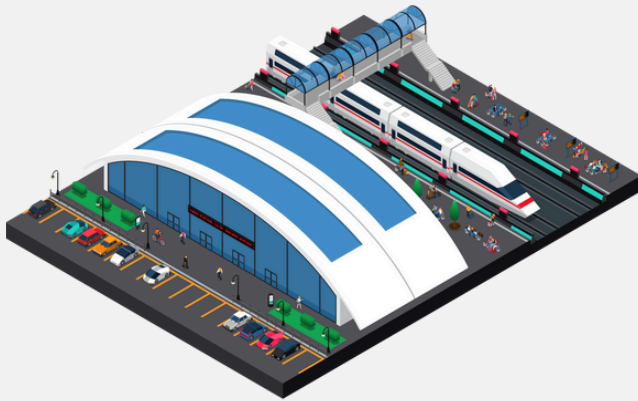




IPO DETAILS

QUADRANT FUTURE TEK LIMITED



 **ISSUE OPEN**

07 January, 2025

 **ISSUE CLOSE**

09 January, 2025

Min. Lot Size

50 shares

Issue Price Band

₹275 - ₹290

Issue Size

Fresh Issue:
1.00 cr Eq shares
(₹290.00 cr.)

OFS: NIL
Eq shares
(NIL)

Face Value

₹10

Industry

Electric Equipment

Listing at

NSE, BSE

RATING

SUBSCRIBE

OPEN ACCOUNT

APPLY NOW

Marwadi Shares and Finance Limited

Corporate Office: Marwadi Financial Plaza, Nana Mava Main Road, Off 150ft Ring Road, Rajkot - 360001, Gujarat.

Registered Office: X-Change Plaza, Office No. 1201 to 1205, 12th Floor, Building No. - 53E, Zone - 5, Road 5E, Gift City, Gandhinagar - 382355, Gujarat.
0281 7174 100/0281 6192 100 **CIN of MSFL:** U65910GJ1992PLC017544

SEBI Reg. No. of MSFL for NSE, BSE, MCX, NCDEX: INZ000174730 | Membership No.: NSE:08760, BSE:0910, MCX:56410, NCDEX:1280 | SEBI Regn.No. of DP: IN-DP-476-2020 (NSDL DPID:IN300974) (CDSL DPID:12035100) | Research Analyst: INH 000002186 AMFI: ARN-42506 | PFRDA: POP07082018

Disclaimer: 'Investment in securities market are subject to market risks, read all the related documents carefully before investing'.



QUADRANT FUTURE TEK LIMITED

Rationale

Considering the FY24 Sales of Rs 152 Cr, the company is going to list at a MCap/Sales of 7.64x with a market cap of Rs 1,160.11 Cr, whereas its peers Kernex Micro Systems Limited, HBL Power Systems Limited, Apar Industries Limited and Polycab India Limited Ltd are trading at MCap/Sales ratio of approximately ~27.5x, ~7.72x, ~2.47x and ~5.55x respectively.

We assign "Subscribe" rating to this IPO as the company has domain expertise of Signalling and Train controls. Also, it is available at reasonable valuation as compared to its peer.

Objectives of the issue

Funding long-term working capital requirements of Company.

Capital expenditure for development for Electronic Interlocking System.

Prepayment or repayment of all or a portion of outstanding working capital term loan availed by Company.

General Corporate Purposes.

Company Overview

Quadrant future Tek Limited is engaged in developing new generation Train Control and Signalling Systems under KAVACH project of the Indian Railways.

Company also possesses a Speciality cable manufacturing facility with Electron Beam Irradiation Centre, used in Railways rolling stock and Naval (Defense) industry.

In FY 24, Railway sector contributed 77.02%, Defense sector contributed 22.23% and other segments contributed 0.75% to the revenue from operations.

Company has one 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 Village Basma Tehsil Banur, Distt Mohali.

