

July 23, 2024

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

Company Trading Symbol: FROG

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

Dear Sir/Madam,

This is in furtherance to our letter dated July 16, 2024 and July 18, 2024, wherein we had given advance intimation and Audio recording, respectively, of the Q1 & FY25 Results Concall held on Thursday, July 18, 2024 at 05:00 p.m. IST to discuss the Q1 & FY25 financial results.

Pursuant to Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Transcript of the Q1 & FY25 Results Concall.

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

Request to kindly take the same into record.

Thanking You

Yours Faithfully,
For Frog Cellsat Limited

Rajat Sharma
Deputy Company Secretary
& Compliance Officer

Encl: as above



Frog Cellsat Limited Result Conference Call

CORPORATE PARTICIPANTS:

Mr. Konark Trivedi
Managing Director

Mr. Charanjeet Kalra
CFO

Q&A PARTICIPANTS:

- | | |
|-----------------------|-------------------------------|
| 1. Tushar Raghatate | : Kamayakya Wealth Management |
| 2. Rohan Patel | : Turtle Capital |
| 3. Shikhar Mundra | : Vivog Commercial Ltd |
| 4. Santosh Kondapuram | : Investment Handle |
| 5. Rohit Kumar | : Individual Investor |
| 6. Nishant Joshi | : Individual Investor |
| 7. Tushar Vasuja | : Yogya Capital |

Moderator:

Ladies and gentlemen, good day and welcome to the Frog Cellsat Limited Q1 and FY25 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 any assistance during the conference call, please signal an operator by pressing * and then 0 on your touchtone telephone. Please note that this conference is being recorded. Before we begin, I would like to point out that this conference call may contain forward looking statements about the company, which are based on the belief, opinions and expectations of the company as on date of this call. These statements do not guarantee the future performance of the company, and it may involve risks and uncertainties that are difficult to predict. I would now like to hand the conference over to Tushar from Ventura Securities Limited.

Thank you, and over to you, Tushar.

Tushar:

Thank you. Good day ladies and gentlemen. On behalf of Ventura Securities Limited, I welcome you on to Frog Cellsat Limited Q1 FY25 Earnings Conference Call. The company is today represented by Mr. Konark Trivedi, Managing Director and Mr. Charanjeet Kalra, Chief Financial Officer 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:

Good evening, everyone. Thank you for joining us today for this conference call. I along with our CFO, Mr. C. J. Kalra, welcome you all to our Q1 FY25 Earnings Call. Today, we have gathered to discuss the journey of Frog Cellsat Ltd., vision for the future and the key drivers that have propelled us to success. As you know, we are a growing company and we have been in the industry for more than 20 years. From humble beginnings, we have evolved into a leading design house and manufacturer of radio frequency equipment, catering to the diverse needs of mobile networks from 2G to 5G and beyond. Our products are not just components, they are backbone of telecom towers and public safety networks, ensuring seamless connectivity and reliability for millions of users worldwide.

With a portfolio of over 27 products, including RF repeaters, active das system and antennas, we have established ourselves as a comprehensive solution provider in the RF equipment domain. Our dedication goes beyond products. We offer end to end solution and encompassing in building coverage, planning, design and installation for mobile operators. We are also proud to announce the successful launch of our interference integration system, showcasing our commitment to leading the way in providing superior telecom services.

Looking at our performance, revenue from operations increased by 7.6 percent from INR 334.01 million in Q1 FY24 to INR 359.44 million in Q1 FY25 led by robust execution of orders. EBITDA stood at INR 28.31 million in Q1 FY25, compared to INR 36.29 million in Q1 FY24. Margins stood at 7.88% compared to 10.89% over the same period. The compression in EBITDA margin is attributed to increased hiring to meet the demand for our upcoming services. PAT stood at INR 11.75 million in Q1 FY25 and PAT margins stood at 3.27 percent during the same period.

Frog Cellsat Ltd's order book stands at impressive INR 810 million at closing of Q1 FY25, reflecting strong client confidence in our capabilities and in our ability to deliver high quality innovative telecom infrastructure solutions.

