



**QUADRANT FUTURE TEK
LIMITED**

IPO NOTE – Investor Education Series

January 2025



ISSUE HIGHLIGHTS

- The Company was incorporated as 'Quadrant Cables Pvt. Ltd' on September 18, 2015, at Mohali, Punjab. The name of the company was changed to 'Quadrant Future Tek Pvt. Ltd', in October 2021 and Subsequently changed to 'Quadrant Future Tek Limited' on conversion to a public limited company.
- Quadrant is engaged in the business of **manufacturing of speciality cables** and design, development & **manufacturing of embedded systems for railway signalling & train control applications**.
- The company **engaged in developing** new generation **Train Control and Signalling Systems** under **KAVACH project** of the Indian Railways. The Company has received a purchase order from Chittaranjan Locomotive Works for supply, installation, testing and commissioning of On-board Kavach equipment in **1,200 locomotives** for an aggregate value of **₹ 978.61 Cr.**
- The Company has been **awarded technical clearance for deployment of its KAVACH system** for installation at **5 railway stations, 10 trains / locomotives and 5 units of Remote Interface Units.**
- The company has entered into an **exclusive MOU with RailTel** for delivering the specific targeted **opportunities related to KAVACH in Indian Railways and other Countries Railways.**
- For the **Train Control & Signalling division**, the Company had an **installed capacity of 4,492 Station TCAS, 2,264 Locomotive TCAS and 3,744 Remote Interface Units.**
- The **speciality cables** manufactured by the Company are **used in Railways rolling stock and Naval (Defence) industry.** The company's facility also possesses **end-to-end infrastructure capabilities for the production of Solar & EV Cables.**
- The company's **manufacturing operations are situated in Basma, Mohali, Punjab**, with a dedicated Production floor area of **~60,000 sq. ft.** The company's manufacturing facility is accredited with **quality management system certificates** for compliance with **ISO 9001:2015, 14001:2015 and 9001:2015 requirements.**
- The company's Railway Signalling & Embedded System Design centre is located in Bengaluru and Hyderabad. The Railway Signalling & Embedded System Design is working towards development of **Train Collision Avoidance System** and **Electronic Interlocking System** under KAVACH.
- The company's **revenue from operations increased** from ₹ 104.26 Cr in FY 2022 to **₹ 1,51.82 Cr** in FY2024, at a **CAGR of 20.65%**. The company's **EBITDA margins** improved from 9.12% in FY2022 to **24.15% in FY2024**, while **Profit after Tax** increased from ₹ 1.89 Cr in FY2022 to **₹ 14.69 Cr.** For 6 months ended September 30th, 2024, the company reported Revenue from Operations of ₹ 65.14 Cr, EBITDA margins of 1.25% and Profit/(Loss) after Tax of ₹ (12.01 Cr).

BRIEF FINANCIAL DETAILS*

(₹ IN Cr)

Particulars	As at Sept 30 th , 2024 (6)	As at March 31 st ,		
		2024 (12)	2023(12)	2022(12)
Share Capital	30.00	10.00	10.00	10.00
Other Equity	4.18	34.11	19.42	5.61
Net Worth as stated	34.18	44.11	29.42	15.61
Total Borrowings	98.01	81.61	74.00	80.68
Revenue from Operations	65.14	151.76	152.80	104.26
Revenue Growth (%) as stated	-	(0.69)	46.56	-
EBITDA as stated	0.82	36.67	26.55	9.51
EBITDA Margin (%) as stated	1.25%	24.15%	17.36%	9.12%
Net Profit for the period	(12.01)	14.69	13.82	1.89
Net Profit (%) as stated	(18.50%)	9.68%	9.04%	1.82%
EPS – Basic & Diluted (₹)	(4.02) ^	4.9	4.61	0.63
ROE (%)	(37.45%)	33.41%	47.03%	12.17%
ROCE (%)	(10.34%)	26.12%	27.20%	8.43%
NAV (₹) as stated	11.39	14.7	9.81	5.2

Source: RHP, * Restated Consolidated^ not annualized; Co. issued bonus shares in the ratio of 2:1 on April 15, 2024

