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Draft Red Herring Prospectus

Dated: June 02, 2024

**100% Book Built Issue**

(Please read Section 32 of the Companies Act, 2013)

(The Draft Red Herring Prospectus will be updated upon filing with the RoC)



**QUADRANT FUTURE TEK LIMITED**

**Corporate Identification Number: U74999PB2015PLC039758**

REGISTERED AND CORPORATE OFFICE		CONTACT PERSON		E-MAIL AND TELEPHONE		WEBSITE	
Village Basma Tehsil Banur, Distt Mohali - 140 417, Punjab, India		Ankit Kumar, Company Secretary and Compliance Officer		cs_qftl@quadrantfuturetek.com +91 1762 245 509		<a href="http://www.quadrantfuturetek.com">www.quadrantfuturetek.com</a>	
<b>OUR PROMOTERS: MOHIT VOHRA, AMIT DHAWAN, AMRIT SINGH RANDHAWA, RUPINDER SINGH, VISHESH ABROL AND VIVEK ABROL, AIKJOT SINGH AND RAJBIR SINGH RANDHAWA</b>							
<b>DETAILS OF THE ISSUE TO PUBLIC</b>							
TYPE	FRESH ISSUE SIZE	OFFER FOR SALE	TOTAL ISSUE SIZE	ELIGIBILITY AND SHARE RESERVATION AMONG QIBs, NIIs AND RIIs			
Fresh Issue	Up to [●] Equity Shares of face value ₹ 10 each aggregating up to ₹ 2,750.00 million	Not applicable	Up to [●] Equity Shares of face value ₹ 10 each aggregating up to ₹ 2,750.00 million	The Issue is being made pursuant to Regulation 6(2) of the SEBI ICDR Regulations, as our Company did not fulfil requirements under Regulation 6(1) of the SEBI ICDR Regulations. For further details, see 'Other Regulatory and Statutory Disclosures - Eligibility for the Issue' on page 401. For details in relation to share reservation among QIBs, NIIs and RIIs, see 'Issue Structure' on page 416.			
<b>DETAILS OF THE OFFER FOR SALE</b>							
NAME OF THE SELLING SHAREHOLDER	TYPE	NUMBER OF EQUITY SHARES OFFERED / AMOUNT (IN ₹ MILLIONS)		WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹)			
<b>Not Applicable</b>							
<b>RISK IN RELATION TO THE FIRST ISSUE</b>							
This being the first public issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Share is ₹ 10 each. The Floor Price, the Cap Price and the Issue Price as determined and justified by our Company, in consultation with the BRLM, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, in accordance with the SEBI ICDR Regulations, and as stated under 'Basis for the Issue Price' on page 118 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.							
<b>GENERAL RISK</b>							
Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The securities have not been recommended or approved by the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'Risk factors' given on page 31.							
<b>ISSUER'S ABSOLUTE RESPONSIBILITY</b>							
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that the Draft Red Herring Prospectus contains all information with regard to our Company and the Issue which is material in the context of the Issue, that the information contained in the Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make the Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.							
<b>LISTING</b>							
The Equity Shares to be issued through the Red Herring Prospectus are proposed to be listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE, and along with BSE hereinafter collectively referred to as the "Stock Exchanges"). For the purposes of the Issue, NSE is the Designated Stock Exchange.							
<b>BOOK RUNNING LEAD MANAGER</b>							
NAME OF LEAD MANAGER AND LOGO		CONTACT PERSON		TEL. NO. AND E-MAIL			
 <b>Sundae Capital Advisors Private Limited</b>		Anchal Lohia / Rajiv Sharma		Tel. No. +91 96 6785 9191 / +91 22 3501 4499 Email: <a href="mailto:quadrant.ipo@sundaecapital.com">quadrant.ipo@sundaecapital.com</a>			
<b>REGISTRAR TO THE ISSUE</b>							
NAME OF REGISTRAR AND LOGO		CONTACT PERSON		TEL. NO. AND E-MAIL			
 <b>Link Intime India Private Limited</b>		Pradnya Karanjekar		Tel.: + 91 81 0811 4949 E-mail ID: <a href="mailto:quadrant.ipo@linkintime.co.in">quadrant.ipo@linkintime.co.in</a>			
<b>BID / ISSUE PERIOD</b>							
ANCHOR INVESTOR BIDDING DATE *	[●]	BID / ISSUE OPENS ON *	[●]	BID / ISSUE CLOSES ON ***	[●]		

