00              | 97.53             | 11.13        | 0.35              | -                    | 241.01          |
| Disposals/ Adjustments           | -                                    | -             | -            | -             | -                   | -                 | 39.33        | -                 | -                    | 39.33           |
| <b>At 31st March, 2022</b>       | <b>11.88</b>                         | <b>126.27</b> | <b>51.65</b> | <b>137.41</b> | <b>313.00</b>       | <b>977.00</b>     | <b>47.92</b> | <b>144.64</b>     | <b>110.28</b>        | <b>1,920.07</b> |
| Additions                        | -                                    | 9.01          | -            | -             | 4.47                | 278.94            | 15.80        | 15.59             | 1.62                 | 325.43          |
| Disposals/ Adjustments           | 11.88                                | -             | -            | -             | -                   | -                 | -            | -                 | -                    | 11.88           |
| <b>At 31st March, 2023</b>       | <b>-</b>                             | <b>135.28</b> | <b>51.65</b> | <b>137.41</b> | <b>317.47</b>       | <b>1,255.94</b>   | <b>63.72</b> | <b>160.24</b>     | <b>111.91</b>        | <b>2,233.62</b> |
| <b>Depreciation</b>              |                                      |               |              |               |                     |                   |              |                   |                      |                 |
| At 1st April, 2021               | 6.71                                 | 119.61        | -            | 81.83         | 90.53               | 616.27            | 62.43        | 132.55            | 92.01                | 1,201.94        |
| Charge for the year              | 1.35                                 | 2.39          | -            | 5.26          | 36.89               | 67.30             | 7.56         | 3.36              | 4.39                 | 128.50          |
| Disposals/ Adjustments           | -                                    | -             | -            | -             | -                   | -                 | 27.09        | -                 | -                    | 27.09           |
| <b>At 31st March, 2022</b>       | <b>8.07</b>                          | <b>121.99</b> | <b>-</b>     | <b>87.09</b>  | <b>127.42</b>       | <b>683.57</b>     | <b>42.90</b> | <b>135.91</b>     | <b>96.40</b>         | <b>1,303.35</b> |
| Charge for the year              | 0.99                                 | 4.19          | -            | 4.76          | 56.19               | 73.85             | 2.35         | 6.60              | 3.38                 | 152.29          |
| Earlier year Adjustment          | -                                    | -             | -            | -             | -                   | -                 | -            | -                 | -                    | -               |
| Disposals/ Adjustments           | 9.06                                 | -             | -            | -             | -                   | -                 | -            | -                 | -                    | 9.06            |
| <b>At 31st March, 2023</b>       | <b>-</b>                             | <b>126.18</b> | <b>-</b>     | <b>91.86</b>  | <b>183.61</b>       | <b>757.42</b>     | <b>45.24</b> | <b>142.51</b>     | <b>99.77</b>         | <b>1,446.59</b> |
| <b>Net Block</b>                 |                                      |               |              |               |                     |                   |              |                   |                      |                 |
| At 31st March, 2022              | 3.82                                 | 4.28          | 51.65        | 50.32         | 185.58              | 293.43            | 5.02         | 8.73              | 13.89                | 616.72          |
| <b>At 31st March, 2023</b>       | <b>-</b>                             | <b>9.10</b>   | <b>51.65</b> | <b>45.56</b>  | <b>133.86</b>       | <b>498.52</b>     | <b>18.48</b> | <b>17.73</b>      | <b>12.13</b>         | <b>787.03</b>   |

**Note:**

- 1) All title deeds to the company's property, plant, and equipment are in the name of the company.
- 2) No revaluation of property, plant and equipment has been performed during the year.





(₹ in Lakhs except otherwise stated)

**11.2. Intangible assets**

**Gross Block**

At 1st April 2021

Additions

Disposals/ Adjustments

**At 31st March 2022**

Additions

Disposals/ Adjustments

**At 31st March 2023**

**Depreciation**

At 1st April, 2021

Charge for the year

**At 31st March 2022**

Charge for the year

Disposals/ Adjustments

**At 31st March 2023**

**Net Block**

**At 31st March 2022**

**At 31st March 2023**

|                           | Computer Software | Total         |
|---------------------------|-------------------|---------------|
| At 1st April 2021         | 79.54             | 79.54         |
| Additions                 | -                 | -             |
| Disposals/ Adjustments    | -                 | -             |
| <b>At 31st March 2022</b> | <b>79.54</b>      | <b>79.54</b>  |
| Additions                 | 27.32             | 27.32         |
| Disposals/ Adjustments    | -                 | -             |
| <b>At 31st March 2023</b> | <b>106.86</b>     | <b>106.86</b> |
| <b>Depreciation</b>       |                   | -             |
| At 1st April, 2021        | 68.46             | 68.46         |
| Charge for the year       | 7.00              | 7.00          |
| <b>At 31st March 2022</b> | <b>75.46</b>      | <b>75.46</b>  |
| Charge for the year       | 5.80              | 5.80          |
| Disposals/ Adjustments    | -                 | -             |
| <b>At 31st March 2023</b> | <b>81.26</b>      | <b>81.26</b>  |
| <b>Net Block</b>          |                   | -             |
| <b>At 31st March 2022</b> | <b>4.08</b>       | <b>4.08</b>   |
| <b>At 31st March 2023</b> | <b>25.60</b>      | <b>25.60</b>  |

**11.3: Capital Work In Progress**

Capital work-in-progress\*\*

|                            | As at<br>31st March 2023 | As at<br>31st March 2022 |
|----------------------------|--------------------------|--------------------------|
| Capital work-in-progress** | 3,588.83                 | 705.05                   |
|                            | <b>3,588.83</b>          | <b>705.05</b>            |

**Capital work in progress ageing schedule**

| CWIP                          | Amount in CWIP   |           |           |                   | Total    |
|-------------------------------|------------------|-----------|-----------|-------------------|----------|
|                               | Less than 1 year | 1-2 years | 2-3 years | More than 3 years |          |
| Project in progress           | 2,883.77         | 705.05    | -         | -                 | 3,588.83 |
| Project temporarily suspended | -                | -         | -         | -                 | -        |

\* As per the Schedule III, capital advances should be included under Long-term loans and advances and hence, cannot be included under capital work-in-progress.

\*\*The company has incurred this expenditure on a capital project of construction of a multi level office and factory building on the leasehold land located at C-23, Sector 80, Noida. In order to assess the project's completion, management's assessment of its progress, and their intention to put the asset to its intended use, a certificate has been obtained from third-party management experts.



(₹ in Lakhs except otherwise stated)

**12. Non-Current Investment**

**Unquoted Investments (in wholly owned Subsidiaries)**

|  | As at<br>31st March 2023 | As at<br>31st March 2022 |
|--|--------------------------|--------------------------|
| 10,000 (Previous year 10,000) Equity Shares of ₹10/- each of Shiva Profiles Private Limited* | -                        | 942.03                   |
| 10,000 (Previous year 10,000) Equity Shares of ₹10/- each of Frog Tele Private Limited       | 1.00                     | 1.00                     |
| 10,000 (Previous year 10,000) Equity Shares of ₹10/- each of Frog Profiles Private Limited** | -                        | 71.00                    |
| 10,000 Equity Shares of ₹10/- each of Frog Services Private Limited***                       | 5.00                     | -                        |
|  | <b>6.00</b>              | <b>1,014.03</b>          |

\*Pursuant to the sanction of the scheme of merger or amalgamation, Shiva Profiles Private Limited (the transferor company) merged with the Frog Cellsat Limited (the transferee company) vide order dated 10th March 2023.

\*\*During the financial year 2022-23, the company sold one of its subsidiaries "Frog Profiles Private Limited on 21st June, 2022.

\*\*\*The company has acquired 100% shares of the Frog Services Private Limited, making it the wholly owned subsidiary with effect from 30-06-2022.

**13. Deferred Tax Assets (Net)**

|  | As at<br>31st March 2023 | As at<br>31st March 2022 |
|--|--------------------------|--------------------------|
| Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting | 70.74                    | 74.71                    |
| Disallowance u/s 43B, 40a(ia), 40A(7) and 35D  | 132.32                   | 45.92                    |
| Provisions against assets/ liabilities   | 160.13                   | 136.51                   |
| Change in effective tax rates  | (40.94)                  | -                        |
| Earlier year adjustments   | 44.54                    | -                        |
| <b>Deferred Tax Assets</b>   | <b>366.78</b>            | <b>257.14</b>            |

**13.1** Deferred tax assets have been reviewed at each reporting date and includes the effect of change in the tax rates applicable as per Income Tax Act, 1961.