Issue Details

Fresh Issue of Equity Shares aggregating to ₹ 290 Cr

Issue size: ₹ 290 Cr

No. of shares: 1,05,45,455~1,00,00,000^ Shares

Face value: ₹ 10/-

Price band: ₹ 275-290

Bid Lot: 50 Shares and in multiple thereof

Post Issue Implied Market Cap =

₹ 1,115 Cr - ₹ 1,160 Cr

BRLMs: Sundae Capital Advisors Pvt. Ltd

Registrar: Link Intime India Pvt. Ltd

Issue opens on: Tuesday, 07th January 2025

Issue closes on: Thursday, 09th January 2025

Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	10-01-2025
Refunds/Unblocking ASBA Fund	13-01-2025
Credit of equity shares to DP A/c	13-01-2025
Trading commences	14-01-2025

Issue break-up

	No. of Shares		₹ In Cr		% of Issue
	@Lower	@Upper	@Lower	@Upper	
QIB	79,09,100	75,00,000	217.50	217.50	75%
NIB	15,81,805	15,00,000	43.50	43.50	15%
-NIB2	10,54,505	10,00,000	29.00	29.00	
-NIB1	5,27,300	5,00,000	14.50	14.50	
RET	10,54,550	10,00,000	29.00	29.00	10%
Total	1,05,45,455	1,00,00,000	290.00	290.00	100%

NIB-1=NII Bid between ₹ 2 to 10 Lakhs

NIB-2=NII Bid Above ₹ 10 Lakhs

Category	Retail Category	NII-Bid between ₹ 2 - 10 Lakhs	NII-Bid Above ₹ 10 Lakhs
Minimum Bid Lot (Shares)	50 Shares	700 Shares	3,450 Shares
Minimum Bid Lot Amount (₹)	₹ 14,500^	₹ 2,03,000^	₹ 10,00,500^
Appl for 1x	20,000 Applications	714 Applications	1,429 Applications

Listing: BSE & NSE

Shareholding (No. of Shares)

Pre-issue	Post issue~	Post issue^
3,00,00,000	4,05,45,455	4,00,00,000

~Lower price Band ^ Upper Price Band

Shareholding* (%)

	Pre-Issue	Post-Issue
Promoter	80.63%	60.47%
Promoter Group	12.70%	9.53%
Public	6.67%	30.00%
Total	100.00%	100.00%

* As per RHP



BACKGROUND

Company and Directors

The Company was incorporated as 'Quadrant Cables Pvt. Ltd' on September 18, 2015, at Mohali, Punjab. The name of the company was changed to 'Quadrant Future Tek Pvt. Ltd', in October 2021. Subsequently, on conversion to a public limited company, the name was changed to 'Quadrant Future Tek Limited'. Quadrant is engaged in the business of manufacturing of speciality cables and design, development & manufacturing of embedded systems for railway signalling & train control applications.

Brief Biographies of Directors & Key Managerial Personnel

Satish Gupta is the Independent Chairman of the Company. He has an experience of ~ 29 years in various industries at corporate functions. Previously he has worked with Yamaha Motor India, Moser Baer India Ltd and super annuated from Tata Power Solar Systems Ltd as CFO.

Mohit Vohra was appointed as Director in the Company on August 16, 2017, and designated as Managing Director w.e.f. March 01, 2024. He has an experience of 26+ years and has previously worked with MNCs like Thermax Ltd, Pouyet Communication India Pvt. Ltd and Tyco Electronics Corporation India Pvt. Ltd before venturing with his own venture under MV Electrosystems Ltd in 2009. At Quadrant, in addition to the responsibilities of being the Managing Director, he is responsible for the Research and Development and marketing for Train Controls and Signalling Division.

Pramod Jain is an Independent Director. He is also a Chartered Account in Practice, Partner at Lunawat & Co. He is holding Certificate of Practice since 1992 and has experience in the field of taxation laws, audit, assurance, corporate laws, advisory and consulting.

Girish Buttan is an Independent Director of the Company. He has an experience of about 30 years in the field of Legal and Secretarial functions and had previously worked with organisation namely, Umang Dairies Ltd, Turner Morrison Ltd, Yamaha Motor India Pvt. Ltd, Zee Turner Ltd, Neo Sports Broadcast Pvt. Ltd, Times Strategic Solutions Ltd and Essel Group.

Kanika Bhutani is an Independent Director on the Board of the Company. She has an experience of ~ 12 years in corporate law, compliances and secretarial department in various industries and had previously worked with Studds Accessories Ltd, Asian Oilfield Services Ltd, Raghbeer Machinery Pvt. Ltd and Integrated Industries Ltd.