Company's Speciality cables manufacturing facility has a total installed production capacity of 1,887.60 MTPA as at September 30, 2024.



RailTel MoU for Train Protection

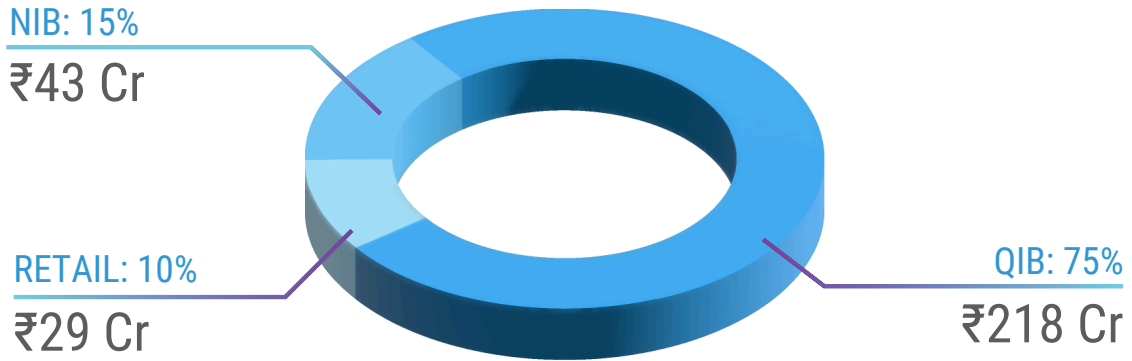
On May 01, 2024, Company has entered into a MOU with RailTel Corporation of India Limited ("RailTel"), a Government of India undertaking, to define a framework of inter-se co-operation to (i) establish high level understanding of intended opportunities to pursue within the said MoU, (ii) KAVACH as a 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.



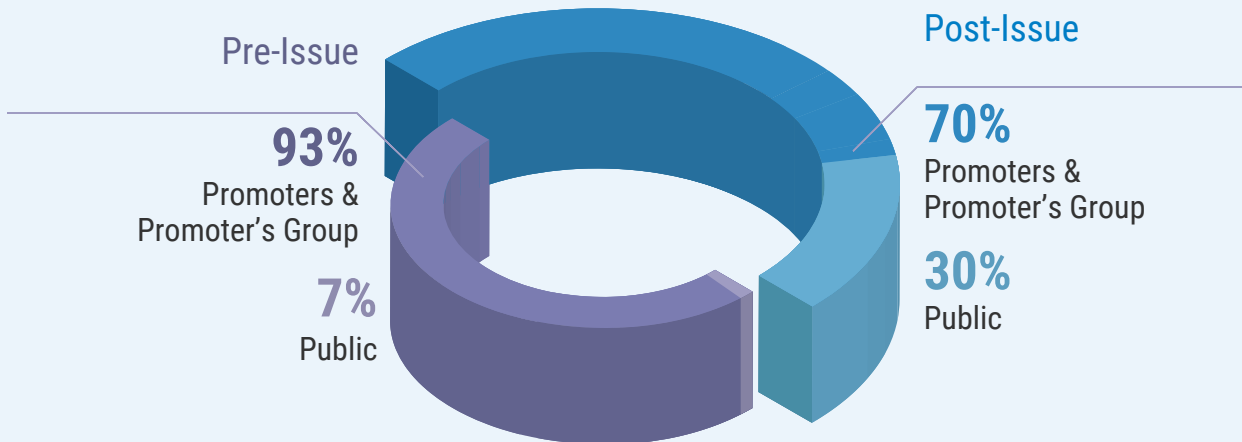
QUADRANT FUTURE TEK LIMITED

Issue Details

Issue Break-Up



Shareholding Pattern



Capital Structure (in ₹ Cr.)



