



Frog Cellsat Ltd
Q2 H1FY24 Result Concall

Event Date / Time : 20/11/2023, 16:00 Hrs.
Event Duration : 48 mins 37 secs

CORPORATE PARTICIPANTS:

Mr. Konark Trivedi,
Managing Director

Mr. Pankaj Gandhi,
Chief Executive Officer

Mr. C. J. Kalra,
Chief Financial Officer

Moderator

Ladies and gentlemen, good day, and welcome to the Frog Cellsat Limited Q2 and H1 FY24 Earnings Conference Call hosted by Ventura Securities Limited. As a reminder, all participant lines will be in the listen only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing * and then 0 on your touchtone phone. Please note this conference is being recorded. The company is today represented by Mr. Konark Trivedi, Managing Director of the Company. I would now like to hand over the call to Mr. Trivedi for his opening remarks. Thank you, and over to you, sir.

Konark Trivedi

Thank you very much. Good afternoon, everyone. Thank you for joining us today for this conference call. I, along with our CEO, Mr. Pankaj Gandhi and our CFO, Mr. C. J. Kalra, welcome you all to our Q2 and H1 FY'24 earnings call. Today, we have gathered to discuss the journey of Frog Cellsat Limited, vision for the future and the key drivers that have propelled us to success. As you know, FCL is a growing company, and we have been in the industry for almost 19 years. We are pleased to bring attention to our recently established production facility in Noida, covering an extensive 100,000 square feet with additional 60,000 square feet cutting ready. Our relocation to this new facility involved the swift cessation of operations at the Dehradun production unit and also moving operations from leased facility in Noida to own facility. This strategic move reflects our commitment to optimize operational efficiency by consolidating all production activities within the new owned Noida unit and streamlining processes under a unified roof.

Looking at our performance in this quarter of Financial Year '24:

Revenue from operations increased by 5.24% from ₹334.01 Mn in Q1 FY24 to ₹351.52 Mn in Q2 FY24, led by robust realization, faster deployment of 5G services by the operators and growing demand for network coverage solutions. EBITDA increased by 26.57% from ₹36.39 Mn in Q1 FY24 to ₹46.05 Mn in Q2 FY24, margins improved from 13.10% to 10.89% over the same period, due to increase in scale of operations and efficient execution of orderbook.

Further, we are pleased to announce that FCL has initiated the supply of network accessories for the BSNL 1 lakh 4G network project which is expected to be executed over the next 12 months. Expanding our clientele, we have partnered with a significant IP-1 infra provider and a neutral host provider for 5G In-building Coverage projects. Concurrently, we have strengthened our market presence by introducing a new product line—5G Base Station Antennas—with an impressive order backlog of over 6,000 units.

Alongside these achievements, the company has successfully secured orders from key partners, evident in our robust order book position, which stood at a substantial ₹800 million as of September 30, 2023.

We would like to highlight that the company has successfully concluded trials for the interference mitigation system in Delhi and similar trials are currently underway in Mumbai. The potential in this segment presents a substantial opportunity compared to our existing figures. However, no commercial orders received as yet, but we are making progress in the right direction and we remain hopeful with the big opportunity.

On the industry front, the telecommunications sector is at a crucial juncture, marked by extensive potential fueled by various use cases. Concurrent with the ongoing deployment of 5G technology, the government's increasing commitment to bolster the nationwide 4G infrastructure is expected to establish a solid foundation for telecom equipment manufacturers, a trend evident in our financial performance. We are committed to sustain our debt free status. And in summary, the future outlook for FCL is optimistic. Additionally, as FCL stands as one of the approved design led PLI company, we anticipate the benefits of PLI based incentives to be reflected in H2 FY'24.

Lastly, positioned at the intersection of groundbreaking technologies, our dedication to innovation, strategic partnerships and unwavering focus on sustainability empower us to capture the abundant growth opportunities that await in the future. I thank you for your time, and I'm happy to answer any questions you may have. Thank you.

Questions & Answers

Moderator

Thank you, sir. Ladies and gentlemen, we will now begin the question-and-answer session. If you have question, please press * and 1 on your telephone keypad and wait for your turn to ask the question. If you would like to withdraw your request, you may do so by pressing * and 1 again. Ladies and gentlemen, if you have any question, please press * and 1 on your telephone keypad. First question comes from Mulesh Savla an Individual Investor. Please go ahead.