Amit Dhawan was designated as Whole Time Director w.e.f. March 01, 2024. He has an experience of 22 years in networking and relationship building and service delivery within the railway domain business. He started his entrepreneurship journey as a partner in M/s Four Square Buildcon in February 2002. He is also a director in MV Electrosystems Ltd, MV Mobility Ltd and Iboard India Ltd. He is heading the sales function of the Company.

Amrit Singh Randhawa is a Director of the Company since incorporation and designated as Whole Time Director w.e.f. March 01, 2024. He has 24 years of experience in International Switchgears Pvt. Ltd in the field of finance and production. He oversees administration, information technology and compliance functions of the Company.

Rupinder Singh is a Director of the Company since incorporation and designated as Whole Time Director w.e.f. March 01, 2024. Since year 1992, he is associated with M/s. NEC Switchgears & Controls and has experience in the field of manufacturing of electric control panel, custom built Switchboards and Panels, feeder junction boxes & cable harness.

Vishesh Abrol has been a Director of the Company since incorporation and designated as Whole Time Director w.e.f. March 01, 2024. He oversees the purchase function of the Company. He has experience in the field of railways in handling manufacturing operations for Low Tension Switchgear, Miniature Circuit Breakers (MCB's) and Distribution Equipment's and other corporate level functions.

Vivek Abrol has been a Director of the Company since incorporation and designated as Whole Time Director w.e.f. March 01, 2024. He oversees the production and human resource functions of the Company. He has experience in the field of railways in handling manufacturing operations for Low Tension Switchgear, Miniature Circuit Breakers (MCB's) and Distribution Equipment's and other corporate level functions.

Aikjot Singh has been the Director of the Company since incorporation. He oversees production, planning and control process in the Company. He has experience in the field of field of manufacturing electric control panel, custom built Switchboards and Panels, feeder junction boxes & cable harness.

Rajbir Singh Randhawa has been the Director of the Company since incorporation. He oversees new business development opportunities in the Company. He has experience in the field of manufacture of L.T. (Low Tension) Control Panel having application in multiple industries including railways.

OBJECTS OF THE ISSUE

Objects	Amount (₹ Cr)
• Funding long-term working capital requirements of the Company (Specialty Cable Division)	149.72
• Capital expenditure for development for Electronic Interlocking System	24.38
• Prepayment/ repayment of all / a portion of outstanding working capital term loan availed by Company	23.62
• General Corporate Purposes	[•]
Total	[•]

SHAREHOLDING PATTERN

Shareholders	Pre-offer		Fresh Issue of Equity Shares [^]	Post-offer	
	Number of Equity Shares	% of Total Equity Share Capital		Number of Equity Shares	% of Total Equity Share Capital
Promoter and Promoters Group					
<i>Promoter</i>	2,41,88,670	80.63%	-	2,41,88,670	60.47%
<i>Promoters Group</i>	38,11,330	12.70%	-	38,11,330	9.53%
Total for Promoter & Promoter Group	2,80,00,000	93.33%	-	2,80,00,000	70.00%
Public	20,00,000	6.67%	1,00,00,000	1,20,00,000	30.00%
Total for Public Shareholder	20,00,000	6.67%	1,00,00,000	1,20,00,000	30.00%
Total Equity Share Capital	3,00,00,000	100.00%		4,00,00,000	100.00%

([^] at upper price band)

BUSINESS OVERVIEW

Quadrant is a research-oriented company, engaged in developing new generation Train Control and Signalling Systems under KAVACH project of the Indian Railways that offers the highest level of safety and reliability to rail passengers and also possess a Speciality cable manufacturing facility with Electron Beam Irradiation Centre.

The speciality cables manufactured by the Company is used in Railways rolling stock and Naval (Defence) industry. The company's facility also possess end to end infrastructure capabilities for production of Solar & EV Cables.

The Company has 1 facility for manufacturing, testing, researching, and developing specialty cables and also to manufacture the hardware required for Train Control & Signalling Division, which is situated at Mohali, Punjab.

Specialty Cables Division: The Company offers Speciality Cables for the industrial usage and other applications where fire and safety, light weight and long term performance are of utmost importance. The in-house formulated low smoke fire resistant polymers for insulation / sheath of the cables are treated with Electron Beam radiations that enable the cross linking of the molecules to achieve much superior mechanical and thermal properties.