45 Cr

Authorised Equity Share Capital



30 Cr

Paid-Up Capital (Pre-Offer)



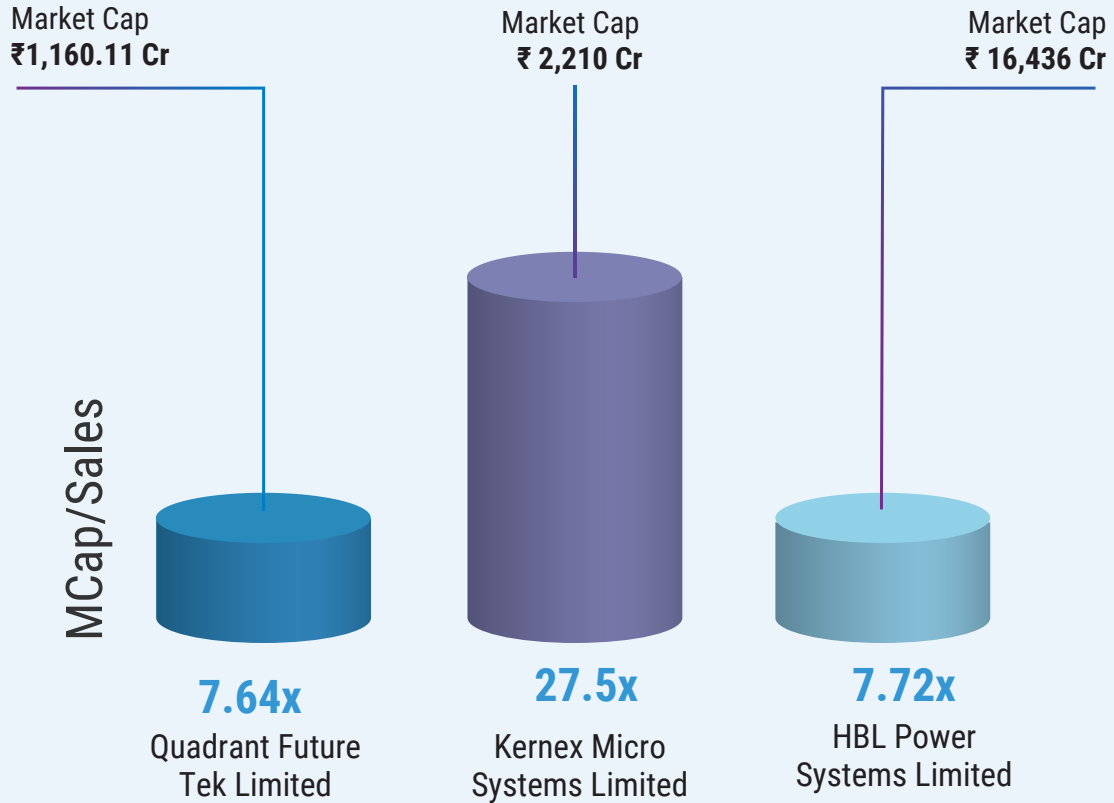
40 Cr

Paid-Up Capital (Post-Offer)