Mulesh Savla

Hi. Thanks for taking my question. My season's greetings to Trivedi sir and team, can you hear me?

Konark Trivedi

Yes, sir. Thank you, sir.

Mulesh Savla

Yes. So, sir, we have gone through the results, and there is still, what do you call that traction we were expecting to come and the turnover to rise. We are not that happy with this kind of ramping up. So I would request that you dwell upon that little in detail because, for the interference mitigation system, we were expecting good business, we are still in the testing stage, and there was some other system kind of that Jio has launched, that air fibre system. So, what is the progress on that? And any big-ticket development that can really boost our turnover? So that is my first question.

Konark Trivedi

Right, sir. So, sir, see, as we have mentioned in our earnings release as well, there have been a few things for which we were expecting a closure within the last quarter that have not happened or have been delayed, and as a result of that, the expectations that we had from the numbers have not come in. One of the reasons is that, for products like interference mitigation solutions, as you said, the customer has basically decided to do a further trial in another region on another technology. So far, the trial has been with the Ericsson unit. Now they are doing trials with the Nokia unit. And primarily, it is being done to increase the requirements so that cost optimization can happen by the volume of it. So, this is what the status of the interference mitigation solution is.

Now, second thing you mentioned about the air fiber solution that Jio has launched is similar stuff. So, we are, the product is there, it's in the development stage and in the final stages. We have already offered it for trial at Airtel. So, things are progressing in that direction also. But to tell you one thing here, at times, we have to make a choice, we are a fairly small company, and there are a lot of businesses, which are large volumes, but the margins there are very, very, thin, right? So, at times, we need to shy away from such deals, where there are significantly low margins or no margins, to say. Then there are few other projects which got delayed, which we were expecting to happen, some airport projects were there. So those deals are still there, but simply that they got a bit delayed.

Mulesh Savla

So, with whatever little delay that has happened, are you on track to achieve our target for '24 or we have to revise that? I think in the note, probably, you have revised it little downward.

Konark Trivedi

Yes, sir. So, we have revised it downwards, because even if we get the closure of these deals within this year, we will not be able to bill those, realize the revenues in this year.

Mulesh Savla

Okay. And is there anything one off in our present working? Our EBITDA has improved a bit and do you expect the same EBITDA to continue and PLI scheme would add up to the margin? Or is there anything one off?

Konark Trivedi

No, there is no one off in this, sir. We have increased our EBITDA slightly, I think, by 0.5 points -- 0.5% basically, and there is nothing one off. It just depends on the mix of products that we sell in the quarter. So that's where it is. And yes, PLI incentive will add to that, which will come in the last quarter.

Mulesh Savla

Okay, good. And since we have decided to close down our Dehradun facility, was there any tax incentive available on that scheme, because I think in past, Dehradun had some tax incentive for manufacturing units?

Konark Trivedi

Yes, sir. That was actually initial reason why we have started our facility in Dehradun. But it's all the incentives, all the benefits were over quite long back. I think almost 10 years back, they were all done.

Mulesh Savla

Okay. So, then it makes sense to have everything under 1 roof. So, I think you are, and the premises in Noida is also given back and this Dehradun is also closed down, so 100% operations could be from the facilities now, right?

Konark Trivedi

Yes, sir. That will optimize the operations and optimize the costs and efficiencies.

Mulesh Savla

Great. And you have orders of about INR 80 crores, does it include that INR 17 crores order which you received from BSNL or in addition to that?

Konark Trivedi

Yes sir. It includes that, it includes.

Mulesh Savla

It includes. Okay. So, anything that you would like to guide us for future growth, we would be happy to learn from you.

Konark Trivedi

Sir, the plans are still the same, where we were, what we have shared earlier with you, nothing has changed. It's just that things what we expected to close slightly earlier just got a bit delayed. Otherwise, everything stays as is.

Mulesh Savla

Okay, great, sir. Thank you so much for answering all my questions in detail and wish you all the very best.

Konark Trivedi

Thank you, sir.