\* Our Company, in consultation with the BRLM, may consider participation by the Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor shall bid on the Anchor Investor Bidding Date, i.e., one Working Day prior to the Bid / Issue Opening Date.

\*\* Our Company, in consultation with the BRLM, may consider closing the Bid / Issue Period for QIBs one Working Day prior to the Bid / Issue Closing Date in accordance with the SEBI ICDR Regulations.

# UPI mandate end time and date shall be at 5:00 p.m. on Bid / Issue Closing Date.



## 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 205 of the Draft Red Herring Prospectus.

**Registered & Corporate Office:** Village Basma Tehsil Banur, Distt Mohali - 140 417, Punjab, India

**Contact Person:** Ankit Kumar, Company Secretary and Compliance Officer; **Telephone:** +91 1762 245509; **E-mail:** [cs\\_qfil@quadrantfuturetek.com](mailto:cs_qfil@quadrantfuturetek.com); **Website:** [www.quadrantfuturetek.com](http://www.quadrantfuturetek.com)

**Corporate Identity Number:** U74999PB2015PLC039758

### OUR PROMOTERS: MOHIT VOHRA, AMIT DHAWAN, AMRIT SINGH RANDHAWA, RUPINDER SINGH, VISHESH ABROL AND 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 (OUR COMPANY) FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) (ISSUE PRICE) AGGREGATING UP TO ₹ 2,750.00 MILLION (ISSUE). THE ISSUE SHALL CONSTITUTE [●] OF OUR POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH AND THE ISSUE PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND WILL BE ADVERTISED IN ALL EDITIONS OF [●], AN ENGLISH LANGUAGE NATIONAL DAILY WITH WIDE CIRCULATION, ALL EDITIONS OF [●], A HINDI LANGUAGE NATIONAL DAILY WITH WIDE CIRCULATION AND MOHALI EDITION OF [●], A PUNJABI DAILY NEWSPAPER (PUNJABI BEING THE REGIONAL LANGUAGE OF PUNJAB, WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST 2 WORKING DAYS PRIOR TO THE BID / ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED (BSE) AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE, AND TOGETHER WITH BSE, THE STOCK EXCHANGES) FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES, IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (SEBI ICDR REGULATIONS).

In case of any revision in the Price Band, the Bid / Issue Period will be extended by at least 3 additional Working Days after such revision in the Price Band, subject to the Bid / Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid / Issue Period for a minimum of 3 Working Days, subject to the Bid / Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid / Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the website of the BRLM and at the terminals of the other members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Bank(s), as applicable.

The Issue is being made through the Book Building Process, in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations and in accordance with the Regulation 6(2) of the SEBI ICDR Regulations wherein not less than 75% of the Issue shall be available for allocation on a proportionate basis to qualified institutional buyers (QIBs) (such portion referred as QIB Portion), provided that our Company, in consultation with the BRLM, may allocate up to 60% of the QIB Portion to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations (Anchor Investor Portion), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds, at or above the price at which allotment is made to the Anchor Investors (Anchor Investor Allocation Price). Further, in the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion (other than the Anchor Investor Portion) (Net QIB Portion). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds (Mutual Fund Portion), and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, not more than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors out of which (a) one-third of such portion shall be reserved for applicants with application size of more than ₹ 0.20 million and up to ₹ 1.00 million; and (b) two-third of such portion shall be reserved for applicants with application size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Investors and not more than 10% of the Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. All potential Bidders (except Anchor Investors) are mandatorily required to participate in the Issue through the Application Supported by Blocked Amount (ASBA) process by providing details of their respective ASBA accounts, and UPI ID in case of UPI Bidders using UPI Mechanism, as applicable, pursuant to which their corresponding Bid Amount will be blocked by the Self Certified Syndicate Banks (SCSBs) or by the Sponsor Bank(s) under the UPI Mechanism, as the case may be. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For further details, see 'Issue Procedure' on page 420.

### RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Share is ₹10 each. The Floor Price, the Cap Price and the Issue Price as determined and justified by our Company, in consultation with the BRLM, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, in accordance with the SEBI ICDR Regulations, and as stated under 'Basis for the Issue Price' on page 118 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISK

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The securities have not been recommended or approved by the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'Risk factors' given on page 31.

### ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that the Draft Red Herring Prospectus contains all information with regard to our Company and the Issue which is material in the context of the Issue, that the information contained in the Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make the Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

### LISTING

The Equity Shares to be issued through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for listing of the Equity Shares pursuant to the letters dated [●] and [●], respectively. For the purposes of the Issue, the Designated Stock Exchange shall be NSE. A copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid / Issue Closing Date, see 'Material Contracts and Documents for Inspection' on page 453.

### BOOK RUNNING LEAD MANAGER TO THE ISSUE



**Sundae Capital Advisors Private Limited**  
404, 4th floor, Vaibhav Chambers, Bandra Kurla Complex  
Bandra (East), Mumbai - 400 051, Maharashtra, India  
Tel. No. +91 96 6785 9191 / +91 22 3501 4499  
Email: [quadrant.ipo@sundaecapital.com](mailto:quadrant.ipo@sundaecapital.com)  
Investor Grievance e-mail id: [grievances.mb@sundaecapital.com](mailto:grievances.mb@sundaecapital.com)  
Website: [www.sundaecapital.com](http://www.sundaecapital.com)  
SEBI Regn. No.: INM000012494  
Contact Person: Anchal Lohia / Rajiv Sharma

### REGISTRAR TO THE ISSUE



**Link Intime India Private Limited**  
C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West)  
Mumbai - 400 083, Maharashtra, India  
Tel.: +91 81 0811 4949  
E-mail ID: [quadrant.ipo@linkintime.co.in](mailto:quadrant.ipo@linkintime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)  
SEBI Regn. No.: INR000004058  
Contact Person: Pradnya Karanjekar

### BID / ISSUE PERIOD

ANCHOR INVESTOR BIDDING DATE *	[●]	BID / ISSUE OPENS ON	[●]	BID / ISSUE CLOSURES ON **	[●]
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\* Our Company, in consultation with the BRLM, may consider participation by the Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid / Issue Opening Date.

\*\* Our Company, in consultation with the BRLM, may consider closing the Bid / Issue Period for QIBs one Working Day prior to the Bid / Issue Closing Date in accordance with the SEBI ICDR Regulations.

# UPI mandate end time and date shall be at 5:00 p.m. on Bid / Issue Closing Date.

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## SECTION I: GENERAL

### DEFINITIONS AND ABBREVIATIONS

The Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below, and references to any legislation, act, regulation, rules, clarifications, guidelines or policies shall be to such legislation, act, regulation, rules, clarifications, guidelines or policies, as amended from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

Unless the context otherwise indicates, all references to “the Company”, and “our Company”, are references to Quadrant Future Tek Limited, a company incorporated in India under the Companies Act 2013. Furthermore, unless the context otherwise indicates, all references to the terms “we”, “us” and “our” are to our Company. The words and expressions used in the Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, the Securities and Exchange Board of India Act, 1992, the SEBI ICDR Regulations, the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms defined in “Description of Equity Shares and Main Provisions of the Articles of Association”, “Statement of Special Tax Benefits”, “Industry Overview”, “Basis for the Issue Price”, “Key Regulations and Policies”, “Restated Financial Information”, “Government and Other Approvals” and “Outstanding Litigation and Other Material Developments”, on pages 441, 125, 128, 118, 196, 244, 395 and 389 will have the meaning ascribed to such terms in those respective sections.

