

# QUADRANT FUTURE TEK LIMITED



<p><b>+</b></p> <p>Issue Opens</p> <p><b>Jan 07, 2025</b></p>	<p><b>+</b></p> <p>Issue Closes</p> <p><b>Jan 09, 2025</b></p>	<p><b>+</b></p> <p>Total Issue Size (Rs. Cr)</p> <p><b>290.00</b></p> <p><small>Including Anchor Investor Portion</small></p>	<p><b>+</b></p> <p>Price Band (Rs.)</p> <p><b>275-290</b></p>
<p><b>+</b></p> <p>Face Value (Rs.)</p> <p><b>10</b></p>	<p><b>+</b></p> <p>Lot size (No. of units)</p> <p><b>50</b></p>	<p><b>+</b></p> <p>Listing at</p> <p><b>BSE, NSE</b></p>	<p><b>+</b></p> <p>Issue Type</p> <p><b>Book Building</b></p>

### Tentative Timetable

Basis of Allotment Date	January 10, 2025
Initiation of Refunds	January 13, 2025
Credit of Shares to Demat Account	January 13, 2025
IPO Listing Date	January 14, 2025

### Application Structure

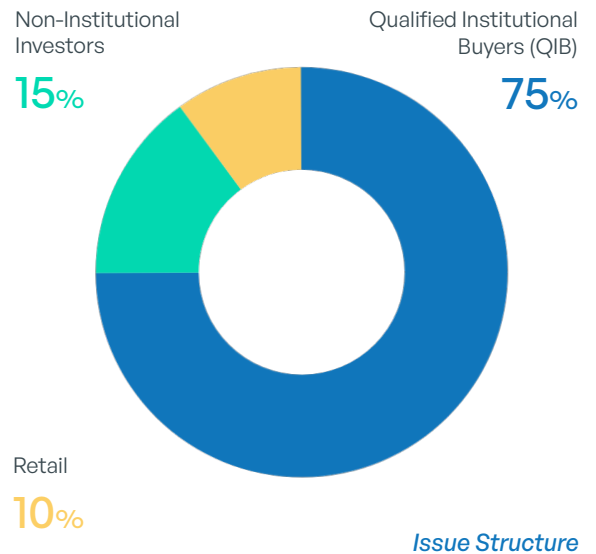
Application	Lot	Shares	Amount
Retail (Min)	1	50	14,500
Retail (Max)	13	650	1,88,500

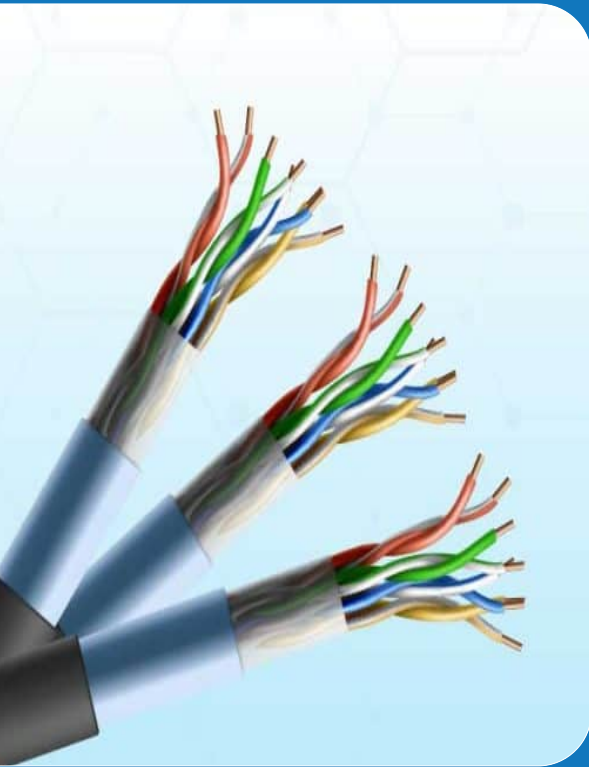
### Book Running Lead Managers

Sundae Capital Advisors Private Limited

### Registrar

Link Intime India Private Limited





## Company Background

Quadrant Future Tek Limited 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 facility also possess end to end infrastructure capabilities for production of Solar & EV Cables. The 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

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 Specialty cables are the ultimate choice for rail vehicles, trains, naval ship vessels & submarines, electric vehicles and fuel cell electric vehicles where weight & fire Safety are the most significant criterion for component / material selection. The company has dedicated Railway Signalling & Embedded System Design centre for the development of Train Control Products & Solutions and is working towards development of Train Collision Avoidance System and Electronic Interlocking System under KAVACH as a means of Automatic Train Protection System to enable safety and capacity augmentation in Indian Railways.