Moderator

Next question comes from Varun Mohanraj from Skaniva Capital. Please go ahead.

Varun Mohanraj

Good evening, thank you for the opportunity. So, in the post result release, we have downgraded our revenue guidance from 40-50% to 20-25%. But earlier, we've given an EBITDA margin guidance of around 16-18%. So, are there any changes in the EBITDA margin so and so?

Konark Trivedi

No, that we have kept same, sir. So, EBITDA margin remains same. As you would have noticed last year also, we are a company which is under PLI government, PLI scheme. So, we do calculations of the PLI incentive in the last quarter, and that gets added in the earnings in the last quarter. So that will bring in the change in our EBITDA ratio, which are currently to what we expect.

Varun Mohanraj

Okay. And my second question is regarding our long-term guidance of achieving INR 500 crores in next 4 years. And also, we are expecting BSNL 4G project to have an annual run rate of like INR 100 crores upon next 3 years. So, do we stand with the same guidance? Or are there any changes for the long term as well?

Konark Trivedi

Yes. So, we are still aiming for the same. We are looking for the opportunity in the market. We are working on a lot of them. So, the guidance of reaching long term within the next 4 years to around INR 500 crores still remains as this year.

Varun Mohanraj

And are we planning to add new projects, new products to achieve the scale of INR 500 crores or would we be able to do it with the 20 plus products that we currently do?

Konark Trivedi

No, we see, we have told earlier as well, the way we see our growth coming in, the only possible way is to keep adding more products to our portfolio, which we are doing constantly, and to increase the market, the addressable market. So, we are doing both ways. So, this growth will come by adding new products as well as not just being India centric but going outside India as well. So, we are going with both the approaches.

Varun Mohanraj

Okay. In the slightly longer term, do we look more towards the different space or we stick to our existing line of sectors like the mobile towers and airport tunnels and communication systems for airport tunnels and metros like in 3-4 years, how do we envisage our revenue pipe to be across these 3 sectors?

Konark Trivedi

Okay. So, sir, the telecom sector is more like a bird in hand, we have seen no in and out because last 19 years, we have been working in this sector. So yes, that is something which we are confident we'll be growing in that sector. Defense is something which is new for us, and we are still taking baby steps in that sector, defense typically takes a bit longer cycle. So, we are working there, but if you talk about confidence level, then we have more confidence on telecom than defense and space as of now.

Varun Mohanraj

Okay, thank you. That's it from my side now.

Moderator

Thank you. Next question comes from Yogansh Jeswan from Mittal Analytics Pvt Ltd. Please go ahead.

Yogansh Jeswan

Hi sir, thanks for the opportunity. Am I audible?

Konark Trivedi

Yes. You are audible. Thanks

Yogansh Jeswan

Thanks. Sir, a couple of questions, like you have mentioned in the press release we have launched several products and in past also we have guided that our growth, will come in from newer product launches that we do. So, can you share a bit more about the new products that you have launched and what kind of revenue we have booked, say in FY'23 or and in FY'24, first half from these newer products?

Konark Trivedi

Okay. So, sir, look, new product, if you talk about then, one is the Antenna line, which is a new product for us, which we have launched and which we have mentioned in our earnings release also that we are holding order book for about 6,000 antennas already. Second one is, DC power distribution unit, which we are supplying for BSNL project, that's another new product, for which we have orders. Then there are new products which are under development, under the final stages. So, one of them is fixed wireless access terminal, which is used for this Air fiber kind of solution, which Jio has launched.

Then we have, what do you say, interference mitigation solution, anyway, as you might be knowing, the trials are underway, so that's a new product for us. Then we have a new product, again under finalization, which is UBR, so unlicensed band radio that we are working on. And other new product is 5G DAS. So, we have been doing DAS system for up to 4G. The 5G DAS is getting into picture now for providing 5G coverage in metros and tunnels and airports. So that is getting launched now. So, these are the new products that we have.

Yogansh Jeswan

Okay. And sir how much would, few of them would have contributed in FY'24 so far, any number that you could share? Are we still in very nascent stage?