#### General terms

Term	Description
“our Company”, “the Company” or “the Issuer”	Quadrant Future Tek Limited, a company incorporated under the Companies Act, 2013 and having its registered office at Village Basma Tehsil Banur, Distt Mohali - 140 417, Punjab, India
“we”, “us” or “our”	Unless the context otherwise indicates or implies, refers to our Company

#### Company related terms

Term	Description
AOA / Articles / Articles of Association	Articles of Association of our Company, as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013 and the SEBI Listing Regulations.
Auditors/ Statutory Auditors	The Auditors of the Company, being M/s SANMARKS and Associates, Chartered Accountants.
Board of Directors / the Board / our Board	The Board of Directors of our Company, including all duly constituted Committees thereof. For further details of our Directors, please refer to section titled “Our Management” on page 211.
Chairman / Chairperson	The Chairman / Chairperson of Board of Directors of our Company, being Satish Gupta.
CIN	Corporate Identification Number of our Company, i.e. U74999PB2015PLC039758
Chief Financial Officer / CFO	The Chief Financial Officer of our Company, being Amit Gaur
Companies Act	The Companies Act, 2013 and amendments thereto

<b>Term</b>	<b>Description</b>
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company, being Ankit Kumar
Corporate Social Responsibility Committee	The Corporate Social Responsibility Committee of our Company, constituted in accordance with the applicable provisions of the Companies Act and as described in 'Our Management - Committees of Our Board' on page 222.
Directors / Our Directors	The Director(s) of our Company, unless otherwise specified
Equity Shares	Equity Shares of the Company of face value of ₹ 10 each unless otherwise specified in the context thereof
Equity Shareholders	Persons / Entities holding Equity Shares of our Company
Executive Directors	Executive Directors are the Managing Director and Whole Time Directors of our Company
Group Companies	Companies with which there were related party transactions as disclosed in the Restated Financial Information as covered under the applicable accounting standards, and also other companies as considered material by our Board of the Issuer as disclosed in "Group Companies" on page 238.
Independent Director	A non-executive & Independent Director as per the Companies Act, 2013 and the SEBI Listing Regulations
ISIN	International Securities Identification Number of our Company, being INE0LR01011
Key Management Personnel / KMP	Key Management Personnel of our Company in terms of the SEBI Regulations and the Companies Act, 2013. For details, see section entitled "Our Management" on page 211.
Key Performance Indicators / KPIs	Key financial and operational performance indicators of our Company, as included in 'Basis for the Issue Price' on page 118.
Whole Time Director(s)	The Whole Time Director(s) of our Company, being Amit Dhawan, Amrit Singh Randhawa, Rupinder Singh, Vishesh Abrol and Vivek Abrol.
Managing Director	The Managing Director of our Company, being Mohit Vohra.
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on March 01, 2024, in accordance with the requirements of the SEBI ICDR Regulations and for the purpose of disclosure in the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.
MOA / Memorandum of Association	Memorandum of Association of our Company as amended from time to time.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board constituted in accordance with the Companies Act, 2013 and the SEBI Listing Regulations.
Non Executive Director	A Director not being an Executive Director or an Independent Director.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Promoters	The Promoters of our Company i.e. Mohit Vohra, Amit Dhawan, Amrit Singh Randhawa, Rupinder Singh, Vishesh Abrol and Vivek Abrol, Aikjot Singh and Rajbir Singh Randhawa. For further details, please refer to section titled "Our Promoters and Promoter Group" on page 230.
Promoter Group	Includes such Persons and entities constituting our promoter group covered under Regulation 2(1)(pp) of the SEBI (ICDR) Regulations as enlisted in the section titled "Our Promoter and Promoter Group" on page 230.
Registered Office	Village Basma Tehsil Banur, Distt Mohali - 140 417, Punjab, India
Restated Financial Information	The restated financial information of our Company which comprise of the restated balance sheet as at and for the nine months period ended on December 31, 2023 and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021,