The company has installed a 2.5 MeV Electron Beam Industrial Accelerator for cable manufacturing plant which helps the company to offer Speciality cables with improved mechanical properties, abrasion and thermal resistance, flame propagation resistance and deformation resistance properties without producing heat and an increased life as compared to chemically cross linked cables. The Company is accredited with various national and international certifications namely, NQA Certification Ltd and ROHS Certification Pvt. Ltd for its speciality cables division.

The company has a wide product portfolio which includes railways rolling stock cables, naval defence, marine cables, solar PV cables, automotive cables, and connectors & junction boxes. The company also provides end to end solutions for electrical connectors and wiring harness with the complex arrangement of various wires and cables as per the demand of the client.

Train Control & Signalling Division: The growing Indian landscape for railways serves as a key opportunity for the Company. Indian Railways is developing and creating technology in areas such as signalling and telecommunication with installation of 'Kavach', the domestically developed Train Collision Avoidance System, on the Indian Railway network. Once implemented, KAVACH will be the world's cheapest automatic train collision protection system, costing ~ ₹ 0.7 Cr per kilometre to operate compared to about ₹ 2 Cr per kilometre worldwide.



The Company has built this indigenously developed Train Collision Avoidance System that uses radio transmission & support LTE technology meeting the Safety Critical standards as per SIL-4 requirements, interoperability with other competitors' product & systems and to detect and stop a possible train collision under the KAVACH project developed by the Research Designs & Standards Organisation (RDSO) under the Ministry of Railways. The company has vertically integrated manufacturing operations for the hardware and software required for Train Control and Signalling Division which allow it to manage manufacturing processes in-house, from design and development to manufacturing and delivery.

The Company has been awarded technical clearance for deployment of its KAVACH system and order has been received by the Issuer for installation of the same at 5 railway stations, 10 trains / locomotives and 5 units of Remote Interface Unit besides the track on a stretch of 43.6 km at "Moula-Ali (Excluding) - Raghunathapalli section of South-Central Railway - Reach 2" covering 5 stations and 10 train sets. The said order is for an aggregate value of ₹ 16.86 Cr.

The company has received a purchase order on December 12, 2024, from Chittranjan Locomotive Works for the supply, installation, testing, and commissioning of On-board Kavach equipment in 1,200 locomotives for an aggregate value of ₹ 978.61 Cr (including taxes). Further, after completion of the warranty period under the said purchase order, the company will receive a maintenance charge equivalent to a sum of 3% per annum of the total Capital cost of Onboard Kavach equipment supplied by the Company for the maintenance period of 11 years thereafter.

On May 01, 2024, the company has entered into a MOU with RailTel Corporation of India Ltd to define a framework of inter-se co-operation to (i) establish high level understanding of intended opportunities to pursue within the said MoU, (ii) KAVACH as a means of Automatic Train Protection System for Railways in India and abroad, and (iii) to re-align and broaden the above targeted scope as per the opportunities within other countries and their Railway System.

The company's products comply with ISO / IRIS / TS standards and follow rigorous and robust Quality Management Systems for Speciality Cables. For the Train Control & Signalling division, the Company had an installed capacity of 4,492 Station TCAS, 2,264 Locomotive TCAS and 3,744 Remote Interface Unit, based on the estimated speed of the SMT machine installed at the company's factory at Basma, Mohali. However, no production has been undertaken by the Company.

The company's infrastructure facility for manufacturing, testing, researching, and developing specialty cables is at Village Basma Tehsil Banur, Distt Mohali, Punjab, India. The company's Railway Signalling & Embedded System Design centre for Train Control & Signalling Division is based at Bengaluru, Karnataka and Hyderabad, Telangana.