**13.2** Deferred tax assets and deferred tax liabilities have been offset wherever the company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

**14. Long Term Loans and Advances**

Capital advances

|  | As at<br>31st March 2023 | As at<br>31st March 2022 |
|--|--------------------------|--------------------------|
| - Unsecured, considered good                       | 257.94                   | -                        |
| - Unsecured, considered doubtful (refer note 14.1) | 249.70                   | 249.70                   |
| Less: Provision for doubtful advances              | 227.86                   | 190.40                   |
|  | <b>279.79</b>            | <b>59.30</b>             |
| <u>Other advances (unsecured, considered good)</u> |                          |                          |
| Deposits with SIDBI                                | -                        | 45.00                    |
| Retention money (refer note 14.2)                  | 55.67                    | 26.28                    |
|  | <b>335.45</b>            | <b>130.58</b>            |



**14.1** The Company had made payments to Unitech golf and Country Club aggregating to ₹ 221.35 lakhs till date, as per the construction linked payment plan of 'Agreement for Sale' dated October 05, 2011 for purchase of an apartment. The borrowing cost capitalised up to March 31, 2016 amounts to ₹ 28.34 lakhs. The Company has not made any additional payment as the construction has not progressed as per the construction linked plan and it has crossed its expected delivery date of March 31, 2014. Further, the Company has commenced legal proceeding against the real estate company on August 12, 2016 before the Hon'ble High Court of Delhi, for recovery of the amounts paid along with interest @ 10% in terms of the said agreement. Although the matter is scheduled for hearing and the decision by the court is pending, the management is still confident that it will be able to realise the capital advance through favourable outcome of the legal proceedings. However, the Company has made provision of ₹ 227.86 lakhs (previous year- ₹ 190.40 lakhs) against the aforesaid amounts. The provision on the doubtful advance is provided at 15% per annum of the gross amount starting from the year 2016 on the basis of estimations by the management.

**14.2** The retention money is the amount retained from customers against the sales order until the project of the order is completed. Once the project is completed, retention money is returned to customers.

**15. Other Non-Current Assets**

|   | As at<br>31st March 2023 | As at<br>31st March 2022 |
|---|--------------------------|--------------------------|
| Security deposit (refer note 15.1)                        | 520.19                   | 309.18                   |
| Interest accrued on fixed deposits/ margin money deposits | -                        | 0.01                     |
|   | <b>520.19</b>            | <b>309.19</b>            |

**15.1** The above security deposit includes deposits of ₹ 455 lakhs given to Frog Tele Private Limited, wholly-owned subsidiary, for the rent paid for leasehold land located at C-23, Sector 80, Noida.

**16. Current Investments**

|  | As at<br>31st March 2023 | As at<br>31st March 2022 |
|--|--------------------------|--------------------------|
| <b>Quoted Investment in Equity Shares-Other than Trade</b> |                          |                          |
| Investment in equity shares                                | 5.20                     | 5.20                     |
| <b>Total</b>   | <b>5.20</b>              | <b>5.20</b>              |
| Aggregate amount of quoted investments                     | 5.20                     | 5.20                     |
| Provision in the diminution in the value of investment     | -                        | -                        |
|  | <b>5.20</b>              | <b>5.20</b>              |

**17. Inventories**

|  | As at<br>31st March 2023 | As at<br>31st March 2022 |
|--|--------------------------|--------------------------|
| Raw materials  | 2,622.33                 | 2,420.80                 |
| Less :- Provision for obsolescence/slow moving raw materials (refer note 17.1) | 410.29                   | 401.10                   |
| <b>(A)</b>   | <b>2,212.04</b>          | <b>2,019.70</b>          |
| Work-in-progress   | -                        | 77.84                    |
| Less :- Provision for obsolescence/slow moving work in progress                | -                        | -                        |
| <b>(B)</b>   | <b>-</b>                 | <b>77.84</b>             |
| Finished goods   | 296.25                   | 286.02                   |
| Less :- Provision for obsolescence/slow moving finished goods                  | 4.00                     | 2.18                     |
| <b>(C)</b>   | <b>292.25</b>            | <b>283.84</b>            |
|  | <b>2,504.29</b>          | <b>2,381.39</b>          |

**17.1** The above provision includes ₹ 242.71 lakhs relating to raw material lying in the premises of a third party (Job work contractor). These goods were sealed by the PNB due to the default committed by the said contractor. The company is neither a borrower nor a guarantor to the said contractor. Hence the illegal act of the PNB is contested before the DRT. Since, the assets of the Company have got impoverished over a period of time and have lost their usability, and it is not probable to recover the amount from PNB, full provisioning for the same has been done in the books of accounts.

**17.2** Raw materials, components, stores and spares are valued at lower of cost and net realizable value. Cost of raw materials, components and stores and spares is determined on weighted average basis.

Work in progress and finished goods are valued at lower of cost and net realizable value. Cost is determined on weighted average basis.



(₹ in Lakhs except otherwise stated)

**18. Trade receivables**

- a) Secured, considered good  
b) Unsecured, considered good  
c) Doubtful

Less: Provision for doubtful receivables

|  | As at<br>31st March 2023 | As at<br>31st March 2022 |
|--|--------------------------|--------------------------|
|  | -                        | -                        |
|  | 2,785.08                 | 1,964.25                 |
|  | 39.52                    | -                        |
|  | <b>2,824.60</b>          | <b>1,964.25</b>          |
|  | 39.52                    | -                        |
|  | <b>2,785.08</b>          | <b>1,964.25</b>          |

**18.1 Trade Receivables ageing schedule**

| Particulars  | Outstanding for following periods from due date of payment |                      |                        |                       |                       | Total                       |
|--|--|----------------------|------------------------|-----------------------|-----------------------|-----------------------------|
|  | Less than<br>6 months                                      | 6 months-1<br>year   | 1-2 years              | 2-3 years             | More than 3 years     |                             |
| (i) Undisputed Trade Receivables –<br>considered good<br><i>(last year figures)</i>      | 2,588.13<br><i>1,776.90</i>                                | 7.83<br><i>20.60</i> | 107.31<br><i>93.36</i> | 45.20<br><i>21.32</i> | 36.61<br><i>52.07</i> | 2,785.08<br><i>1,964.25</i> |
| (ii) Undisputed Trade Receivables –<br>considered doubtful<br><i>(last year figures)</i> | -<br><i>-</i>  | -<br><i>-</i>        | -<br><i>-</i>          | 3.63<br><i>-</i>      | 35.89<br><i>-</i>     | 39.52<br><i>-</i>           |
| (iii) Disputed Trade Receivables –<br>considered good<br><i>(last year figures)</i>      | -<br><i>-</i>  | -<br><i>-</i>        | -<br><i>-</i>          | -<br><i>-</i>         | -<br><i>-</i>         | -<br><i>-</i>               |
| (iv) Disputed Trade Receivables –<br>considered doubtful<br><i>(last year figures)</i>   | -<br><i>-</i>  | -<br><i>-</i>        | -<br><i>-</i>          | -<br><i>-</i>         | -<br><i>-</i>         | -<br><i>-</i>               |

*\*Previous year figures are reported in italics*



(₹ in Lakhs except otherwise stated)

| 19. Cash and Cash Equivalents  | As at<br>31st March 2023 | As at<br>31st March 2022 |
|--|--------------------------|--------------------------|
| <b>Balance with bank</b>   |                          |                          |
| On current accounts  | 962.19                   | 23.56                    |
| <b>Cash on hand</b>  |                          |                          |
| - In Indian Rupees   | 0.34                     | 0.40                     |
| - In Foreign Currency  | 1.90                     | 0.93                     |
|  | <b>964.43</b>            | <b>24.88</b>             |
| <b>Other bank balances</b>   |                          |                          |
| -Government grant account  | -                        | 0.16                     |
| -Fixed deposit with maturity period of less than 3 months                | 1,001.33                 | 1.37                     |
| -Fixed deposits with more than 3 months but less than 12 months maturity | 42.04                    | -                        |
| -Fixed deposits with more than 12 months maturity                        | 5.33                     | -                        |
| -Fixed deposits held as a security/margin money                          | -                        | 393.39                   |
|  | <b>1,048.69</b>          | <b>394.92</b>            |
|  | <b>2,013.12</b>          | <b>419.80</b>            |