<b>Term</b>	<b>Description</b>
	the restated statement of profit and loss (including other comprehensive income), the restated statement of changes in equity and the restated statement of cash flows for the nine months period ended on December 31, 2023 and for the financial years ended March 31, 2023 and March 31, 2022, and March 31, 2021 and the statement of significant accounting policies, and other explanatory information relating to such financial periods prepared in accordance with Ind AS specified under Section 133 of the Companies Act 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and restated in accordance with the SEBI ICDR Regulations and included in “Restated Financial Information” on page 244.
RoC / Registrar of Companies	Registrar of Companies, Punjab and Chandigarh.
Senior Management	Senior management of our Company in accordance with Regulation 2(1) (bbbb) of the SEBI ICDR Regulations and as disclosed in ‘Our Management’ on page 211.
Shareholders	Shareholders of our Company.
Stock Exchanges	Unless the context requires otherwise, refers to, National Stock Exchange of India Limited and BSE Limited.
Stakeholders’ Relationship Committee	Stakeholder’s relationship committee of our Company constituted in accordance with Companies Act, 2013.
Subscriber to MOA / Initial Promoters	Initial Subscriber to MOA & AOA being Aikjot Singh, Amit Dhawan, Amrit Singh Randhawa, Mohit Vohra, Rajbir Singh Randhawa, Rupinder Singh, Vishesh Abrol and Vivek Abrol.

#### Issue related terms

<b>Term</b>	<b>Description</b>
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by the SEBI in this behalf.
Acknowledgment Slip	The slip or document issued by a Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form.
Allot, Allotment or Allotted	Unless the context otherwise requires, allotment of Equity Shares pursuant to the Issue.
Allotment Advice	A note or advice or intimation of Allotment sent to all the Bidders who have bided in the Issue after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted.
Anchor Investor	A QIB, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus which has bid for an amount of at least ₹ 100 million.
Anchor Investor Allocation Price	The price at which the Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and Prospectus, which will be decided by our Company, in consultation with the BRLM, during the Anchor Investor Bidding Date.
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion, and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Anchor Investor Bidding Date	The day, being one Working Day prior to the Bid / Issue Opening Date, on which Bids by the Anchor Investors shall be submitted and allocation to the Anchor Investors shall be completed.
Anchor Investor Issue Price	The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price.  The Anchor Investor Issue Price will be decided by our Company in consultation with the BRLM.
Anchor Investor Pay-In Date	With respect to the Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Issue Price, a date not later than two Working Days after the Bid / Issue Closing Date.

<b>Term</b>	<b>Description</b>
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the BRLM, to the Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations.  One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations.
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorizing an SCSB to block the Bid Amount in the ASBA Account and will include applications made by UPI Bidders using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by UPI Bidders using the UPI mechanism.
ASBA Bidders	All Bidders except Anchor Investor(s).
ASBA Forms	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
ASBA Account	A bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of a UPI Bidder which is blocked upon acceptance of a UPI Mandate Request made by the UPI Bidder using the UPI Mechanism to the extent of the Bid Amount of the ASBA Bidder.
Banker(s) to the Issue	Collectively, the Escrow Collection Bank(s), the Refund Bank(s), the Sponsor Bank and the Public Issue Account Bank(s), as the case may be.
Basis of Allotment	The Basis on which the Equity Shares will be Allotted to successful Bidders under the Issue and which is described in 'Issue Structure' on page 416.
Bid	An indication to make an offer during the Bid / Issue Period by an ASBA Bidder pursuant to submission of the ASBA Form, or on the Anchor Investor Bidding Date by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application form. The term 'Bidding' shall be construed accordingly.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and, in the case of RIBs Bidding at the Cut-off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidders, as the case may be, upon submission of the Bid.
Bidder / Applicant / Investor	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor.
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bidding Centre	The centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Bid / Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in all editions of the [●], an English language national daily with wide circulation, all editions of [●], a Hindi language national daily with wide circulation and Mohali edition of [●], a Punjabi language daily newspaper (being the regional language of Punjab, where our Registered Office is located).  In case of any revisions, the extended Issue Closing Date shall also be notified on the websites and terminals of the members of the Syndicate, as required under the SEBI ICDR Regulations and communicated to the Designated Intermediaries and the Sponsor