REVENUE FROM OPERATIONS

Segment	As at Sept 30th 2024		Ast at March 31st,					
	2024		2024		2023		2022	
	Amt (₹ Cr)	%	Amt (₹ Cr)	%	Amt (₹ Cr)	%	Amt (₹ Cr)	%
Wires & Cables (Railways)								
Indian Railways	24.17	37.10%	71.87	47.36%	73.76	48.27%	56.25	53.95%
Pvt. Sector (other than group co)	11.20	17.20%	20.81	13.72%	9.66	6.32%	9.25	8.87%
Pvt. Sector (group co.'s)	24.09	36.99%	24.19	15.94%	30.70	20.09%	35.65	34.19%
Sub Total	59.46	91.29%	116.87	77.02%	114.12	74.68%	101.15	97.02%
Wires & Cables (Defence)								
Public Sector Undertakings	1.86	2.86%	33.75	22.24%	36.92	24.16%	3.05	2.92%
Sub Total	1.86	2.86%	33.75	22.24%	36.92	24.16%	3.05	2.92%
Train Control & Signalling Division								
Indian Railways	2.69	4.14%	-	-	1.43	0.93%	-	-
Sub Total	2.69	4.14%	-	-	1.43	0.93%	-	-
Other income from operations	1.12	1.72%	1.14	0.75%	0.34	0.23%	0.06	0.06%
Total Revenue from Operations	65.14	100.00%	151.76	100.00%	152.81	100.00%	104.26	100.00%

Source: RHP

BUSINESS MODEL

The company has two business divisions, speciality cables and Train Control & Signalling Division.

A] Speciality Cable Division: The company understands the future needs of some demanding areas / industries where fire safety, low weight & durability are of utmost importance. That includes niche areas like railway rolling stock, naval defence & aerospace, aviation, solar & wind energy and electric vehicles and thus build specialization in development & production of electric & control cables for these industries.

The Company possess the E-beam facility for the manufacturing of speciality cables including the 2.5 MeV Electron Beam irradiation facility approved by the Atomic Energy Regulation Board of India. The company's unique polymers, being used for the insulation / sheathing of the cables, are formulated to achieve special features when treated with Electron Beam radiation. The Company possesses various system certifications including ISO 9001:2015, 14001:2015 and 9001:2015.

The Company has following infrastructure & facilities for the development, production & testing of Electron Beam Irradiation Cables at its plant located at Mohali, Punjab:

- 2.5 MeV Electron Beam Irradiation Centre (Regulated by Atomic Energy Regulation Board of India)
- Polymer Compounding Facility
- Conductor processing Facility
- Polyethylene Based High Speed Cable Extrusion Line
- Silicone Cable Extrusion & Vulcanization line
- Certified Test Facilities – Mechanical, Electrical, Electronics, Thermal, Chemical, Metallurgical, Radiation
- Dosing, Fire & Smoke Testing

Product Portfolio - Speciality Cables

Railway rolling stock: The company's manufacturing facility is approved by RDSO for the supply of Single Core / multi core Control & Power Cables, Signalling Cables for Railway Coaches, Locomotives & EMU's for varied thin-walled cables for 3 phase locomotives with cable sizes upto 2.5 sq mm (= 2.5 sq mm), 04 to 35 sq mm and 50 sq mm and above. The cables are being supplied to various Indian Railways Production Units. (Low Fire Hazard, Thin Walled, High Temp Bearing as per EN50306/ EN50264/ EN50382). Some of the cables manufactured are 300V Irradiated Cables, 750V Irradiated Cables, 1.8/3.0KV Irradiated Cables and 3.6/6.0 KV Irradiated Cables.

Naval Defence: The company's manufacturing facility is approved by DGQA for the supply of Single Core/Multi Core, Screened/Un-Screened Cables for Naval Ships and the fully compliment the Domestic/ International Marine Industry (Thin Walled, Shipboard Fire Survival, Halogen Free Irradiation Crosslinked). Some of the cables manufactured are Irradiated Cables EED-50-12, Irradiated Cables EED-50-13 and ABS/DNV/VDE/Lloyd Register.

Renewable Energy Cables: Quadrant is set to manufacture and offer a complete range of Solar Cables compatible with TUV standards along with value added solutions like Solar Connectors, Junction Boxes and complete assemblies. The cables are designed to withstand harsh environments meeting 2 Pfg 1169 and EN50618:2015 standards.

Electric Vehicles: In line with the global technological advancements, especially in areas like Hybrid & Electric- Vehicles where light weight & long-term performance are they key requirement, Irradiation Cross-Linked cables is an evident choice, and the company is expanding its product portfolio for such Electric Vehicles. The company has received the IATF Certificate for the Speciality cables to be manufactured for electric vehicles.

B] Train Controls & Signalling Division: Indian Railways has envisaged investment in KAVACH project over the next 5 years on multiple signalling technologies and telecommunication to enhance safety and security. Expanding the railway network capacity through signalling modernization will do away with the need to lay new tracks by acquiring land.