The deposits maintained by the Company with banks and financial institutions comprise of time deposits, which can be withdrawn by the Company at any time.

| 20. Short-Term Loans and Advances                      | As at<br>31st March 2023 | As at<br>31st March 2022 |
|--|--------------------------|--------------------------|
| <b>Loans and Advances to Related Parties</b>           |                          |                          |
| <u>Unsecured, considered good</u>                      |                          |                          |
| Loans to subsidiaries (refer note 20.1)                | 9.00                     | 165.20                   |
| <b>Other loans and advances</b>                        |                          |                          |
| <u>Unsecured, considered good</u>                      |                          |                          |
| Advance income-tax and TDS                             | -                        | 13.84                    |
| Balance with statutory authorities                     | 4.15                     | -                        |
| Advance to employees                                   | 35.69                    | 2.25                     |
| Prepaid expenses                                       | 53.52                    | 25.82                    |
| Advance to vendors (net of provision- refer note 20.2) | 166.63                   | 37.54                    |
| <u>Secured, considered good</u>                        |                          |                          |
| Deposits with SIDBI as security (refer note 5.1)       | -                        | 393.31                   |
|  | <b>268.99</b>            | <b>637.96</b>            |

**20.1** During the year 2022-23, the company gave a loan to its wholly owned subsidiary "Frog Tele Private Limited" repayable on demand at a rate of interest of 8.5% per annum payable monthly. Last year balances have been realized during the year (Refer note 49- Related Party Transactions for details).

**20.2 Advance to Vendors**

| Particular | 31st March 2023 | 31st March 2023 |
|------------|-----------------|-----------------|
| Advance    | 172.10          | 37.54           |
| Less:      | 5.47            | -               |
| <b>Net</b> | <b>166.63</b>   | <b>37.54</b>    |

| 21. Other Current Assets           | As at<br>31st March 2023 | As at<br>31st March 2022 |
|------------------------------------|--------------------------|--------------------------|
| <b>Unsecured, considered good</b>  |                          |                          |
| Security Deposit                   | 17.58                    | 27.29                    |
| <b>Others</b>                      |                          |                          |
| Other receivables (Refer note 33)  | 214.87                   | -                        |
| Interest accrued on fixed deposits | 2.71                     | 16.36                    |
|                                    | <b>235.16</b>            | <b>43.65</b>             |





## Frog Cellsat Limited

CIN: L51909DL2004PLC127530

B-3, Sector 65, Noida, Uttar Pradesh-201301, India

Notes to the standalone financial statements for the year ended 31st March 2023

(₹ in Lakhs except otherwise stated)

**22. Revenue from operations**

Sale of products  
Sale of services  
Other operating income

| For the Year ended |                  |
|--------------------|------------------|
| 31st March 2023    | 31st March 2022  |
| 10,791.88          | 11,093.12        |
| 2,506.89           | 2,197.45         |
| 4.86               | 2.53             |
| <b>13,303.62</b>   | <b>13,293.10</b> |

**22.1 Details of sale of products**

In Building coverage solutions  
Mobile network accessories

|                  |                  |
|------------------|------------------|
| 3,757.58         | 2,171.01         |
| 7,034.31         | 8,922.10         |
| <b>10,791.88</b> | <b>11,093.12</b> |

**22.2 Details of services rendered**

Mobile network I&C services

|                 |                 |
|-----------------|-----------------|
| 2,506.89        | 2,197.45        |
| <b>2,506.89</b> | <b>2,197.45</b> |

**22.3 Other operating income**

Sale of MEIS license  
Duty drawback

|             |             |
|-------------|-------------|
| 2.97        | -           |
| 1.88        | 2.53        |
| <b>4.86</b> | <b>2.53</b> |

**23. Other income**

Interest income on:  
Bank deposit  
Interest on income tax refund  
Loan given to subsidiary  
Net gain on sale of current investment  
Dividend income - current investment  
Provision written back  
- Provision for diminution in the value of investment  
- Provision for warranty reversal  
- Provision for inventories written back  
- Provision for creditors  
Rent received  
Grant income/ Incentive income (refer note 33)

| For the Year ended |                 |
|--------------------|-----------------|
| 31st March 2023    | 31st March 2022 |
| 91.20              | 54.61           |
| -                  | 10.26           |
| 18.43              | 10.59           |
| -                  | 29.40           |
| 0.01               | 0.27            |
| -                  | 10.12           |
| 1.87               | 36.96           |
| -                  | 21.76           |
| 0.74               | -               |
| 6.16               | 5.77            |
| 214.87             | 93.97           |
| <b>333.29</b>      | <b>273.71</b>   |

**24. Cost of Material Consumed**

Inventory at the beginning of the year  
Add: Material purchased (less returns)  
Less: inventory at the end of the year

| For the Year ended |                 |
|--------------------|-----------------|
| 31st March 2023    | 31st March 2022 |
| 2,420.80           | 1,867.78        |
| 6,962.53           | 8,658.51        |
| 2,622.33           | 2,420.80        |
| <b>6,761.00</b>    | <b>8,108.01</b> |

**24.1 Details of materials consumed**

Electronics components  
Cables  
Others  
Total

|                 |                 |
|-----------------|-----------------|
| 1,138.82        | 1,618.71        |
| 3,453.62        | 4,680.50        |
| 2,168.56        | 1,808.80        |
| <b>6,761.00</b> | <b>8,108.01</b> |



(₹ in Lakhs except otherwise stated)

**24.2 Details of Inventory**

|                        |                 |                 |
|------------------------|-----------------|-----------------|
| Electronics components | 1,160.17        | 1,112.63        |
| Cables                 | 799.81          | 942.07          |
| Others                 | 662.35          | 366.11          |
| <b>Total</b>           | <b>2,622.33</b> | <b>2,420.80</b> |

**25. Change in Inventories**

|   | For the Year ended |                 |
|---|--------------------|-----------------|
|   | 31st March 2023    | 31st March 2022 |
| <i>Inventory at end of the year</i>       |                    |                 |
| - Finished goods                          | 296.25             | 286.02          |
| - Work-in-progress (WIP)                  | -                  | 77.84           |
| <i>Inventory at beginning of the year</i> |                    |                 |
| - Finished goods                          | 286.02             | 190.81          |
| - Work-in-progress (WIP)                  | 77.84              | 5.87            |
|   | <b>67.61</b>       | <b>(167.18)</b> |

**26. Employee benefits expense**

|  | For the Year ended |                 |
|--|--------------------|-----------------|
|  | 31st March 2023    | 31st March 2022 |
| Salaries, wages and bonus                | 940.53             | 565.36          |
| Contribution to provident and other fund | 32.43              | 27.90           |
| Staff welfare expenses                   | 4.16               | 8.52            |
|  | <b>977.12</b>      | <b>601.78</b>   |

\*Refer note 49 for related party transactions.

**27. Finance Cost**

|  | For the Year ended |                 |
|--|--------------------|-----------------|
|  | 31st March 2023    | 31st March 2022 |
| Interest expenses on borrowings        |                    |                 |
| -from banks and financial institutions | 36.18              | 49.09           |
| -from directors                        | 10.41              | -               |
| -from subsidiary                       | 14.48              | -               |
| Other borrowing costs                  | 3.20               | 0.42            |
| Bank charges                           | 3.63               | 3.88            |
|  | <b>67.91</b>       | <b>53.38</b>    |

**28. Depreciation and Amortization expense**

|  | For the Year ended |                 |
|--|--------------------|-----------------|
|  | 31st March 2023    | 31st March 2022 |
| Depreciation of property, plant and equipments | 152.29             | 128.50          |
| Amortization of intangible assets              | 5.80               | 7.00            |
|  | <b>158.10</b>      | <b>135.50</b>   |

**29. Other expenses**

|  | For the Year ended |                 |
|--|--------------------|-----------------|
|  | 31st March 2023    | 31st March 2022 |
| Advertising and sales promotion                        | 7.98               | 7.12            |
| Communication costs                                    | 3.01               | 2.70            |
| Consumption of Stores and Spares                       | 40.03              | 13.23           |
| CSR expenditure (Refer note 39)                        | 13.00              | 45.00           |
| Donations  | 17.30              | 18.75           |
| Exchange fluctuation differences                       | 44.19              | 12.10           |
| Freight and forwarding charges ( with courier charges) | 150.42             | 340.39          |
| Freight outward  | 162.13             | 190.71          |
| Installation Cost                                      | 1,887.76           | 1,582.93        |
| Insurance  | 22.00              | 26.10           |
| Interest on late payment to MSME                       | 3.48               | -               |



