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# QUADRANT FUTURE TEK LIMITED

Our Company was incorporated as 'Quadrant Cables Private Limited' on September 18, 2015 at Mohali, Punjab as a private limited company under the Companies Act, 2013. Thereafter, the name of our company was changed from 'Quadrant Cables Private Limited' to 'Quadrant Future Tek Private Limited', and a fresh certificate of incorporation dated October 08, 2021 was issued by Registrar of Companies, Punjab and Chandigarh ("RoC"). Subsequently, our Company was converted into a public limited company, the word 'private' was struck off from the name of our Company and consequently, a fresh certificate of incorporation dated October 21, 2021 was issued by the RoC, recording the change of our Company's name to 'Quadrant Future Tek Limited'. For details of change in the name and registered office of our Company, see "*History and Certain Corporate Matters*" on page 229 of the Red Herring Prospectus dated December 27, 2024 ("RHP" or "Red Herring Prospectus") filed with the ROC.

**Registered Office:** Village Basma Tehsil Banur, Distt Mohali - 140 417, Punjab, India; **Corporate Office:** 1st Floor, SCO 20-21, Sector 66A, Airport Road JLPL, Mohali - 160 062, Punjab, India  
**Contact Person:** Pankaj, Company Secretary and Compliance Officer; **Telephone:** +91 172 402 0228; **E-mail:** cs\_qftl@quadrantfuturetek.com; **Website:** www.quadrantfuturetek.com;  
**Corporate Identity Number:** U74999PB2015PLC039758



(Please scan the QR code to view the RHP)

**OUR PROMOTERS: MOHIT VOHRA, AMIT DHAWAN, AMRIT SINGH RANDHAWA, RUPINDER SINGH, VISHESH ABROL, VIVEK ABROL, AIKJOT SINGH AND RAJBIR SINGH RANDHAWA**

INITIAL PUBLIC ISSUE OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH (EQUITY SHARES) OF QUADRANT FUTURE TEK LIMITED ("COMPANY") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING UP TO ₹ 2,900.00 MILLION ("ISSUE"). THE ISSUE SHALL CONSTITUTE [●]% OF POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

Quadrant Future Tek Limited is engaged in the development of Train Control and Signalling Solutions including "Kavach - Collision avoidance" System and production of specialty cables.

The Issue is being made through the Book Building Process in terms of the Regulation 6(2) of the SEBI ICDR Regulations.  
QIB Portion: Not less than 75% of the Issue | Non-Institutional Portion: Not more than 15% of the Issue| Retail Portion : Not more than 10% of the Issue

Our Promoters / Promoter Group have undertaken secondary sale of 20,00,000 Equity Shares at a price of ₹ 240 per Equity Share and 400,000 Equity Share through gift for NIL consideration as disclosed on page 2 of this advertisement and page 144 of the RHP.

PRICE BAND: ₹ 275 TO ₹ 290 PER EQUITY SHARE OF FACE VALUE OF ₹ 10 EACH  
THE FLOOR PRICE IS 27.5 TIMES THE FACE VALUE OF THE EQUITY SHARES AND THE CAP PRICE IS 29.0 TIMES THE FACE VALUE OF THE EQUITY SHARES  
BIDS CAN BE MADE FOR A MINIMUM OF 50 EQUITY SHARES AND IN MULTIPLES OF 50 EQUITY SHARES THEREAFTER  
THE PRICE TO EARNINGS RATIO BASED ON DILUTED EPS FOR FINANCIAL YEAR 2024 AT THE UPPER END OF THE PRICE BAND IS 59.18 TIMES AND AT THE LOWER END OF THE PRICE BAND IS 56.12 TIMES.