The Company possess following infrastructure & facilities for the design, production & testing of Train Control & Signalling Systems:

- Dedicated Software Engineering Centre for Train Control & Signalling Systems Located at Bangalore
- Dedicated Embedded Design & end-to-end Railway Signalling Projects Design Centre at Hyderabad
- Fully Automated Electronic Manufacturing Line with Integrated Online Test Facility
- Fully Automated Testing & Simulation Centre for Development of Safety Critical Systems

Train Collision Avoidance System (KAVACH): There has been a strong endeavour by Indian Railways to increase the Speed of the trains. That will offer two immediate benefits:

- Reduce the travel time of the passengers
- The same Rail Network, Infrastructure & Manpower can be utilized to run more number of trains, this can substantially increase revenues.

This initiative is possible only with modern & advanced Signalling (Rail Traffic Management) systems, that will ensure safety when the trains run at high speeds. To support this initiative by Indian Railways, Quadrant has ventured into Railway Traffic Management Solutions & come up with its solution, namely, Train Collision Avoidance System (TCAS). As part of the company's design and TCAS development, the company have sourced software and base technology from its service provider and the development of software has been done at the company's Railway Signalling & Embedded System Design centre based in Hyderabad and Bengaluru. The KAVACH technology is not exclusive to the Company. The KAVACH systems works on the



combination of hardware and software. The Company had been into developmental phase for the KAVACH system which was capitalization by the Company effective from October 18, 2023.

PRODUCTION CAPACITY AND CAPACITY UTILISATION

Speciality Cable manufacturing facility

Particulars	6 Months ended September 30,2024	As at March 31 st ,		
		2024	2023	2022
Average Estimated Available Capacity (metric tonnes)	1,887.60	1,887.60	1,638.00	1,500.72
Actual Production (metric tonnes)	472.42	932.91	888.72	864.64
Capacity Utilisation (%)	25.03%	49.42%	52.46%	57.62%

Source: RHP, Installed Capacity based on Operations on 3 shifts of 08 hours each continuous running plant for working of 26 days a month.

SMT line for Train Collision Avoidance System hardware

Particulars	6 Months ended September 30,2024	As at March 31 st ,		
		2024	2023	2022
Average Estimated Available Capacity (no. of units)				
- Station TCAS	4,492	4,492	4,492	4,492
- Locomotive TCAS	2,264	2,264	2,264	2,264
- Remote Interface Unit	3,744	3,744	3,744	3,744
Actual Production	Nil	Nil	Nil	Nil
Capacity Utilisation (%)	-	-	-	-

Source: RHP

COMPETITIVE STRENGTHS

- **Innovation and technological development undertaken by the Company for building Automatic Train Protection Systems**

There are four building blocks that constitute train control systems, namely (i) Domain expertise of Signalling and Train controls, (ii) Product Engineering, (iii) Safety critical system engineering and (iv) Knowledge and application of global standards. The Train Control System is designed and developed by the company in line with CENELEC Standards to meet SIL-4 safety specification. For development of such products, the team carries relevant experience in the field of such product development and programming and have knowledge of global standards as these systems are safety critical for Indian Railways. The teams at Quadrant are built over the years on the four building blocks and form the pillars of innovation and technological development undertaken by the Company.

- **Entered into an exclusive Memorandum of Understanding with RailTel for delivering the specific targeted opportunities related to KAVACH in Indian Railways and other Countries Railways**

The Company, on may 01,2024 has entered into a Memorandum of Understanding with RailTel Corporation of India ("RailTel"), to define a framework of inter-se co-operation to (i) establish high level understanding of intended opportunities to pursue within the said MoU, (ii) KAVACH as a means of Automatic Train Protection System for Railways in India and abroad, and (iii) to re-align and broaden the above targeted scope as per the opportunities within other countries and their Railway System. This MOU has made the Company eligible to supply KAVACH equipment as an OEM to RailTel for the projects awarded to RailTel, and includes the component of implementation of KAVACH too, in India and abroad.

- **Have in-house design and product development capabilities powering the Rail Signalling Products & Solutions**

The company's Railway Signalling & Embedded System Design centre is located in Bengaluru and Hyderabad and consists of 28 employees as on October 31, 2024 in the Railway Signalling & Embedded System Design centre. The company has designed, developed and engineered the software for Train Collision Avoidance System in-house with a focus on performance, reliability and autonomy and in line with the needs of Indian Railways. The company's manufacturing operations are situated in Basma, Mohali, Punjab, with a dedicated Production floor area of ~60,000 sq. ft. and is equipped with advanced equipment, modern technology, and automation systems to manufacture the hardware required for Train Control & Signalling Division.