The diverse and extensive project pipeline provides a solid foundation for sustained revenue growth in the coming quarters. Looking ahead, our growth is driven by rising demands for in building coverage and expanding opportunities in mobile coverage solutions, particularly DAS, greenfield airports and metros alongside 4G to 5G upgrades. Increased spending from 3rd mobile operators, deployment of EHS coverage for railways and interference mitigation solution in operator network further bolstered our prospects. These initiatives are reinforced by the Make in India initiative and National Security Product Requirement aligning perfectly with Frog Cellsat's core competencies and positioning us for substantial benefits.

Now moving on to business update. We received an LOI from L&T Technology Services for designing, manufacturing and supply the IVS systems for Bangalore Metro, valued at approximately INR 7.4 Crore to be executed within FY 24-25. We have also received an LOA from ACES India Private Limited for the design, manufacturing and supply and services of an active DAS system for Noida International Airport. It's a significant deal also to be executed within FY 24-25.

In conclusion, FCL's future looks promising as the industry undergoes significant CapEx growth and we will contribute to this with our innovative products. We are well prepared to capitalize on the numerous growth opportunities ahead and are confident in our ability to expand our operations, while delivering value to our stakeholders. We extend our gratitude to our Board, management, employees, partners and shareholders for their unwavering trust.

Together, we aim to deliver solid performance and reliable growth for FCL. Thank you for your time, and I'm happy to answer any questions you may have. Thank you.

Moderator:

Our first question comes from Tushar Raghatate from Kamayakya Wealth Management. Please go ahead.

Tushar Raghatate:

Yes. Hi, sir. And thank you for the opportunity. So, I just wanted to know, like, you have front loaded the cost in terms of employee expense. Just wanted to know how you're seeing the FY 25 going forward in terms of margins, and how are you seeing the order pipeline going forward?

Konark Trivedi:

Right. So, Tushar, thanks for the question. I'm sure several of our shareholders are looking for answer to this question. So, look, what we have been doing for this quarter, for Q1 as well as we started this from Q4 last year, last financial year, we are building up really our team for the services as well as production to cater to the new upcoming requirements that we have and we are seeing that the orders are already there and we are expecting few other large orders to cater to those requirements, we are building the team. And that's the reason why you see the results.

The product margins are intact, the cost of employees have gone up, and that is basically a buildup to deliver new services and products for the business which we have in hand and which is an upcoming business. We are expecting a growth of about 30% in this FY25 from last year. We are expecting EBITDA margin of around 15%. Further, there is a potential upside of another 10% growth if we manage to get few of the large deals, which we are expecting.

Tushar Raghatate:

So, this guidance is coming from any soft order booking or they are yet to be ordered; the orders are to be confirmed?

Konark Trivedi:

Tushar, we get orders on quarterly basis. So, there is a regular operator business that we have, that's one thing. We are seeing nominal growth of about 20%, which is going to be there. Then in addition to that normal business growth from the operators, we already secured 2 projects. 1 is BMRCL, that's Bangalore Metro through L&T and the second project is for Noida Airport. So, this is a totally new business, which is a upside for us from the new business. We are expecting couple of more projects coming our way in a short term, maybe within this quarter, which will be again delivered within this financial year. So those are again going to be a new business for us.

Further, we are seeing upside coming in from the 3rd operator with the funding in place, with their plans for expansion extending the network. We are seeing a business growth from there, a substantial business growth. So, this is the short term for this financial year growth which we are expecting to come from.

Tushar Raghatate:

Yes. So why am I asking is because historically your guidance was trimmed by half. So just wanted to know like what sort of risk are you seeing in terms of your FY25 guidance?

Konark Trivedi:

Right. So, Tushar, see what happened last year, we initially had given guidance of 40%, which curtailed down to 20% later, and we managed around that. So why that has happened, we were expecting these projects which we have secured now in Q1 this year, BMRCL and Noida airport. These projects we were expecting in the last financial year, which for some reasons got delayed and finally came in Q1. Had they happened last year, we would have definitely hit our 40% target.

So, we missed out on that 40% and we have to curtail our forecast from 40% to 20% is simply because of that reason. But now those projects have come, so they didn't contribute last year financials, but this year they are contributing. And then we are expecting a couple of more projects closure within this quarter, which will take us to this target which we have mentioned.

Moderator:

Our next question comes from Rohan Patel from Turtle Capital. Please go ahead.