*In accordance with the recommendation of Independent Directors of our Company, pursuant to their resolution dated January 01, 2025, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the "Basis for the Issue Price" section on page 141 of the RHP vis-a-vis the weighted average cost of acquisition ("WACA") of secondary transaction(s) disclosed in the "Basis for the Issue Price" section on page 144 of the RHP and provided below in the advertisement.*  
**IN MAKING AN INVESTMENT DECISION AND PURCHASE IN THE ISSUE, POTENTIAL INVESTORS MUST ONLY RELY ON THE INFORMATION INCLUDED IN THE RHP AND THE TERMS OF THE ISSUE, INCLUDING THE RISKS AND MERITS INVOLVED AND NOT RELY ON ANY OTHER EXTERNAL SOURCES OF INFORMATION ABOUT THE ISSUE AVAILABLE IN ANY MANNER.**

## RISK TO INVESTORS (For details refer to section titled "*Risk Factors*" on page 36 of the RHP)

1. Geographical concentration risk

We have only one manufacturing facility located at Basma, Mohali, Punjab. Any breakdown or failure of equipment, difficulties or delays in obtaining raw materials, spare parts and equipment / machines, raw material shortages, operational inefficiency, facility obsolescence, natural or man-made disasters, industrial accidents or regional social unrest may restrict our operations and adversely affect our business and financial conditions.
2. Customers concentration risk

We are dependent on certain key customers for a significant portion of our revenue. The following tables set forth details of revenue generated and contribution to total revenue from our top customers (where sales made to different units of Indian Railways are considered as one single customer) for the periods and year indicated:

(₹ in millions)

Particulars	Six months period ended September 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	%age	Amount	%age	Amount	%age	Amount	%age
Top ten customers	623.12	95.66%	1,308.12	86.20%	1,453.62	95.13%	1,002.52	96.16%
Top five customers	535.89	82.27%	1,107.63	72.99%	1,210.19	79.20%	870.40	83.49%
3. Dependence on suppliers

We are dependent on certain key suppliers for a significant portion of our raw materials purchased, which are majorly procured domestically. The following tables set forth details of raw material purchased and contribution to total purchase of material and consumables from our top suppliers for the periods and year indicated:

(₹ in millions)

Particulars	Six months period ended September 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	%age	Amount	%age	Amount	%age	Amount	%age
Top ten suppliers	542.74	94.04%	830.48	94.23%	892.43	87.12%	805.84	91.84%
4. Loss in the six months period ended September 30, 2024

During the Fiscal 2024, 2023 and 2022, our Company has witnessed sudden changes in the profit after tax (i.e. ₹ 147.13 million, ₹ 139.04 million and ₹ 19.43 million and incurred a loss during the six months period ended September 30, 2024 of ₹ (121.05) million
5. Financial performance risk and variation in ratios

Our EBITDA margins and PAT margins had large variations in the past on year on year basis and also in comparison to our industry peers in the six months ended September 30, 2024 and the Fiscal 2024, 2023 and 2022, as disclosed in the Red Herring Prospectus primarily on account of investment on development of Train Collision Avoidance System software which was capitalized on October 18, 2023 and the expenses for Train Control & Signalling division now being charged to profit and loss account since the capitalization of intangible asset created as mentioned above.
6. Risk in relation to Kavach system developed by us and change in technology

Our Company has developed Train Collision Avoidance System to detect and stop a possible train collision under the Kavach project which programming is based on complex and interdependent applications. The success of our software is dependent on the level of data accuracy provided by it and any kind of unknown error in the technology might cause an adverse impact on our business prospects. Further, our TCAS platform may require frequent modifications or upgradations with continuous advancement in internet connectivity protocols and may require us to upgrade our offerings
7. No significant background or experience in the Train Collision Avoidance Systems

We have recently received our first purchase order on December 12, 2024 from Chittaranjan Locomotive Works for the supply, installation, testing, and commissioning of Onboard Kavach equipment in 1,200 locomotives for a purchase order aggregating to ₹ 9,786.06 million (including taxes). Given the no operating history of these new business expansion, we may not experience the same margins or operating results in this new business that we have in our more established business.