- **Unique technology for the manufacture of cables that meets the stringent requirements for multiple industries, namely Railways, Naval Defence, Renewable Energy & Electric Vehicle sectors**

The company offers a wide range of speciality cables for railways as well as the defence sector. The company has a range of speciality cables meeting the requirements of its customers where Fire & Safety, Light Weight & Long-Term performance are of utmost importance. The company believes that offering high-quality products and operational execution focused on continual improvement supports the company's ability to offer a wide range of products for varied applications.

- **Advanced manufacturing facilities with a diverse range of power and control cables with focus on innovation and cost competitiveness**

The company is one of the few manufacturers in India approved by RDSO, DGQA and Indian Register of Shipping with in-house capabilities of manufacturing and supply of Single Core / multi core Control & Power Cables, Signalling Cables for use in Railway Coaches, Locomotives & EMU's and also for the supply of Single Core/Multi Core, Screened/Un-Screened & Power Cables for Naval Ships. The company made its first supply of cable for Naval Ships during the FY2022 with an insignificant turnover of ₹ 3.05 Cr and later increased to ₹ 36.92 Cr, representing 24.16% of the total sales during the FY2023.

The company's competitive edge lies in Railway Signalling & Embedded System Design team, product innovation and quality. The company has developed systems throughout its production process to ensure the quality and reliability of its products and meet the standards of Research Design and Standards Organisation (RDSO), DGQA and Indian Register of Shipping. The company's manufacturing facility is accredited with quality management system certificates for compliance with ISO 9001:2015, 14001:2015 and 9001:2015 requirements.

The company received Fresh Registration for inclusion of the name of the Company in the 'List of RDSO vendors for developmental orders for manufacture and supply of electric items QAE-M-7.1.1-2 (latest)' on December 14, 2017, and the company has more than 6 years of experience in the manufacturing of the irradiated wires and cables.

- **Global emergence of market for Speciality cables in renewable energy and electric vehicles and supply of such Speciality cables to OEMs with high global market penetration.**

There is a growing thrust on adopting electric vehicles (EVs) across the globe amid increasing carbon emissions which have serious repercussions including global warming. The company's deep product knowledge and multiple usage of Speciality cables gives it the insight into multiple industries which it believes may serve as a critical source supplier for global OEMs. Further, India's solar energy sector has emerged as a key participant in grid-connected power generation capacity over the past decade.

The company has developed solar cables in line with 2pfg1169 / N50618 requirements for captive solar projects dedicated for electric charging stations, green hydrogen plants for generation of green energy. The company has further developed low fire hazard, light weight cables for electric vehicles, to cater to the transition of fossil fuel vehicles to Battery / hydrogen electric vehicles.

- **Experienced Promoters and senior management team**

The company is led by a qualified and experienced management team, who are supported by a capable and motivated team of managers and other employees. The company is led by experienced Promoters and a qualified senior management team with significant experience in the railways sector and manufacturing industry. The Managing Director has over 26 years of experience including working with MNCs handling multiple roles in Rail, Defence & Electronic Component Markets. The other promoter directors have entrepreneurial experience in the Rail Sector. The company's senior management team includes seasoned technology professionals with experience in railways, as well as professionals with deep experience in product development, strategy development, designing and installation of technology solutions and network user management.

KEY BUSINESS STRATEGIES

- **To continue focus on new products through constant research and development**

Current areas on which the Company is focused include:

- Environment Protection: Transition to Renewable Energy & Electric Vehicles using Electron Beam Cables
- Higher Train Speeds for Better Passenger Experience & Better Infrastructure utilization: Safety Critical
- Signalling Systems
- Rolling Stock & Defence Systems Modernization: Fire Safety of Passengers in High-Speed Trains & Defence Sector: Electron Beam Cables
- Expansion of Business through Exports to other countries

The company intends to continuously invest in research, design, and innovation to build safer, valuable, cost-effective solutions for its customers.