## Objects of the Issue

The company proposes utilizing the Net Proceeds towards funding the following objects:

- 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 the Company.
- General corporate purposes.

## Strengths

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

- Dependence on single manufacturing facility which is subject to various operating risks, including the breakdown or failure of equipment and performance below expected levels of output or efficiency
- The markets in which company and customers operate is characterized by rapidly changing technology, evolving standards and demands for features, and continual product innovation which adversely impact business, financial condition, results of operations, cash flows and prospects..
- The success of business and growth depends substantially on management team and operational workforce. Inability to retain them could adversely affect businesses.
- Dependent on and derive a substantial portion of revenue from a limited number of customers

## Profit and Loss

Particulars	For the year/period ended (in Rs. Mn)			
	H1 FY25	FY24	FY23	FY22
Revenue from Operation	651.37	1,517.56	1,528.04	1,042.58
Other Income	-0.02	0.67	1.41	0.33
Total Income	651.35	1,518.23	1,529.45	1,042.91
EBITDA	8.17	366.68	265.49	95.08
EBITDA Margin (%)	1.25	24.15	17.36	9.12
Profit Before Tax	-124.98	219.23	199.32	29.49
Tax	-3.94	72.10	60.28	10.06
Profit After Tax	-121.05	147.13	139.04	19.43

## CA & CL Key Parameters

Particulars	For the year/period ended (in Rs. Mn)			
	H1 FY25	FY24	FY23	FY22
<b>Current Assets</b>				
Trade receivables	232.22	320.43	232.59	268.11
Cash and cash equivalents	8.90	7.14	5.33	2.53
Other Current Assets	74.50	52.92	41.16	73.29
<b>Current Liabilities</b>				
Trade Payables	87.01	67.06	63.99	138.40
Other Financial Liabilities	22.80	18.48	9.85	7.54

## Debt Matrices

Particulars	For the year/period ended (in Rs. Mn)			
	H1 FY25	FY24	FY23	FY22
Long Term Borrowing	439.69	475.53	488.79	558.35
Short Term Borrowing	540.42	340.61	251.16	248.46
TOTAL	980.11	816.14	739.95	806.81

## Cash Flows

Particulars	For the year/period ended (in Rs. Mn)			
	H1 FY25	FY24	FY23	FY22
CFO	-95.77	184.86	298.92	-45.92
CFI	-28.98	-214.28	-200.17	-317.82
CFF	126.51	31.23	-95.94	363.87

## Our View

The domestic market size of specialty cables for projected period CY24E-CY30, market is forecasted to register a CAGR of 9.8%. The projected growth drivers include renewable power generation, expansion and revamping of transmission

& distribution infrastructure, expansion & improvement in the railway network, and increasing investments in metro projects. The Indian Railways has set out massive network expansion and decongestion targets. It had planned to undertake 17,000 track km of new lines, doubling and gauge conversion work by FY24. The Union Ministry of Railways is set to accelerate the deployment of Kavach 4.0, an indigenous anti-collision system, by issuing tenders for its installation in 20,000 locomotives in FY24. Quadrant Future Tek Limited possessing domain expertise in Train Control and Signalling Systems plans to continuously invest in research, design, and innovation to build safer, valuable, cost-effective solutions. The company have invested a significant amount towards capital expenditure aggregating to Rs 594.41 million till date in developing platform for Automatic Train Protection system, including TCAS and intend to continue investing in upgradation of the said system including addition of newer technologies to enhance design and development capabilities, particularly with a view to expand operations. Investors looking to invest can invest in the IPO for the long term.

**INVEST NOW**

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