Frog Cellsat Limited  
CIN: L51909DL2004PLC127530  
B-3, Sector 65, Noida, Uttar Pradesh-201301, India  
Notes to the standalone financial statements for the year ended 31st March 2023

(₹ in Lakhs except otherwise stated)

|   |                 |                 |
|---|-----------------|-----------------|
| Legal and professional fees                       | 97.72           | 73.58           |
| Loss on sale of fixed assets                      | -               | 3.99            |
| Loss on sale of investment                        | 4.10            | -               |
| Manpower outsourcing services                     | 188.37          | 120.69          |
| Net Loss on mark to market on current Investments | -               | 12.19           |
| Office expenses                                   | 25.19           | 29.86           |
| Payment to auditors (refer note 29.1)             | 6.75            | 6.85            |
| Power and fuel                                    | 24.88           | 19.52           |
| Printing and stationery                           | 4.18            | 4.07            |
| Provision for doubtful capital advance            | 37.46           | 37.46           |
| Provision for doubtful debts                      | 39.52           | -               |
| Provision for inventory                           | 11.02           | -               |
| Provision for advance to creditors                | 5.47            | -               |
| Rates & taxes                                     | 16.61           | 5.68            |
| Rent and facility charges                         | 188.05          | 141.17          |
| Repair and maintenance                            |                 |                 |
| - Building  | 1.16            | 0.38            |
| - Others  | 1.05            | 6.40            |
| - Plant and machinery                             | 52.11           | 13.17           |
| Royalty   | 1.16            | -               |
| Sitting fee                                       | 4.30            | -               |
| Software subscription, licence & renewal fees     | 68.15           | 56.08           |
| Sundry balance written off                        | 22.18           | 24.42           |
| Travelling and conveyance                         | 98.19           | 52.53           |
|   | <b>3,248.91</b> | <b>2,847.09</b> |

**29.1 Details about payment to auditors**

|                             | For the Year ended |                 |
|-----------------------------|--------------------|-----------------|
|                             | 31st March 2023    | 31st March 2022 |
| Statutory and Tax audit fee | 6.25               | 5.15            |
| Certification Fees          | -                  | 1.50            |
| Reimbursement of Expenses   | -                  | 0.20            |
| Others                      | 0.50               | -               |
|                             | <b>6.75</b>        | <b>6.85</b>     |

\* There is a change in the statutory auditors of the Company. The previous year figures pertain to the previous/ retiring auditors.

**30. Earnings per share (EPS)**

|   | For the Year ended      |                         |
|---|-------------------------|-------------------------|
|   | 31st March 2023         | 31st March 2022         |
| <b>Profit for the year</b>  | 1,546.01                | 1,395.73                |
|   | <b>Number of shares</b> | <b>Number of shares</b> |
| Weighted average number of equity shares in calculating basic EPS (B)   | 1,32,31,533             | 1,13,00,000             |
| Weighted average number of equity shares in calculating diluted EPS (C) | 1,32,31,533             | 1,13,00,000             |
| Face value per share (₹)  | 10                      | 10                      |
| <b>Basic earnings per share (₹) (A/B)</b>                               | <b>11.68</b>            | <b>12.35</b>            |
| <b>Diluted earning per share (₹) (A/C)</b>                              | <b>11.68</b>            | <b>12.35</b>            |

**30.1** Pursuant to the approval of shareholders on 25-07-2022, the Company has issued Bonus shares in the ratio of 225 equity shares of Rs. 10/- each for every 1 existing equity share of Rs. 10/- each. Consequently, EPS has been restated and adjusted for all comparative periods presented in the standalone Financial Statement.

**30.2** The Company has issued 40.75 lakhs fresh equity shares through IPO in October, 2022. Consequently, the weighted average no. of shares has increased as at 31-03-2023 and impacted the EPS of the current financial year ended on 31-03-2023.



Frog Cellsat Limited

CIN: L51909DL2004PLC127530

B-3, Sector 65, Noida, Uttar Pradesh-201301, India

Notes to the standalone financial statements for the year ended 31st March 2023

(₹ in Lakhs except otherwise stated)

**31. Research and Development Expenses**

| Particulars                | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
|----------------------------|--|--|
| <b>Revenue Expenditure</b> |  |  |
| Employee benefit expense   | 176.73                                 | 135.86                                 |
| Material consumed          | 40.92                                  | -                                      |
| Other expenses             | 17.86                                  | 15.47                                  |
| <b>Capital Expenditure</b> |  |  |
| Equipment                  | 300.43                                 | -                                      |
| <b>Total</b>               | <b>535.94</b>                          | <b>151.33</b>                          |

**32. Details of IPO Expenses and Fund Utilisation (Extra-ordinary Item)**

A. During this year, the Company has come up with an Initial Public Offering (IPO) of 40,75,200 equity shares of ₹ 10/- each issued at a premium of ₹ 102 per equity share. The Equity Shares of the Company got listed and admitted to the dealings on the NSE Emerge platform w.e.f. 13-10-2022. The purpose of IPO has been to finance the costs towards setting up a manufacturing facility at Sector 80, Noida. The funds received have mainly been utilized towards the IPO expenses and the cost of the project. Details of the funds received from IPO and its utilization as on the balance sheet date is as given below -

| Particulars                                     | ₹ in lakhs    |
|---|---------------|
| IPO funds received (A)                          | 4,156.70      |
| <b>Utilization of funds:</b>                    |               |
| Initial Public Offer Expenses                   | 251.79        |
| Deposit with NSE                                | 41.57         |
| Cost incurred towards Capital Work in Progress  | 3,588.83      |
| Others  | -             |
| Total utilization (B)                           | 3,882.19      |
| <b>Fund in Hand held in bank deposits (A-B)</b> | <b>274.51</b> |

B. Pursuant to the IPO, the company has incurred IPO expenses amounting to ₹ 251.79 lakhs during the year. As these expenses are not regular in nature and distinct from the expenses incurred in the ordinary course of business, these have been disclosed as extra ordinary items in the statement of profit and loss.

**33. Government Grant/ Production Linked Incentives**

a) During the Financial years 2018-19, Global Innovation & Technology Alliance on the behalf of Department of Science and Technology ("the authority") had sanctioned government grant of ₹ 287.25 lakhs as conditional grant towards the project of Development of Cellular Interface Mitigation Solution for the Indian Market, based on UBIFix Solution. The accounting treatment for government grant received during the previous year has been done according to the income approach defined under Accounting Standard-12, Accounting for Government Grants. During the year, the Company has received the grant of ₹ 102.96 lakhs that had already been treated as deferred government grant receivable in earlier years. Further, the Company is liable to pay royalty expenses at the rate of 2% on the Sales Turnover achieved on account of this solution. Consequently, a royalty payment of ₹ 1.16 lakhs has been booked as an expense during the year.

b) During the financial year 2022-23, the Company has got the approval under Production Linked Incentive (PLI) Scheme to promote Telecom and Networking products manufacturing in India vide approval letter PLI/GSCV/OUT/17203/M4 dated 31-Oct-2022 wherein the Company is eligible for the incentives as a certain percentage of its Sales of eligible products subject to the fulfilment of the eligibility conditions as mentioned in the approval letter. This is valid for Financial Year 2022-23 to Financial year 2026-27. As per the management, on the basis of the figures pertaining to the Sales Turnover and Investment made by the Company, the Company has fulfilled the eligibility conditions for Financial Year 2022-23 and is eligible to claim the incentive for the same. Accordingly it has recognized the incentive income based on the calculation of eligible amount of incentives as per the approval letter. The Company is regular in filing the quarterly returns to the concerned authority and filing of claim application before the Department of Telecommunication is under process.



#### 34. Leases

##### Operating lease: Company as lessee

The Company has entered into operating leases for office premises, rentals for which are charged to the statement of profit and loss for the year. These leases are not non cancellable and have an average life of between one to five years with renewal option included in the contracts at the option of the lessee. There are no restrictions placed upon the Company by entering into these leases. There is no contingent rent recognised in the P&L.

Lease rentals recognised in the statement of profit and loss during the period ended 31st March, 2023 is ₹ 171.34 lakhs (March 31, 2022: ₹ 129.45 lakhs).