- **Make in India and focus on indigenisation**

The Department for Promotion of Industry & Internal Trade (DPIIT), has chosen 24 sub-sectors (including railways, automobile, chemicals, medical devices, auto-components, defence manufacturing, electronic systems etc.) to boost local manufacturing based on local competency. India is progressing towards self-reliance in the field of railways including all aspects like high-

speed trains, quality of coaches, technology advancement, Automatic Train Protection and Operations, tracks, signalling, etc. Reducing import dependence and promoting the growth of domestic manufacturing and service industry in Indian Railways is one of the key emphases of the Government.

- **Expansion of business to other areas of Automatic Train Protection and railway safety**

The company has invested a significant amount towards capital expenditure aggregating to ₹ 59.44 Cr till date in developing its platform for Automatic Train Protection system, including TCAS and intends to continue investing in upgradation of the said system including addition of newer technologies to enhance its design and development. The train control and signalling division primarily consists of 3 parts, namely, Train Collision Avoidance System, Electronic Interlocking System and Multi Section Digital Axle Counter.

- **Electronic Interlocking Systems ('EI'):** EI is a computer-based electronic interlocking system used for controlling points, signals, level crossing gates, etc., through a centralized control panel. Going by the Government's ambition to switch over completely to Electronic Interlocking in all the stations across the country, there will be a massive deployment in about 5000-6000 Stations in next 5-7 Years.
- **Multi Section Digital Axle Counter:** With the implementation of Automatic Block sections over the Rail Network, there is going to be deployment of Axle Counters all over that plays a vital role in Railway Signalling. An Axle counter is a device for monitoring a specified section of track for the presence of vehicle.

Presently the Company has developed a solution for Train Collision Avoidance System. With the successful deployment of the same, the company plans to extend its business operations to new avenues under the railway safety measures to be implemented by MoR.

- **Continue to grow share of business from non-promoter group companies**

The revenue derived by the company from non-Promoter Group clients increased to 83.65% of its total revenue from operations in FY2024 from 65.81% in FY2022. The revenue that the company derived from non-Promoter Group clients constituted 62.99% of the total revenue from operations in the 6-month period ended September 30, 2024. The company plans to continue to focus on increasing the share of its business from non-Promoter Group clients by increasing the customer base and widening the scope of industry in which the company operates and acquiring new customers. The company aims to widen its customer mix to achieve a balanced customer base and has been focusing on strengthening its relationships with third-party customers, including diversifying to new sectors viz. defence. The company proposes to expand its business operations by participating in new tenders of railways and also by diversification of industries which have applications for such speciality cables.

- **Expansion of cable business in new sectors**

Electron Beam Cross Linked cables provide excellent fluid / oil / moisture resistance properties which creates increased stability at higher temperatures. Due to these properties, the usage of Speciality cables is expanding to various other industries with increased demand from aerospace, aviation, solar & wind energy and electric vehicles segment.

The Management plans to increase its focus on further niche segments of economy with application of Speciality cables and thus build specialization in development & production of electric & control cables for such industries.

COMPETITION

Quadrant primarily operates in two business divisions, speciality cables and Train Control & Signalling Division. Under the speciality cables divisions, the company faces competition with other players providing Speciality cables to railways namely Apar Industries Ltd, Poly Cab Ltd and Radiant Corporation Pvt. Ltd. As on the date of RHP, entities namely, Medha Servo Drives Pvt. Ltd, HBL Power Systems Ltd and Kernex Microsystems (India) Ltd has been approved by RDSO for supply of KAVACH equipment based on initial system design approved.

COMPARISON WITH INDUSTRY PEERS (AS ON 31ST MARCH 2024)

Company	Face Value (₹)	Rev. from Ops. (₹ Cr)	CMP* (₹)	EPS (₹)	P/E (x)	RONW (%)	Net Worth (₹ Cr)	NAV per share (₹)
Quadrant Future Tek	10.00	151.82	[●]	4.9	[●]	33.31%	44.11	14.7
Kernex Micro Systems	10.00	19.60	1,385.80	(16.61)	NA	-24.16%	106.61	63.61
HBL Power Systems	1.00	2,233.36	671.4	10.07	61.59	22.87%	1,220.54	44.03
Apar Industries	10.00	16,152.98	9,995.15	212.1	49.11	20.80%	3,876.44	965.01
Polycab India	10.00	18,039.44	7,450.05	118.93	64.85	21.90%	8,187.13	544.95

Source: RHP; *CMP as on December 03, 2024, on NSE., P/E based on respective CMP



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