Rohan Patel:

Yes, sir. I have a question regarding, the growth you are talking about, 30% that you are going to experience this year, plus additional 10% growth you are saying, so how much that would be from our new portfolio of goods and services that were not provided last year?

Konark Trivedi:

When I say new growth or new market, new business, it's something what we are doing currently with the operators, which is a routine business. That is our existing business, which gives us potentially a growth of 20%. And that additional 10% plus 10% what I'm saying is expected to come from businesses like Noida Airport is there or BMRL is there or similar projects that we are expecting.

Rohan Patel:

Okay. So the order book that you are having right now and that you are expecting this year to come, you are expecting from that 30% growth?

Konark Trivedi:

Right.

Rohan Patel:

And regarding in one of your presentations, the opportunities that we can address, like we have couple of opportunities in an INR 100 crore basket and many in INR 50 crore. So where are we right now? Like, how many we can grab it in next 3 years or 4 years? Like, how can we take it to, like INR 500 crore revenue in next 3-4 years? And we have sufficient of opportunities that we can address. So I just want to understand the developments that are going on right now.

Konark Trivedi:

Right. So look, again, there are so one we are seeing lot of growth coming from our DAS business, IVF business because there are several new airports and metros which are getting built up, developed. There is lot of stress on in building coverage in large buildings for 4G, 5G. So that is one we are seeing a lot of upside in that. 2nd, related to this, today there is what you say regulation which is put by government on all the operators that any equipment that they are going to put in their network has to be National Security certified and that has changed a bit how the competition works. And that is helping a bit because we are national security certified as a company and our products as well.

So there is bit of headwind favoring us in that direction. Another growth perspective we are expecting is coming in from our public safety products, which are tetra coverage and the VHF coverage, which is primarily for Railway. Now again, VHF product is there, but it will take it is in the approval process. And railway's RDSO approval process takes bit of lengthy process. So, we expect that to start adding to our revenues from later this financial year or maybe next financial year. Additionally, we are investing in SMT line or EMS services. And that is further going to give us addition to our new business. And our interference mitigation solution is anywhere there. We are just waiting for conclusion with the business on that. That's another growth area.

Rohan Patel:

Do you have any order of interference mitigation system? Because this is something that we have developed indigenously over here. So do you have any progress over there? Because that could be a big opportunity.

Konark Trivedi:

Right. So still if you think things are on pause on that. We are waiting for operator to conclude a deal. It is getting included in part of some other bigger network deal, which they are currently negotiating. So we are waiting and watching. So far there is no order to answer you, but it is expected sometime soon.

Rohan Patel:

Okay. And like before we say that we won't be getting like your back end TRSP that manufacturing service, like SMT line is, margin, not margin accretive product, and now we are wanting to get into it. There are a lot of players already in SMT line. So why do we think like we will be making progress around this?

Konark Trivedi:

Right. So there are 2 things to this. 1 is we anyway for our products also we use SMT line, so for which currently we outsource it to 3rd party. So we have in house requirement for that. 2nd is, when you look at manufacturing as a service, you go out to seek customers for that. Their first priority requirement is that if we have SMT line or not, can we do SMT process enough. So if the answer to that is no, then that business opportunity drops out mostly. So if we need to do something on the lines of manufacturing in the surface, SMT line is a must.

Rohan Patel:

So I'm asking the SMT line that you are talking, will that be used captively for our other products, or you are going to out help outsource people with that? Like you are going to get contracts for manufacturing on that, right?

Konark Trivedi:

So my first objective is to use it for our in-house work. And whatever is paid capacity, if at all will be there, we plan to use it for 3rd party that too not for just the PCB assembly work but to manufacture boxes, complete boxes, units. And I was telling you the 3rd point. The 3rd point is we are already PLI recipients and now government is checking with all the PLI recipients if they are interested to enhance their investment payments, which will obviously enhance the incentives also. So, with that, if that is going to happen we are going to make this new additional investment as part of PLI, which will give us, incentives as well.

Moderator:

Our next question comes from Shikhar Mudra from Vivog Commercial Limited. Please go ahead.

Shikhar Mudra:

So wanted to understand for the growth guidance we are giving, are we expecting H2 to be significantly better than H1 or we are assuming all the 3 quarters to be roughly contributing the same?

Konark Trivedi:

We expect ramp up to start from Q2 itself, but the H2 is going to be definitely much more significantly better than Q1 and Q2.