Future minimum rentals payable under non-cancellable operating leases are as follows:

| Particulars                                 | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
|---|--|--|
| Within one year                             | 38.59                                  | 85.73                                  |
| After one year but not more than five years | -                                      | -                                      |
| More than five years                        | -                                      | -                                      |
| <b>Total</b>                                | <b>38.59</b>                           | <b>85.73</b>                           |

#### 35. Value of Imports Calculated on CIF basis

| Particulars                | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
|----------------------------|--|--|
| Raw materials              | 4,143.64                               | 5,790.99                               |
| Components and spare parts | -                                      | -                                      |
| Capital goods              | 1.08                                   | 7.20                                   |
| <b>Total</b>               | <b>4,144.72</b>                        | <b>5,798.19</b>                        |

#### 36. Expenditure in Foreign Currency (accrual basis)

| Particulars                                  | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
|--|--|--|
| Commission                                   | -                                      | 4.75                                   |
| Software license/ annual maintenance charges | 21.66                                  | 10.68                                  |
| Purchase of intangible assets                | 27.32                                  | -                                      |
| Travel expenses                              | 2.58                                   | -                                      |
| <b>Total</b>                                 | <b>21.66</b>                           | <b>15</b>                              |

#### 37. Earnings in Foreign Currency

| Particulars  | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
|--|--|--|
| Export of goods & services calculated on FOB basis | 20.60                                  | 317.50                                 |
| <b>Total</b>                                       | <b>20.60</b>                           | <b>317.50</b>                          |

#### 38. Provision for Warranties

A provision is recognized for expected warranty claims on products sold during the last three years, based on past experience of the level of repairs and returns. It is expected that significant portion of these costs will be incurred in the next financial year and all will have been incurred within two years after the reporting date. Assumptions used to calculate the provision for warranties were based on current sales levels and current information available about returns based on the one to three years warranty period for all products sold.

| Particulars                        | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
|------------------------------------|--|--|
| At the beginning of the year       | 28.05                                  | 65.02                                  |
| Arising during the year            | -                                      | -                                      |
| Reversal/ utilized during the year | (1.87)                                 | (36.96)                                |
| <b>At the end of the year</b>      | <b>26.18</b>                           | <b>28.05</b>                           |
| Current portion                    | 25.95                                  | 27.76                                  |
| Non - Current portion              | 0.23                                   | 0.29                                   |





### 39. Corporate Social Responsibility (CSR)

The Company has constituted Corporate Social Responsibility Committee in accordance with the provisions of Section 135 of the Companies Act. The average net profits of the Company for the last three financial years 2019-2020, 2020-2021 and 2021-2022 was ₹ 10.46 lakhs calculated in accordance with the provisions of Section 198 read with other applicable provisions of the Companies Act 2013. Further, as per the requirement under Section 135 of the Companies Act 2013, at least 2% of the average net profits amounting to ₹ 20.92 lakhs were to be contributed for carrying out Corporate Social Responsibility activities. The carried forward amount of CSR expenditure that the company overspent on in prior years amounting to ₹ 7.93 lakhs has been offset with the expenditure that must be done in the current year. During the year 2022-23, the company has spent a sum of ₹ 13 lakhs towards education development and the CSR committee is in the process of identifying the activities to discharge its CSR obligation.

Purpose to Section 135 of the companies Act, 2013, the details are as follows:-

- Gross amount required to be spent during the year 2022-23 ₹ 20.92 lakhs (previous year 2021-22 ₹ 37.33 lakhs)
- Amount spent during the year on:

| Particulars                               | Paid in cash | Yet to be paid in cash | Total |
|---|--------------|------------------------|-------|
| 1. Construction/ acquisition of any asset | -            | -                      | -     |
| 2. On purpose other than stated above     | 13.00        | -                      | 13.00 |

- Details about payment for CSR activities:

| CSR Activities   | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
|--|--|--|
| <b>Details of excess CSR expenditure u/s 135(5) of the Act -</b> |  |  |
| <b>Shortfall/ (excess) at the beginning of the year</b>          | <b>7.94</b>                            | <b>-</b>                               |
| Amount required to be spent during the year                      | 20.92                                  | 37.06                                  |
| Less: Amount spent during the year                               | 13.00                                  | 45.00                                  |
| <b>Shortfall/ (excess) at the closing of the year</b>            | <b>(0.02)</b>                          | <b>(7.94)</b>                          |

The company contributed ₹ 13 lakhs to Manav Kalyan Foundation out of its CSR budget for FY 2022-23 for the projects of "Food for everyone in Delhi-NCR" and "Child Literacy with mid-day meals".

### 40. Segment Reporting

As the Company collectively operates only in one business segment i.e. 'manufacturing and installation of in-building coverage solutions and mobile network accessories for mobile service providers and operators. There is no other Business or Geographical segment which fulfils the criteria of 10% or more of combined Revenue, thus Segment Reporting under Accounting Standard 17 'Segment Reporting' is not applicable to the Company.

### 41. Contingent Liabilities and Commitments

| Particulars   | As at<br>31st March 2023 | As at<br>31st March 2022 |
|---|--------------------------|--------------------------|
| <b>Contingent Liabilities</b>   |                          |                          |
| a) Claims against the company not acknowledged as debt;   | -                        | -                        |
| b) Guarantees;  | -                        | -                        |
| c) Other money for which the company is contingently liable*                                      | -                        | -                        |
| <b>Commitments</b>  |                          |                          |
| a) Estimated amount of contracts remaining to be executed on capital account and not provided for | -                        | -                        |
| b) Uncalled liability on shares and other investments partly paid                                 | -                        | -                        |
| c) Other commitments **   | -                        | -                        |
| <b>Total</b>  | <b>-</b>                 | <b>-</b>                 |

\* A demand of TDS amounting to ₹ 5.99 lakhs is being reflected on TRACES portal that is rectifiable in nature. Also, no demand notice has been received by the company in this regard.

\*\*No amount was required to be transferred to Investor Education and Protection Fund by the company during the year. The Company did not have any long-term contracts including derivative contracts for which material foreseeable losses may occur in future.



(₹ in Lakhs except otherwise stated)

\*\*\*Based on management analysis, Company are expected to capital commitment of ₹4138.01 lakhs in subsequent years out of which ₹3588.89 lakhs is already incurred by the company on the development of company building in Uttar Pradesh (March 31, 2022: ₹ 705.05 lakhs)

#### 42. Loans or Advances disclosures

Company has granted Loans or Advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013,) either severally or jointly with any other person that are repayable on demand, without specifying the period of repayment.

| Type of Borrower                       | Amount of loan or advance in the nature of loan outstanding | Percentage to the total Loans and Advances in the nature of loans |
|--|---|---|
| <b>Current year ending 31-03-2023</b>  |   |   |
| Promoters                              | -   | -   |
| Subsidiary                             | 9.00  | 100.00  |
| Directors                              | -   | -   |
| KMPs                                   | -   | -   |
| <b>Total</b>                           | <b>9.00</b>   | <b>100.00</b>   |
| <b>Previous year ending 31-03-2022</b> |   |   |
| Promoters                              | -   | -   |
| Subsidiary                             | -   | -   |
| Directors                              | -   | -   |
| KMPs                                   | -   | -   |
| <b>Total</b>                           | <b>-</b>  | <b>-</b>  |

#### 43. Scheme of Arrangements for amalgamation of subsidiary

A. Pursuant to the sanction of the scheme of merger or amalgamation, Shiva Profiles Private Limited (SPPL, the transferor company) is merged with the Frog Cellsat Limited (the transferee company) vide order dated 10th March 2023 by the Regional Director and the appointed date of 1st April 2021. SPPL was a wholly owned subsidiary of Frog Cellsat Limited and was engaged in manufacturing and trading of tele equipment and apart from that providing cellular services and other applications. The effect of the merger of SPPL with Frog Cellsat Limited has been accounted for under the pooling of interest method referred to in Accounting Standard 14, Accounting for Amalgamation.

B. Upon coming into effect of this Scheme and with the appointed date all the assets and liabilities of SPPL have vested in or deemed to be transferred to the Company as a going concern. Consequently, all the assets and liabilities of SPPL on and after the appointed date and prior to the sanction date have been transferred to Frog Cellsat Limited on a going concern basis. Accordingly, the impact of the scheme has been considered during the financial year 2022-23 in these Financial Statements and all the assets and liabilities as appearing in the books of SPPL as on 01-04-2022 have been transferred at their respective book values.