Konark Trivedi

Not nascent stage, see, like I said DC power distribution unit, that itself is INR 17 crore order from BSNL we have. So, different products are at different stage. Now 6,000 antennas that we have for this, itself this pretty huge, can be in the range of INR 8-10 crores. So, it's different -- we are not going for the mix, like that's segregating our revenues or order book based on the different products. So far, we have not followed that policy. But it's a significant contribution, and many more products, which are there already they are yet to give us revenues, like interference mitigation solution or FWA or unlicensed band radio or 5G DAS. These are like that's coming out.

Yogansh Jeswan

Understood. And sir, any assessment of these, would you share how are we doing it, because, I mean, the competitors, if you look, they are quite big MNCs, and I expect them to have their own technology team and, you know, all the resources in place. While like you shared in one of your answers to previous participants, we are still a very small company. So, being a small company, we do have some advantages, but when it comes to such product development, how are we taking up these challenges? And keeping in mind that 5G is coming up, so there's a lot of changes in the technology that is happening. So how are we keeping up with all those things? If you could just broadly share your working out there.

Konark Trivedi

Right. So, see, I mentioned in earlier calls as well, that our philosophy is simple. Something that we don't have readily available, and market needs it, we partner with global technology companies and bring that solution to our customers at first place. Okay. So that's what we do. And with time, we optimize on that and do localization of that as much as possible to do cost optimization, to do profit optimization and localization, increasing localization, and we start supplying to customer that way.

So, whenever we introduce a product, it has in its life cycle, initially again, it depends on different products, but one typical life cycle of the product can be that we partner with an international technology company, bring that product, let's say, 100% imported, as white labeling we supply it. And then over a period of time, we increased the localization of it, considerably, over a period of time, and that increases our profitability and margins and cost competitiveness

Yogansh Jeswan

Just one broad question on your business overall in terms of your, the history of the company. So, if we look back between 2012-2015, you were roughly INR 25-30 odd crore turnover company. Then from 2015, 2016 to 2020, I think we saw step-up jump in our business, and we were now in INR 80-85 crores range. And then 2021 onwards, we have again shown a step-up jump and, INR 120-130 crores is our range. So why has there been no growth for good 3-3-4-4-5 years kind of blockchain in past? And why are we now expecting that YoY, we'll be growing up to INR 500 crores, because the guidance that we have been giving is for the YoY growth. Right? In the past, our industry or our company has not shown such kind of growth. So, anything that is changing meaningfully that is giving us this confidence?

Konark Trivedi

Look, in the initial years, you can say 6 years back, we were primarily known as a repeater company only, right? And we were working in our shell. We were comfortable doing good margins. You must have seen our margins also. And single owned company doing that kind of margin, we were happy with that and working it out. But then, 6 years back, we got a shock of our life when the repeater business has gone down significantly. And we started to stretch our head how we can remain relevant in the business, in the market.

And that's when we started to introduce new products to our portfolio and which has given us growth. So, you see that's from where we have been growing from INR 50-60 crores to INR 80 crores and then INR 125-130 crores. So that has shown the way on how we should increase and what we should do, okay, to bring in that growth and that has brought in our hunger. Now, knowing that formula and growing that way, we are following that formula and making it work.

Yogansh Jeswan

Okay, and sir, are we still confident of going for the next 3-4 years continuously, because again like you said after the drop of repeater business going down, we added in more products and we have also tried to add on more clients, but still the last 3 years, there has been sort of a stagnation if I can see in the numbers. And again, this year, we were very optimistic and then we had to, bring down our guidance, 45%, 50%, 25% kind of guidance.

Konark Trivedi

Right. So, see, so far, what was happening is, we were increasing in revenues by increasing the product, but we were not increasing our market. So, we were limited to our market approach, the markets that we were addressing, we were limited to that. That's what we were doing. Now what we are doing is, we are growing our market as well. We are reaching out to more customers. There are more opportunities which

have also come into the market, so it's an effect of that also. And we are tapping other markets also. So that is going to give us further growth.

Yogansh Jeswan

Okay. And sir, you also mentioned about exploring the market. So, any insight or any developments that you could share in terms of where we are in that journey?

Konark Trivedi

Where, sorry?

Yogansh Jeswan

In the exports market, we are also now trying to tap into export market. So, any developments or anything that you could share on that front?