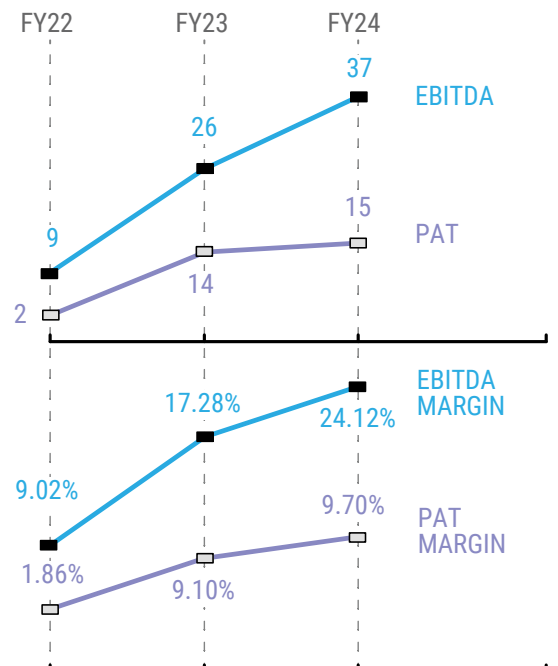
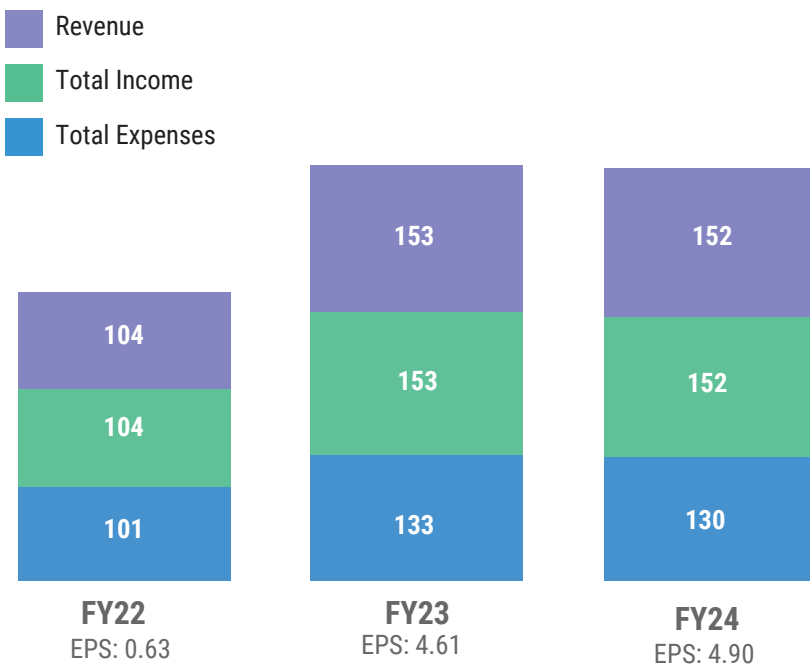
QUADRANT FUTURE TEK LIMITED

Valuations and Peer Comparison



Market Cap data of listed securities as on January 06, 2025

Financial Snapshot (in ₹ Cr.)





QUADRANT FUTURE TEK LIMITED

Business Insights



Competitive Strengths

- Innovation and technological development undertaken by the Company for building Automatic Train Protection Systems.
- Domain expertise of Signalling and Train controls.
- Product Engineering.
- Safety critical system engineering.
- Knowledge and application of global standards.
- 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.
- Company has in-house design and product development capabilities powering Rail Signalling Products & Solutions.
- Unique technology for the manufacture of cables that meets the stringent requirements for multiple industries, namely Railways, Naval Defence, Renewable Energy & Electric Vehicle sectors.
- Advanced manufacturing facilities with a diverse range of power and control cables with focus on innovation and cost competitiveness.
- 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.

Risks



- Company's business is dependent on single manufacturing facility, and is subject to certain risks in manufacturing process. Any slowdown or shutdown in manufacturing operations could have an adverse effect on business, financial condition and results of operations.
- The markets in which customers operate are characterized by sector specific to the industries which we cater to, and their rapidly changing preferences, technologies and other related factors including lower manufacturing costs. Accordingly, we may be affected by any disruptions in the industry which can adversely impact business, financial condition, results of operations, cash flows and prospects.



Business Strategy

- To continue focus on new products through constant research and development.
- Make in India and focus on indigenisation.
- Expansion of business to other areas of Automatic Train Protection and railway safety.
- Continue to grow share of business from non-promoter group companies.
- Expansion of cable business in new sectors.

Promoters and Management Details

Mohit Vohra - Managing Director

Amit Dhawan - Whole Time Director

Amrit Singh Randhawa - Whole Time Director

Rupinder Singh - Whole Time Director

Vishesh Abrol - Whole Time Director

Vivek Abrol - Whole Time Director

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