C. Accordingly, the amalgamation has resulted in transfer of assets, liabilities and reserves in accordance with the terms of the Scheme at the following summarized values:

| Particulars  | ₹ in lakhs      |
|--|-----------------|
| <b>Assets:</b>   |                 |
| Cash & Cash Equivalent   | 700.65          |
| Short term Loans & Advances  | 10.04           |
| Other Current Assets   | 18.64           |
| <b>Less Liabilities:</b>   |                 |
| Short Term Provisions  | 20.51           |
| Other Current Liabilities  | 0.25            |
| <b>Total Net Assets acquired</b>   | <b>708.57</b>   |
| <b>Less -</b>  |                 |
| Adjustment for cancellation of Company's investment in SPPL*                               | 942.03          |
| <b>Balance transferred to General Reserve/ Surplus in the statement of Profit and Loss</b> | <b>(233.46)</b> |

\*The amount of investment in SPPL has been adjusted with the Reserves of the company.



D. Comparative figures as on 31-03-2022 do not include the figures of erstwhile SPPL which is amalgamated with the Company with appointed dated April 1, 2021. Consequently, the comparative figures are not comparable with the figures for the year ended March 31, 2023 to this extent.

E. As SPPL was a wholly-owned subsidiary of Frog Cellsat Limited, no shares have been allotted to the shareholders upon the scheme becoming effective. Only the authorised share capital of the Frog Cellsat Limited has been increased by ₹ 10 lakhs (1,00,000 equity shares of ₹ 10 each) on the merger of Share capital of SPPL.

#### 44. Other Statutory Compliance

(i) No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(ii) There are no transactions with the companies whose names are struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the year ended 31 March 2023.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(vi) The company is not declared as a wilful defaulter by any bank or financial institution or any other lender.

(vii) The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(viii) The Company has utilised the borrowed funds for the purposes for which the fund is obtained.

(ix) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries;

(x) No funds have been received by the company from any person(s) or entities including foreign entities ("Funding Parties") with the understanding that such company shall whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or provide guarantee, security or the like on behalf of the Ultimate beneficiaries.

#### 45. Previous year Figures

Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

#### 46. Legal Proceedings

The company has initiated legal proceedings against various parties for recovery of dues and such legal proceedings are pending at different stages as at the Balance sheet and are expected to materialize in recovering the dues in the future. Based on the review of these accounts by the management, adequate provision has been made for doubtful recovery. Management is hopeful for their recovery. In the opinion of the Management adequate balance is lying in General Reserve / Retained earnings to meet the eventuality of such accounts being irrecoverable.

#### 47. Subsequent Event

Based on the evaluation, the Company is not aware of any subsequent events or transactions, that would require recognition or disclosure in the financial statements.



#### 48. Employee Benefits

The company has made provisions for the employees benefits in accordance with the Accounting Standard (AS) - 15 "Employee Benefits". During the year, the company has recognised the following amounts in its financial statements:

##### a Defined Contribution Plans

| Particulars   | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
|---|--|--|
| Company's contribution to provident and other funds | 32.43                                  | 27.90                                  |

##### b Defined Benefits Plan

###### Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of service. The Company has provided a provision of ₹ 137.98 lakhs at the end of the year (Previous year ₹ 95.51 lakhs) towards gratuity.

###### Leave Encashment

All employees will be entitled for 15 days of AL in a leave calendar year from the time they join the organization. If not availed, the balance number of annual leaves at the end of the year will be carried forward and added to the next year's AL balance. Maximum number of annual leaves that can be carried forward to next year will be 30. A separate actuarial valuation is carried out for which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The Company has provided a provision of ₹ 3.01 lakhs (Previous year ₹ 5.85 lakhs) towards leave salary.

##### 1. Changes in present value of obligation

| Particulars   | As at 31st March 2023 |                     | As at 31st March 2022 |                     |
|---|-----------------------|---------------------|-----------------------|---------------------|
|   | Gratuity              | Leave<br>Encashment | Gratuity              | Leave<br>Encashment |
| Present value of obligation as at the beginning of year         | 95.51                 | 5.85                | 91.82                 | 4.80                |
| Current Service Cost  | 16.84                 | 0.78                | 12.75                 | 1.63                |
| Interest Cost   | 6.93                  | 0.42                | 6.21                  | 0.32                |
| Benefit Paid  | (3.69)                | (5.93)              | (8.69)                | (3.73)              |
| Net actuarial (gain)/ loss on obligation recognized in the year | 22.39                 | 1.88                | (6.58)                | 2.82                |
| Present value of obligation as at the end of the year           | <b>137.98</b>         | <b>3.01</b>         | <b>95.51</b>          | <b>5.85</b>         |

##### 2. Actuarial gain/ loss recognised

| Particulars                                       | As at 31st March 2023 |                     | As at 31st March 2022 |                     |
|---|-----------------------|---------------------|-----------------------|---------------------|
|   | Gratuity              | Leave<br>Encashment | Gratuity              | Leave<br>Encashment |
| Actuarial gain/ (loss) for the year obligation    | 22.39                 | (1.88)              | 6.58                  | (2.82)              |
| Total (gain)/ loss for the year                   | (22.39)               | 1.88                | (6.58)                | 2.82                |
| Actuarial (gain)/ loss recognised during the year | (22.39)               | 1.88                | (6.58)                | 2.82                |

##### 3. Amount recognised in balance sheet

| Particulars                                       | As at 31st March 2023 |                     | As at 31st March 2022 |                     |
|---|-----------------------|---------------------|-----------------------|---------------------|
|   | Gratuity              | Leave<br>Encashment | Gratuity              | Leave<br>Encashment |
| Present value of obligation as at the end of year | 137.98                | 3.01                | 95.51                 | 5.85                |
| Fair value of plan assets at year end             | -                     | -                   | -                     | -                   |
| Funded status / Difference                        | (137.98)              | (3.01)              | (95.51)               | (5.85)              |
| Net asset/(liability) recognized in balance sheet | <b>(137.98)</b>       | <b>(3.01)</b>       | <b>(95.51)</b>        | <b>(5.85)</b>       |





**4. Amount recognised in the statement of profit and loss**

| Particulars                                       | For the year ended<br>31st March, 2023 |                     | For the year ended<br>31st March, 2022 |                     |
|---|--|---------------------|--|---------------------|
|   | Gratuity                               | Leave<br>Encashment | Gratuity                               | Leave<br>Encashment |
| Current service cost                              | 16.84                                  | 0.78                | 12.75                                  | 1.63                |
| Interest Cost                                     | 6.93                                   | 0.42                | 6.21                                   | 0.32                |
| Net actuarial (gain)/ loss recognized in the year | 22.39                                  | 1.88                | (6.58)                                 | 2.82                |
| <b>Net cost recognized for the year</b>           | <b>46.16</b>                           | <b>3.09</b>         | <b>12.38</b>                           | <b>4.78</b>         |

**4(a). Experience adjustment (Gratuity)**

| Particulars   | 2022-23  | 2021-22 | 2020-21 | 2019-20 | 2018-19  |
|---|----------|---------|---------|---------|----------|
| Present value of obligation as at the end of year       | 137.98   | 95.51   | 91.82   | 99.28   | 110.21   |
| Fair value of plan assets at year end                   | -        | -       | -       | -       | -        |
| Surplus/(deficit)                                       | (137.98) | (95.51) | (91.82) | (99.28) | (110.21) |
| Experience adjustment on plan liabilities - (gain/loss) | (21.28)  | 2.66    | 8.40    | 18.52   | 3.34     |
| Experience adjustment on plan assets - (gain/loss)      | -        | -       | -       | -       | -        |

**4(b). Experience adjustment (Leave Encashment)**

| Particulars   | 2022-23 | 2021-22 | 2020-21 | 2019-20 | 2018-19 |
|---|---------|---------|---------|---------|---------|
| Present value of obligation as at the end of year       | 3.01    | 5.85    | 4.80    | 18.25   | 21.88   |
| Fair value of plan assets at year end                   | -       | -       | -       | -       | -       |
| Surplus/(deficit)                                       | (3.01)  | (5.85)  | (4.80)  | (18.25) | (21.88) |
| Experience adjustment on plan liabilities - (gain/loss) | (1.89)  | (3.08)  | 4.19    | (1.85)  | 5.36    |
| Experience adjustment on plan assets - (gain/loss)      | -       | -       | -       | -       | -       |

**5. Major Actuarial Assumptions**

| Particulars                            | As at 31st March 2023         |                     | As at 31st March 2022 |                     |
|--|-------------------------------|---------------------|-----------------------|---------------------|
|  | Gratuity                      | Leave<br>Encashment | Gratuity              | Leave<br>Encashment |
| Discount Rate                          | 7.36%                         | 7.36%               | 7.26%                 | 7.26%               |
| Future Salary Increase                 | 7.50%                         | 7.50%               | 7.50%                 | 7.50%               |
| Expected Rate of Return on Plan Assets | 0.00%                         | 0.00%               | 0.00%                 | 0.00%               |
| Mortality Table                        | IALM (2012-14) Ultimate rates |                     |                       |                     |
| Method used                            | Projected unit credit method  |                     |                       |                     |

The estimates of future salary increase considered in the actuarial valuation take into account inflation seniority, promotion and other relevant factors such as supply and demand in the employment market on long term basis.