Konark Trivedi

So, look, as of now, that work is pretty slow, because right now, we are engaged, or we are all hands on capturing the opportunity in local Indian market. There are many of them which are there. And I believe in 12 months' time from now, we will start going out aggressively for export market.

Yogansh Jeswan

So next year onwards when we'll start to focus on export more aggressively.

Konark Trivedi

Right.

Yogansh Jeswan

Another question in terms of the sustainability.

Moderator

I am sorry to interrupt you sir.

Yogansh Jeswan

Just one last quick question and then I'll go back in the queue, if you may allow.

Moderator

Please go ahead, sir.

Yogansh Jeswan

Yes. Thank you. Sir, we are closing down the Dehradun unit, and I think we are also closing down on our smaller Noida units and consolidated into one. So, in terms of the equipment that was bear in both these units are all those being getting transferred to the new unit? And what happens to the land parcels of these older units? Were they owned by us or were those leased facilities?

Konark Trivedi

Okay. So just all the equipment at these places is, so at the Noida unit we had a setup which was in the lease premise, so all those equipment has been already transferred to the new unit. And in Dehradun, Dehradun was our own unit. Most of the items have already been transferred to the new unit. Some of them are now in the process to be getting transferred. So yes, the answer is everything will get transferred to the new unit. And Dehradun unit, the land parcel, the building was owned by us and we should be selling it out.

Yogansh Jeswan

Thank you, sir. All the best to you and your team. I'll get back in the queue.

Konark Trivedi

Thank you.

Moderator

Thank you, I request the participants to restrict with 3 questions in the initial round and join back the queue for more questions. Next question comes from Anurag Agrawal from Agrawal Analytical Investments. Please go ahead.

Anurag Agrawal

Thank you for the opportunity, sir. Am I audible?

Konark Trivedi

Yes Anurag, hi.

Anurag Agrawal

Sir, so, basically, I just wanted to ask you, what kind of a profit can we expect from the sale of the Dehradun land? Is there a ballpark figure which the company has come across, have we tried finding buyers for the same?

Konark Trivedi

See, as we just got approval from the board to sell it last week. So now we are releasing advertisement for selling it in the newspapers that should be coming, I think tomorrow. So, we'll start the process now, right?

Anurag Agrawal

Okay. Apart from that, sir, could you just -- I just wanted to understand this part of the technological changes happening in this industry. Like, Reliance is coming up with, Jio is coming up with air fiber. Right? So, does that reduce the use of optical fiber in the industry?

Konark Trivedi

Look, it's a complementing technology. FWA is a complementing technology rather than competing technology with the fiber. So, anyone will use FWA or air fiber only at the places where he is not getting the fiber, and that's what my understanding is.

Anurag Agrawal

It's like a last mile delivery kind of a thing for network?

Konark Trivedi

Yes. Wherever fiber is not available, then there you can use air fibers.

Anurag Agrawal

Got it.

Konark Trivedi

It's like, you know, you will not use a satellite phone if you have a mobile phone with you. Right?

Anurag Agrawal

Right. Got it. And apart from that, sir, like you mentioned, we want to start focusing on export. And recently, in Delhi, like, which is, like, fairly close to our plant and our current sector, we had this exhibition called Indian Mobile Congress. However, I could not see our company participating in that congress on the exhibitor's list. So, like, did we not want to exhibit this time or are we planning to exhibit the next time or is this not a relevant platform for you?

Konark Trivedi

Look it's, you basically go to exhibition for making your reach to customers, right? Now that's the basic game. We have evaluated, should we go, or should we not go, whether we'll benefit out of that or not. So, the answer is, our potential customers who are there in the Indian market, we are already in touch with all of them. We all -- and all of them do one-to-one discussions, personal meetings with us. So, there is no potential gain we have seen in exhibiting there. That's the simple reason why we have not participated there as a stall. But we have listed the exhibition, yes.

Anurag Agrawal

Got it. Last question, sir, when do you see the current order book being executed? And what is the PLI incentive which we think -- which we are aiming that we can get in the Q4?

Konark Trivedi

Look, order book, this is the order book, which was there on September 30, and the orders keep coming in. So, it's an ongoing process. We expect the revenue growth to be in the range of 20-25%, the range which we have mentioned. So that is where we are going to be hitting this year.