Shikhar Mudra:

So we are expecting like quarter on quarter growth, Q2, Q3, Q4?

Konark Trivedi:

Yes.

Shikhar Mudra:

And so we are guiding for around 30% growth minimum, not assuming the extra 10%. So that's like a revenue of INR 205-210 crores. And we have right now, we have an order book of INR 80 crores. So what gives us the confidence that we'll be able to win more orders worth INR 100 crores during the year? I mean, which areas are you seeing and what gives you the confidence?

Konark Trivedi:

Right. So, as I said, our normal business is with the operators, mobile operators, is seeing nominal 20% growth, which is there. We have already signed, what you say, rate contracts because signing rate contract is an annual process which they have. So, they have already for this financial year, they have already signed rate contracts now. So that is one confidence which we have to achieve that nominal growth of 20%. Further, these 2 projects we have already announced, BMRCL and Noida Airport, they themselves are about INR 30 crores of business, which we'll be definitely billing within this financial year. So that makes it almost 10% growth, right. And then we are expecting few large projects more for airports and metro.

Shikhar Mudra:

So, the growth 30% is excluding these airports, the Noida and BMRCL?

Konark Trivedi:

No, that is including the BMRCL and Noida, yes.

Shikhar Mudra:

I mean what kind of competitive intensity is there in the for the Noida and BMRCL? Like how confident are we of getting that INR 30 crore order from there?

Konark Trivedi:

No, order is already there. Order is already there. We have to just execute.

Shikhar Mudra:

Okay. All right. And for this, let's say, whole year we do INR 205-210 crore, so roughly like what will be the breakup between the different products?

Konark Trivedi:

Look, we generally don't provide the breakup as such. But broadly, if you look at it, then in INR 205 crores, we will be doing about INR 30 crores of services, about INR 40-50 crores of projects, DAS projects. And the remaining is going to be our normal business which is IBS accessories and network accessories and antenna.

Shikhar Mudra:

Okay. And the current order book of INR 80 crores, like is it possible to give a break up? Up? Like what else is there in that?

Konark Trivedi:

We usually don't do that. We are still a very small company. Doing INR 157 crores is very small to break out thin lines from that, doesn't make that sense and gives a lot of exposure or the competition to use that data. So we will avoid giving that.

Shikhar Mudra:

All right. And so where are we with Jio like we have? I believe we have onboarded Jio as a customer, if I'm not wrong.

Konark Trivedi:

Yes. You're right. We have Jio as a customer.

Shikhar Mudra:

And how big a business would Jio, is it possible to share details about how big I mean, how fast are you scaling up with Jio?

Konark Trivedi:

It's scaling up. We'll not be able to share lot of details here because of confidential reasons. We are extremely strong with them, yes.

Moderator:

Our next question comes from Santosh Kondapuram from Investment Handel. Please go ahead.

Santosh Kondapuram:

Hi. Thank you for the opportunity. Sir, I have a question regarding the telecom sector business as such. So as your clients like Jio and Tejas Networks, they are growing at a very rapid pace. So definitely, it looks like there are certain tailwinds in the industry. Can you please enlighten us with, like, what are the, you know, in summarize form, what are the tailwinds you're seeing in the sector? Because your vendors or your customers are growing, so I'm anticipating you will also obviously grow with that effect, if you can throw some light on that.

Konark Trivedi:

Right. So, Santosh, yes, you're right. A lot of investment happening in this sector already. Although, if you see on the 5G level as of now there has been pause, operators have invested on the outdoor sites whatever they need to invest. There is a pause there on most of them. But what they're doing now is they're now looking at indoor coverage. And they're very particular about that and they're investing on the indoor coverage. And that's where we come into picture. So, we are seeing lot of growth coming in that segment.

Santosh Kondapuram:

And is it like a repetitive business or is it like onetime product that you sell for these customers?

Konark Trivedi:

So, see, one side let's say we are talking about Noida Airport. So Noida Airport, once we deploy the equipment, it is good to go for next 10 years. Unless there is in between, there will be some 6G upgrade will come, so we'll have that upgrade option in between. But majorly investment will be done in one time. Okay, Noida Airport right now what is Phase 1. Okay. Similarly, there are going to be 6 different phases for Noida airport itself, which is going to be happening over next 3 years, 4 years.