*The above figures of leave encashment and gratuity expenses also include the expenditure pertaining to the key managerial persons and directors.*





**49. Related Party transactions**

Related Party relationships/ transactions warranting disclosures under Accounting Standard – 18 on “Related Party Disclosures” prescribed under The Companies (Accounting Standards) Rules, 2006 are as under:

| S. no. | Nature of Relationship  | Name of Related Party   |
|--------|---|---|
| 1      | Key management personnel  | Mr. Konark Trivedi, Managing Director (w.e.f. 01-09-2022)<br>Mrs. Sonal Trivedi, Executive Director w.e.f. 29-01-2023 (non-executive director from 03-06-2022 to 29-01-2023)<br>Mr. Satish Bhanu Trivedi, Non-executive Director<br>Mr. Tarun Tularam Sharma, Executive Director<br>Mr. Barathy Sundaram, Independent Director (w.e.f. 19-08-2022)<br>Mr. Ranjit Datta, Independent Director (w.e.f. 19-08-2022)<br>Mr. Kamal Nath, Independent Director (w.e.f. 29-01-2023)<br>Mr. Ajay Kalayil Chacko, Independent Director (w.e.f. 01-09-2022)<br>Mr. Charan Jeet Kalra, CFO w.e.f. 01-09-2022 (Director till 19-08-2022 and Company Secretary till 01-09-2022)<br>Mrs. Manisha Makhija, Company Secretary (w.e.f. 01-09-2022) |
| 2      | Enterprise with common director                                 | Task Cellular Limited, London<br>ARDE Home Private Limited<br>Roar Systems Private Limited  |
| 3      | Wholly owned Subsidiaries                                       | Frog Tele Private Limited<br>Frog Profiles Private Limited (till 21-06-2022)<br>Shiva Profiles Private Limited (amalgamated vide order dated 10-03-2023)<br>Frog Services Private limited (w.e.f. 30-06-2022)   |
| 4      | Enterprise significantly influenced by Key management personnel | Konark Foundation<br>Star Private Trust   |
| 5      | Relative of Key managerial personal                             | Rekha Trivedi<br>Subhash Kumar Kaushik<br>Anita Kaushik   |

\*Frog Jump Academy Private Limited was the subsidiary of Frog Cellsat Limited which was disposed off during the financial year 2021-22.



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**49.1 Related Party Transactions**

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

| S.No.    | Particulars                                     | As at 31st March 2023 | As at 31st March 2022 |
|----------|---|-----------------------|-----------------------|
| <b>1</b> | <b>Dividend given</b>                           |                       |                       |
| (a)      | Star Private Trust                              | -                     | 399.93                |
| (b)      | Mr. Konark Trivedi                              | -                     | 100.01                |
| (c)      | Mrs. Sonal Trivedi                              | -                     | 0.01                  |
| (d)      | Mr. Charan Jeet Kalra                           | -                     | 0.01                  |
| (e)      | Mr. Tarun Tularam Sharma                        | -                     | 0.01                  |
| (f)      | Mr. Satish Bhanu Trivedi                        | -                     | 0.01                  |
| (g)      | Mrs. Rekha Trivedi                              | -                     | 0.01                  |
| <b>2</b> | <b>Remuneration to Key Managerial Personnel</b> |                       |                       |
| (a)      | Mr. Konark Trivedi                              | 17.77                 | -                     |
| (b)      | Mrs. Sonal Trivedi                              | 10.69                 | -                     |
| (c)      | Mr. Tarun Tularam Sharma                        | 52.28                 | -                     |
| <b>3</b> | <b>Interest paid on loan</b>                    |                       |                       |
| (a)      | Mr. Konark Trivedi                              | 6.09                  | -                     |
| (b)      | Mrs. Sonal Trivedi                              | 4.32                  | -                     |
| <b>4</b> | <b>Interest received on loan</b>                |                       |                       |
| (a)      | Frog Tele Private Limited                       | 2.37                  | 6.84                  |
| (b)      | Frog Jump Academy Private Limited               | -                     | 0.22                  |
| <b>5</b> | <b>Loan Given</b>                               |                       |                       |
| (a)      | Frog Tele Private Limited                       | 9.00                  | 80.00                 |
| (b)      | Frog Jump Academy Private Limited               | -                     | 0.50                  |
| <b>6</b> | <b>Loan Taken</b>                               |                       |                       |
| (a)      | Konark Trivedi                                  | 385.00                | -                     |
| (b)      | Sonal Trivedi                                   | 300.00                | -                     |
| <b>7</b> | <b>Repayment of Loan</b>                        |                       |                       |
| (a)      | Mr. Konark Trivedi                              | 385.00                | -                     |
| (b)      | Mrs. Sonal Trivedi                              | 300.00                | -                     |
| <b>8</b> | <b>Reimbursement of Expenses</b>                |                       |                       |
| (a)      | Mr. Charan Jeet Kalra                           | -                     | 0.29                  |
| (b)      | Frog Services Private Limited                   | 8.70                  | -                     |
| <b>9</b> | <b>Consultancy Paid</b>                         |                       |                       |
| (a)      | Mr. Satish Bhanu Trivedi                        | 8.00                  | 4.00                  |
| (b)      | Mrs. Rekha Trivedi                              | 17.00                 | 6.00                  |
| (c)      | Mr. Subhash Kumar Kaushik                       | 20.00                 | 7.50                  |
| (d)      | Mrs. Anita Kaushik                              | 20.00                 | 7.50                  |
| (e)      | Mr. Charan Jeet Kalra                           | 6.25                  | 15.05                 |



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(₹ in Lakhs except otherwise stated)

|           |  |          |          |
|-----------|--|----------|----------|
| <b>10</b> | <b>Sale of Fixed Assets</b>                |          |          |
| (a)       | ARDE Home Private Limited                  | -        | 4.38     |
| <b>11</b> | <b>Raw Material Purchase</b>               |          |          |
| (a)       | Task Cellular Limited, London              | -        | 2,692.43 |
| <b>12</b> | <b>Sitting fee</b>                         |          |          |
| (a)       | Mr. Barathy Sundaram                       | 1.40     | -        |
| (b)       | Mr. Ajay Kalayil Chacko                    | 1.30     | -        |
| (c)       | Mr. Ranjit Datta                           | 1.60     | -        |
| <b>13</b> | <b>Installation/Services cost incurred</b> |          |          |
| (a)       | Frog Services Private Limited              | 1,887.76 | 1,625.96 |
| <b>14</b> | <b>Rent Paid</b>                           |          |          |
| (a)       | Frog Tele Private Limited                  | 24.00    | -        |
| (b)       | Frog Profiles Private Limited              | -        | 0.2      |
| <b>15</b> | <b>Rent received</b>                       |          |          |
| (a)       | Frog Profiles Private Limited              | 0.07     | 0.34     |
| (b)       | Frog Tele Private Limited                  | 0.29     | 0.40     |
| (c)       | Frog Services Private Limited              | 4.82     | 5.10     |
| <b>13</b> | <b>Salaries and wages</b>                  |          |          |
| (a)       | Mrs. Manisha Makhija                       | 2.69     | -        |
| (b)       | Mr. Charan Jeet Kalra                      | 13.44    | -        |
| <b>14</b> | <b>Other accruals - Bonus</b>              |          |          |
| (a)       | Mr. Tarun Tularam Sharma                   | 12.79    | -        |
| (b)       | Mrs. Sonal Trivedi                         | 10.38    | -        |
| (c)       | Mr. Konark Trivedi                         | 20.75    | -        |
| <b>15</b> | <b>Security paid</b>                       |          |          |
| (a)       | Frog Tele Private Limited                  | 160.00   | 295.00   |
| <b>16</b> | <b>Sale of Subsidiary</b>                  |          |          |
| (a)       | Frog Profiles Private Limited              | 66.90    | -        |
| <b>17</b> | <b>Investment in subsidiary</b>            |          |          |
| (a)       | Frog Services Private Limited              | 5.00     | -        |

\* Mr. Konark Trivedi and Mrs. Sonal Trivedi are paid director's remuneration from the month of September 2022.