Anurag Agrawal

And what about the PLI incentive, sir? What is the quantum, we think, we can get from the government this year?

Konark Trivedi

It depends, again, the products that fall under PLI, how much of that we'll be willing. We feel it can be as big as INR 5 crores.

Anurag Agrawal

Okay, got it. Thank you, sir. That it is from my side.

Moderator

Thank you. Next question comes from Rahul Arukandathil from Vista. Please go ahead.

Rahul Arukandathil

Ma'am, it's okay my question is already answered, thank you.

Moderator

Thank you, ladies and gentlemen, if you have any question, please press * and 1 on your telephone keypad. Next question comes from Amit Mishra, an Individual Investor. Please go ahead.

Amit Mishra

Hello everyone, good afternoon.

Konark Trivedi

Good afternoon.

Amit Mishra

Regarding this UK subsidiary we have formed, GORF UK Limited, please can you explain when and why we have instituted a subsidiary there? what are the market opportunities for exports in few years' times? what is our current percentage export and is it going through these the subsidiary? And what percentage of exports we see in the revenue, what sort of vision? It comes from the vision. So, can you expand a bit?

Konark Trivedi

Okay. So, look, as far as the UK subsidiary is concerned, GORF. GORF has been created considering two things. One is that, at times, you are able to get better pricing or better sourcing if you are dealing with an entity in Europe. So that is one objective of sourcing technology through a UK subsidiary. Second, again, the acceptability of a UK company in the European or African market is greater than that of an Indian company from the purchase aspect. So, some companies want to deal with a UK company, or they feel more comfortable dealing with a UK company for buying the goods. So that is where the vision for the UK company is.

Amit Mishra

What sort of like -- are there margin differences, the products we sell in India and outside? And also, would we have any manufacturing facility eventually at some point there, or no?

Konark Trivedi

Look, I don't see a full-fledged manufacturing facility, unless tomorrow, like in India, we have a lot of Make in India focus, whereby the Indian government is saying that, okay, the product has to be Make in India only. Unless something like that happens here, I don't see us setting up a full-fledged manufacturing facility. It might be a small facility, which do packing, repacking kind of thing or little assembly, small assemblies. That is possible, but not a full-fledged pricing facility.

Amit Mishra

Understood. What sort of margins, EBITDA margins we can expect, I know it's too early. We should end it already. It's a next year thing. But if you can give some, because if you're manufacturing in India.

Konark Trivedi

It's fairly early to comment on that. But definitely, working in these markets, we expect to have better EBITDA.

Amit Mishra

My second question, quick question, you have developed already on facilities, but I'm not clear if we have other facilities besides Dehradun and Noida R&D. Are we having other facilities also?

Konark Trivedi

No. So the facilities that we had till March '23, was the Dehradun unit and the other one was leased premise in Noida. So, both these units, now closed down or in the process of closing down. Dehradun, we are in the process of closing down. Noida, we have closed down, and moved everything to the new Noida facility.

Amit Mishra

Can you just give some broad idea, how much cash inflow we can see by closing these and selling off assets there?

Konark Trivedi

So, Noida was anyway leased facility, so there was no ownership there. As far as Dehradun is concerned, we are still, we have advertised the property here. It's to give you an idea, it's about 500 square meters plot that we have, built over 2 and a half floors. So, it's not a very huge property. So, we will be still expecting bids from the market and seeing that. So cannot comment on the real value of that.

Amit Mishra

Just last question on the guidance, 20-25%, is it coming from our existing deals already in place because of increasing volumes or the deals we have signed recently? Or is there a component of like expected deals also? I mean, I just want to know how confident we are to get 20-25% growth this year?

Konark Trivedi

So, 20-25% is a nominal growth that we are expecting, so it is not expected from any extraordinary deals.

Amit Mishra

Which from existing deals or the recent deals which we have signed?

Konark Trivedi

Yes. Okay. So that's more we have more confident number here. And anything on top is better.

Amit Mishra

Thank you very much, sir, and best of luck for the remaining of financial years.

Konark Trivedi

Thank you.

Moderator

Thank you, next question comes from Piyush Jain, an Individual Investor. Please go ahead.