So, similar side orders we are expecting as repeat orders for different phases of Noida airport. So, this is on the expansion side. And there are new airports which are coming, which needs this equipment, something like just for example, Navi Mumbai is one airport which is going to come, which will need such equipment, right. And there are several other there is plan for almost 150, 200 new airports to be built up, each one of them will be system. So yes, there is a lot of expansion, a lot of potential there.

Santosh Kondapuram:

And how about this VHF and IBS on the railways or the metro side? Like what can you explain what is the VHF product that you're trying to build?

Konark Trivedi:

Okay. So, like there are one is cellular network or mobile coverage that we all know we use. In addition to that, there are different other networks. 1. is TETRA network which is there. TETRA network is used by police wireless, fire safety, ambulances they communicate on TETRA. So, for TETRA, we provide again the coverage solution, repeaters and DAS. Similar to that, there is VHF system which is used by Railways. So, for railways, again for that VHF system, we will be providing our repeater and DAS system for power gauge management.

Santosh Kondapuram:

Okay. And one last question. There was something, some product you were building for a defence. I know you said it was a little slow at that point in time, probably a year back. Any progress on that, anything that you're seeing in the near future?

Konark Trivedi:

I think I told this in the earlier conference calls also. So, for us, defence is going a bit slow and which is bit not matching with our DNA. We are kind of a company where we work with operators, sort of needed results, go up and down pretty fast. So it's a bit slow. Defence is a bit slow for us.

Modeator:

Our next question comes from Rohit Kumar, an individual investor, please go ahead.

Rohit Kumar:

Yeah. I have basically two questions. One question is regarding order book, current order book. And the second question is regarding, what we have added the new customer in this financial year in the Q1? And going forward, what are the plans for adding new customer based on the product we are adding to these those numbers of target of INR 500 crore, which we have kept for ourselves in next 3, 4 years.

Konark Trivedi:

The order book is at INR 81 crores at the end of Q1. That's where we are. New customer additions, we have been adding new customers primarily in the space of IBS or DAS. Like we have mentioned, we have added Indus as a new customer, Crest Digital as a customer, ACES as our customer. So, all these new additions have happened. We all these companies are working on in building solutions, providing in building service. So yes, they are created as new customers. So Jio is new customer addition. We are anyway working with Vodafone Idea where now they're having new investments and plans for new rollouts. We definitely see a potential growth of business with them. Yes, that's where we are.

Rohit Kumar:

And one I have is like we have kept the target of INR 500 crore in next 3, 4 years. So how sufficient we are at the current juncture to get those numbers?

Konark Trivedi:

Look, as the thing stand, we very much see that number happening within time. There is no doubt we have to achieve that number. It is very much achievable. And our plans are focused on that.

Moderator:

We have a follow-up question from Rohan Patel from Turtle Capital.

Rohan Patel:

I absolutely get the tailwinds that we are experiencing, and there's, like, over \$5 Billion, that's going to be spent in the next 2-3 years in private telecom, part of net, and others. So, what would be the share of our product portfolio in that? The product that we are offering, what would be the share of our portfolio? And second, how are we addressing that? Like tailwind is for everybody. It's for our peers as well. What are we doing to capture the market?

Konark Trivedi:

Sorry, Rohan. I didn't understand your and the initial part of it.

Rohan Patel:

We have a big tailwind that's happening in telecom sector. That is for everybody, all the peers. What are we doing from our side? What is Frog Cellsat doing to capture that? We have product portfolio. How are we marketing? How are we getting customers? So, if you can give an explanation.

Konark Trivedi:

Rohan, see, we are a very unique company from the product standpoint point of view. The products that we manufacture are not manufactured by any other Indian manufacturer, whether it is HFCL or Tejas or any other business that you see or any Indian manufacturer that you see telecom manufacturer. So that's where we are unique. Now so the people who we used to compete with are primarily companies who are bringing either equipment from China and supplying it under their brand or they are European or U.S. Companies. And with this, what you say, national security thing coming into place, there is definitely challenge which our competition is facing. And that is helping us a bit to secure this business further.

Rohan Patel:

And out of this \$5 Bn of opportunity that we have, like what would be the addressable for us out of those \$5Bn?