(₹ in Lakhs except otherwise stated)

#### 49.2 Closing Balances with Related Parties

The following table provides the closing balances of the related parties for the relevant financial year:

| S.No.     | Particulars  | As at 31st March 2023 | As at 31st March 2022 |
|-----------|--|-----------------------|-----------------------|
| <b>A.</b> | <b>Trade payables</b>                                      |                       |                       |
| 1         | Frog Services Private Limited                              | 69.40                 | 206.00                |
| 2         | Task Cellular Limited, London                              | -                     | 328.89                |
| 3         | Mr. Charan Jeet Kalra                                      | -                     | 1.21                  |
| 4         | Mr. Satish Bhanu Trivedi                                   | -                     | 0.60                  |
| 5         | Mrs. Rekha Trivedi   | -                     | 0.90                  |
| 6         | Mrs. Anita Kaushik   | -                     | 1.13                  |
| 7         | Mr. Subhash Kumar Kaushik                                  | -                     | 1.13                  |
| <b>B.</b> | <b>Borrowings</b>  |                       |                       |
| 1         | Frog Tele Private Limited                                  | 9.00                  | 160.00                |
| 2         | Frog Jump Academy Private Limited                          | -                     | 5.20                  |
| <b>C.</b> | <b>Investments</b>   |                       |                       |
| 1         | Frog Tele Private Limited                                  | 1.00                  | 1.00                  |
| 2         | Frog Services Private Limited                              | 5.00                  | 5.00                  |
| <b>D.</b> | <b>Security Deposits</b>                                   |                       |                       |
| 1         | Frog Tele Private Limited                                  | 455.00                | 295.00                |
| <b>E.</b> | <b>Expenses Payable</b>                                    |                       |                       |
| 1         | Frog Services Private Limited                              | 52.72                 | -                     |
| <b>F.</b> | <b>Employee Benefit Expenses Payable (including bonus)</b> |                       |                       |
| 1         | Mr. Konark Trivedi   | 23.25                 | -                     |
| 2         | Mrs. Sonal Trivedi   | 11.88                 | -                     |
| 3         | Mr. Tarun Tularam Sharma                                   | 15.42                 | -                     |
| 4         | Mrs. Manisha Makhija                                       | 0.44                  | -                     |
| 5         | Mr. Charan Jeet Kalra                                      | 1.31                  | -                     |

#### Note:

- As the future liability for gratuity and leave encashment is provided on an actuarial basis for the company as a whole, the amount pertaining to individual is not ascertainable and therefore, not included above.
- The independent directors are paid remuneration by way of sitting fee based on the number of meetings attended by them and their membership of audit committee during the year.
- Service income availed from related parties are made on the terms equivalent to those that prevail in arm length transactions and in the ordinary course of business.
- All the loans taken or provided are for the general purpose only.



**50. Consumption of Imported and Indigenous Raw materials, Stores and Spares**

| Particulars                   | 31st March 2023        |                 | 31st March 2022        |                 |
|-------------------------------|------------------------|-----------------|------------------------|-----------------|
|                               | % of total consumption | Value           | % of total consumption | Value           |
| <b>Raw materials</b>          |                        |                 |                        |                 |
| <b>Electronics Components</b> |                        |                 |                        |                 |
| Imported                      | 52%                    | 588.91          | 59%                    | 959.31          |
| Indigenously obtained         | 48%                    | 549.90          | 41%                    | 659.39          |
|                               | 100%                   | 1,138.82        | 100%                   | 1,618.71        |
| <b>Cables</b>                 |                        |                 |                        |                 |
| Imported                      | 77%                    | 2,642.13        | 65%                    | 3,020.21        |
| Indigenously obtained         | 23%                    | 811.49          | 35%                    | 1,660.29        |
|                               | 100%                   | 3,453.62        | 100%                   | 4,680.50        |
| <b>Others</b>                 |                        |                 |                        |                 |
| Imported                      | 38%                    | 833.65          | 70%                    | 1,267.05        |
| Indigenously obtained         | 62%                    | 1,334.91        | 30%                    | 541.74          |
|                               | 100%                   | 2,168.56        | 100%                   | 1,808.80        |
| <b>Total</b>                  |                        | <b>6,761.00</b> |                        | <b>8,108.01</b> |
| <b>Stores and spares</b>      |                        |                 |                        |                 |
| Indigenously obtained         | 100%                   | -               | 100%                   | 13.23           |
| <b>Total</b>                  | <b>100%</b>            | <b>-</b>        | <b>100%</b>            | <b>13.23</b>    |





(₹ in Lakhs except otherwise stated)

**51. Following are Analytical Ratios for the Year ended 31st March 2023 and 31st March 2022**

| S.No | Particulars                           | Numerator                                | Denominator                  | 31st March 2023 | 31st March 2022 | Variance |
|------|---------------------------------------|--|------------------------------|-----------------|-----------------|----------|
| 1    | Current Ratio                         | Current Assets                           | Current liabilities          | 4.44            | 2.59            | 72%      |
| 2    | Debt-Equity ratio                     | Total debt                               | Shareholder's Equity         | -               | 0.10            | -100%    |
| 3    | Debt Service Coverage Ratio           | Earnings Available for Debt Service      | Debt Service                 | 2.73            | 40.50           | -93%     |
| 4    | Return on Equity (%)                  | Net Profit After Taxes                   | Average Shareholder's Equity | 17.54%          | 24.79%          | -29%     |
| 5    | Inventory Turnover ratio              | Net Sales                                | Average Inventory            | 4.42            | 5.52            | -20%     |
| 6    | Trade Receivables Turnover ratio      | Revenue                                  | Average Trade Receivables    | 5.60            | 5.74            | -2%      |
| 7    | Trade Payables Turnover Ratio         | Purchases of Services and Other Expenses | Average Trade Payables       | 5.19            | 4.38            | 19%      |
| 8    | Net Capital turnover ratio            | Revenue                                  | Average Working Capital      | 2.81            | 4.09            | -31%     |
| 9    | Net Profit ratio (%)                  | Net Profit                               | Revenue                      | 11.62%          | 10.50%          | 11%      |
| 10   | Return on Capital Employed (ROCE) (%) | Earnings before Interest and Taxes       | Capital Employed             | 18.01%          | 30.42%          | -41%     |
| 11   | Return on Investment (ROI) (%)        | Income generated from Investments        | Cost of Investments          | 0.00            | 0.05            | -95%     |

**Note:**

- (1) Total Debt - Long term Debt + Short term Debt
- (2) Earning for Debt Service = Net Profit before taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.
- (3) Debt service = Interest & Lease Payments + Principal Repayments
- (4) Revenue includes Credit sales only
- (5) Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability
- (6) Net Sales includes sale of goods only

**51.1 Reasons for variations more than 25% as compared to previous year**

- 1 Change in current ratio is due to increase in current assets during the year.
- 2 Change in debt-equity ratio and debt service coverage ratio is due to repayment of all the loans during the year.
- 3 Change in return on equity is due to an increase in the shareholder's equity of the company.
- 4 Change in net capital turnover ratio is due to increase in working capital during the year.
- 5 Change in ROCE is due to increase in the tangible net worth of the company
- 6 Change in return on investment is due to the lower dividend received in currnt year as compared to previous year.

**For and on behalf of the board of directors of  
Frog Cellsat Limited**

  
**Konark Trivedi**  
Director  
DIN: 00537691  
Place: Noida  
Date: 28-05-2023

  
**Satish Bhanu Trivedi**  
Director  
DIN: 02037127  
Place: Noida  
Date: 28-05-2023

  
**Charan Jeet Kalra**  
CFO  
Place: Noida  
Date: 28-05-2023

  
**Manisha Makhija**  
Company Secretary  
Place: Noida  
Date: 28-05-2023