Piyush Jain

Thank you for the opportunity, I joined later, just want to know, sir, just 6 months back, we are giving the guidance for around 40% plus type of growth, and suddenly we have lowered down the guidance. So, can you let us understand what has happened in this guidance is only for this year or in the meantime of next 2 -3 years' time period?

Konark Trivedi

So, see, as I told earlier, we were expecting few large deals to be closing so far in the H1, which we could have built in H2. And these deals are, one is the interference mitigation solution, then second one is some airport deals that we were expecting. So, both these things have got delayed. There is still very much there on the table, but they got delayed, that's the reason why this forecast has been brought down.

Piyush Jain

Are we still holding on to our INR 500 crore revenue target? Or because of this, the growth rate has been lower down? We see this INR 500 crore will.

Konark Trivedi

So that still stays, that region still stays, and we are still working on that.

Piyush Jain

So INR 500 crore is 2023, correct? Or 2027?

Konark Trivedi

So that was our 5-year goal vision.

Piyush Jain

Okay thank you, that is it from my side.

Moderator

Thank you, we have a follow-up question from Amit Mishra, an Individual Investor. Please go ahead.

Amit Mishra

Hi, just wanted to ask again, we foresee anything for next year?

Konark Trivedi

Sorry, Amit, your question is not clear.

Amit Mishra

So, I was just asking about the CapEx requirements. We have just, of course, expanded, but do we see in next 1 or 2 years further CapEx coming in whether in India or UK? And what kind of quantum?

Konark Trivedi

Okay. So, in UK, we will not be going for any CapEx. As I said, we are not expecting any manufacturing setup there. So, it will be only working capital, if at all. And in India, it will be normal CapEx. Every year, we do a CapEx of around INR 2 crores or something to upgrade our plant and machinery things like that or for adding for new products, some new plant and machinery. That will be there, but nothing major.

Amit Mishra

And any other deals we are anticipating from BSNL side that one left our thing apart from what you have already got?

Konark Trivedi

We are working on that, still, so yes.

Amit Mishra

When do you think that will -- that actual implementation of through from BSNL side would happen?

Konark Trivedi

Look, it has started to happen, to tell you. So, the implementation or the rollout -- project rollout has happened. As per my understanding, a couple of 1,000 sites have already been installed and in testing phase. It's happening. The rollout is happening.

Amit Mishra

And when do you think, our part would play out?

Konark Trivedi

So, we have already started to supply this one product and a few other products are still in negotiation stage or in approval stage.

Amit Mishra

Okay, that's all from my side. Thanks a lot.

Moderator

Thank you, we have a follow-up question from Anurag Agrawal from Agrawal Analytical Investments. Please go ahead.

Anurag Agrawal

Yes. So, I just wanted to ask one last thing. What is the size of our land parcel in Dehradun, and what was the year we purchased that?

Konark Trivedi

Okay. So, it's around 500 square meters, so not a very big plot. It's just a plot of 500 square meters around that. And we purchased it in the year, I think, 2010 or around that, 2010 around that.

Anurag Agrawal

We'll probably be expecting some decent appreciation in the land value, right?

Konark Trivedi

Look, as I said, we are now advertising it in the newspaper. So tomorrow, it will be in the paper. Then we'll be expecting the valuation coming in from that. So see, the size is not big. So, we should not expect that we'll be making a lot of profit from that. It's not Bombay, its Dehradun.

Anurag Agrawal

Okay. Still, I think over a period of 14 years 13-14 years, we would have seen some kind of appreciation. If not, like at least a decent 40 -50% appreciation, I would expect?

Konark Trivedi

Yes, should be.

Moderator

Thank you, there are no further questions. Now I hand over the floor to Mr. Trivedi for closing comments.

Konark Trivedi

Okay. Thank you. Thank you everyone for being on the call and being part of our growth story, and continuing being invested in us, continuing having confidence in us. So, thank you, and talk to you soon again. Thanks.

Moderator

Thank you, sir. Ladies and gentlemen, this concludes the conference call for today. Thank you for your participation. You may disconnect your lines now. Thank you and have a good day.

-
- Note:**
1. This document has been edited to improve readability
 2. Blanks in this transcript represent inaudible or incomprehensible words.