Konark Trivedi:

Look, it's difficult for me to speak on that level, drawing it down from the \$5Bn I really don't know the calculation for \$5Bn frankly. My vision is INR 500 crores and that's where I'm driving the company to.

Moderator:

Thank you, sir. Our next question comes from Nishant Joshi, an individual investor. Please go ahead.

Nishant Joshi:

Good evening. I have a few questions. Firstly, in our DRHP and presentation, it is noted that the opportunity in the 5G space is sizeable. However, our topline has been flat for the past two years, and we have set a target of reaching INR 500 crores in the next two years. Given the intense competition, how do we plan to achieve a 25-30% growth in such a competitive landscape?

Secondly, regarding our product life cycle, do we expect any repeat demand? What is the typical life cycle of our products?

Lastly, about our UK subsidiary, GoRF, what business plans are in place? Are we planning to pursue export opportunities with this subsidiary?

Konark Trivedi:

Our products these large products are bit new products. So, every product has its own lifecycle. And these are key components of the network. Now from last 2 years, we have started to deploy these products. And this I'm talking about the new growth opportunities because of regular business operator, IBF accessories and network business growth new product additions are growing at its own pace. So, this are nominal growth, but major growth comes from new product addition, new areas. Now as per DAS prospects, for that our base is already setup, we have developed our first product and are now trying to sell it. After that, we will deploy the product. Once the product is deployed, a reference point is created, forming a solid base for future sales. This allows clients to purchase our product more easily. but the most difficult part of any business is to get your 1st customer. So, we are through with that. Our DAS product which is from Cellular, has been deployed in last quarter at Lucknow airport. 5 operators have been deployed and everything is running absolutely fine. As a follow-up of that, we have received this Noida Airport project also. Right.

So now whatever new airports are going to come, we are the chosen contender for that. That opens up a significant market for us. Similarly in TETRA domain, we have deployed at Chennai airport, that opens up a significant market for us for TETRA. Before we deployed all these products, all this product where imported, but now we have got a product from a local company meeting national security requirements and which is working as per their need. VHF product is ready, waiting for approval to come, after approval similarly things has to follow, So, this is to answer your first question. 2nd question for Go RF UK, the company is there the company is formed and we are looking for opportunities there. Not very proactively right now, we are taking some baby steps there. It is part of our larger plan whereby all these products that we have developed here, you plan to take them to Europe market as well as US market. So, it is to continue that process.

Moderator:

Okay, sir. We have a follow-up question from Tushar Raghatate from Kamayakya Wealth Management. Please go ahead.

Tushar Raghatate:

Thank you for the follow-up question. Just wanted to understand like in terms of growth, how are you seeing the Q2? Do you see your growth YoY coming or you foresee a growth from H2 onwards only?

Konark Trivedi:

It will be YoY growth.

Tushar Raghatate:

Okay. And curious to know, like, the DAS as you are saying seems a very bigger opportunity. Like, why you couldn't scale up our revenue to the extent in tandem with the growth prospect or the size of the opportunity? Like, your thought on that.

Konark Trivedi:

So as I said, there is a path to anything. Now everything moves in a step. So what has happened is, as I explained earlier in the last question, first you do the product development, then the product testing happens, product approvals happen, then you get your 1st customer, you deploy the product, it gets tested, people your customers get satisfied looking at it, you create a reference. And then it opens up the big market for you. So we have gone through those steps already and now we are up for the big market.

Tushar Raghatate:

Got it, sir and then in terms of competition, like how are you seeing like, what is the difference between our product and our competitors' product, you know, in terms of pricing for the airport authority? And why we see ourselves as capturing the market going forward?

Konark Trivedi:

Look, the projects win that we have on the latest projects talks about it that we comply to the customer requirements. And we are obviously competitive and that's the reason why the orders have been closed in our favor. So that's where we stand.

Tushar Raghatate:

Okay. Who is the market leader in DAS as of now?

Konark Trivedi:

Look, there are global companies like CommScope is from US, then there is a Korean company called Solid, whose equipment is deployed in Delhi Airport. There is a company called PROS Technologies whose equipment is deployed in, Bangalore Airport. So, these are the companies whose equipment has been going in the projects so far. And now we are taking over them.

Tushar Raghatate:

Okay. And sir, what would be a pricing difference between them and us, like the difference?

Konark Trivedi:

Look, it's a competitive world, so you have to compete with them shoulder to shoulder. But right now, it's not just about price, but it's also about the national security approvals and all.

Moderator:

Thank you, sir. Our next question comes from Tushar Vasuja from Yogya Capital. Please go ahead.

Tushar Vasuja:

Hello, sir. So, my question is on, as you mentioned that you are the sole manufacturer of some of the products that you mentioned in India at least. So, like my question is, this is a high growth industry and the margins are pretty lucrative. So, like why won't other players try to enter? Is it already happening? Like do you see competition at your level?

Konark Trivedi:

Look, we don't see competition. There are certainly there are not many, many companies, many Indian companies who are into telecom equipment and manufacturing. There are just handful of companies who are there, at least on the active side of it. To develop any product, it takes time. So, if someone starts from today, we have also invested good 5 years in developing the product, in getting it certified, in entering the market, getting the 1st customer. So, it takes time. It's not something which you can do it from within 6 months or a year.

Tushar Vasuja:

Okay, sir. So, one more question regarding this. Is there any scope of patenting your tech or product?

Konark Trivedi:

Yes, wherever we are getting that opportunity, we are patenting it. So, few patents we have already applied and so that work is on here.

Tushar Vasuja:

Okay. And some more questions regarding your order book. So you have order book of somewhere around INR 80 crores. So what is the completion period for it?

Konark Trivedi:

All of it will be completed within this financial year for sure. As I said that this order book also includes the 2 projects BMRCL and Noida Airport. So, these projects will be most likely closed within Q3. And retaining what is ongoing business from operator, which picks up as per the rollout.

Tushar Vasuja:

What's the average size and tenure of an order that you get?

Konark Trivedi:

Look, if you talk about the normal run rate business from operator, the orders keep coming in every size. So, to tell you that there can be order which is like INR 500 order, just few connectors. Okay. And at the same time, there is order which comes in excess of like INR 10-15 crores also. So, it depends on what they want to order. But the run rate business with the operator works on rate contract. As I mentioned in the earlier question, they usually sign rate contract on the Q1. So, for this financial year, they've already done for almost all the items that they buy from us. And then now we are getting the orders for that and we are supplying.

Tushar Vasuja:

One more thing regarding the PCB line that you've put up, the SMT line, So how much would that potentially save us? Because right now, we are outsourcing the PCB requirements, right? So how much would that save us annually?

Konark Trivedi:

Okay. Tushar, firstly we have not put up the PCB line, SMT line right now, It's in the plan. We have delayed the plan of putting it. As I mentioned, we are expecting that we'll get an opportunity to increase our investment limits in as per PLI. And if that opportunity is coming to us, we would like to include this SMT line investment in that investment bucket that we'll have for PLI, so that we'll have increased incentives under PLI. So, this is one. And the second is, it's not just about saving on the current product cost which we used to give to outside world, that cost is not that much, but it is the new products that we are coming up as ONT. So ONT manufacturing will be a large volume manufacturing and primarily SMT line will be used for ONT.

Tushar Vasuja:

One last question. How much is the revenue from top ten customers for FY24 and for this quarter?

Konark Trivedi:

Look, we don't have too many customers, Tushar. Probably if you look at our total customers, they will be 10, 12 customers only, right? So, our revenues from top 10 customers, if you ask, maybe it's 99%.

Tushar Vasuja:

Okay so who is the biggest customer for us?

Konark Trivedi:

Airtel is the biggest customer.

Tushar Vasuja:

And can you reveal how much revenue we get from them?

Konark Trivedi:

Yes. So last year, it was around 70% plus from them.

Moderator:

Thank you, sir. That was the last question. Now I hand over the floor to Mr. Trivedi for closing comments.

Konark Trivedi:

We thank all the participants for attending this session. We believe that we have satisfactorily run you through our company and financials and addressed every arising questions thereon put up on the floor by the participants. We continue to see growth in our broad product portfolio and witness a strong momentum across our business support by R&D and other strategic initiatives.

We remain focused on bringing new products, exploring new markets and creating value for all our stakeholders. Please follow-up with Investor Relations team Kunal and Naman of Captive IR, if you have any questions, which weren't covered up in the session. And hope you have a great day ahead. Thank you once again.

Moderator:

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