<b>Term</b>	<b>Description</b>
	Bank, which shall also be notified in an advertisement in the same newspapers in which the Bid / Issue Opening Date was published, as required under the SEBI ICDR Regulations.
Bid / Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being [●] which shall be published in all editions of the [●], an English language national daily with wide circulation, all editions of [●], a Hindi language national daily with wide circulation and Mohali edition of [●], a Punjabi language daily newspaper (being the regional language of Punjab, where our Registered Office is located).
Bid / Issue Period	Except in relation to the Anchor Investors, the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations.  Our Company may, in consultation with the BRLM, consider closing the Bid/Issue Period for the QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations. The Bid/Issue Period will comprise Working Days only.
Book Building Process	Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made.
Book Running Lead Manager or BRLM	The book running lead manager to the Issue, namely, Sundae Capital Advisors Private Limited
Broker Centres	Broker centres notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker (in case of UPI Bidders, only using UPI Mechanism). The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> ).
CAN Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to the Anchor Investors, who have been allocated the Equity Shares, on/after the Anchor Investor Bidding Date.
Cap Price	The higher end of the Price Band, including any revisions thereof, above which the Issue Price and the Anchor Investor Issue Price will not be finalised and above which no Bids will be accepted.  Cap Price shall be at least 105% of the Floor Price and shall not exceed 120% of the Floor Price.
Cash Escrow and Sponsor Bank Agreement	The agreement dated [●] to be entered amongst our Company, the Registrar to the Issue, the BRLM, the Syndicate Members and the Banker(s) to the Issue for the appointment of the Sponsor Bank(s) in accordance with the Circular on Streamlining of Public Issues, the collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Issue Account(s) and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof.
Client ID	Client identification number maintained with one of the Depositories in relation to demat account.
Collecting Depository Participant(s) / CDP(s)	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of the SEBI Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent applicable), as per the list available on the websites of BSE and NSE, as updated from time to time.
Collecting Registrar and Share Transfer Agents / CRTAs	Registrar and share transfer agents registered with the SEBI and eligible to procure Bids at the Designated RTA Locations in terms of the UPI Circulars.
Cut-off Price	Issue Price, finalised by our Company, in consultation with the BRLM which shall be any price within the Price Band. Only Retail Individual Bidder are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price



<b>Term</b>	<b>Description</b>
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father / husband, investor status, occupation and bank account details and UPI ID, where applicable.
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> ).
Designated Date	The date on which funds are transferred from the Escrow Account(s) and the amounts blocked are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account(s) or the Refund Account(s), as appropriate, in terms of the Red Herring Prospectus and the Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares may be Allotted to successful Bidders in the Issue.
Designated Intermediaries	In relation to ASBA Forms submitted by (i) RIBs, (ii) Non-Institutional Bidders with an application size of up to ₹ 0.50 million (not using the UPI mechanism) by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs.  In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidder using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, Sub-Syndicate / agents, Registered Brokers, CDPs and RTAs.  In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders (not using the UPI Mechanism), Designated Intermediaries shall mean Syndicate, Sub-Syndicate / agents, SCSBs, Registered Brokers, the CDPs and RTA.
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> ).
Designated Branches	Such branches of the SCSBs, which shall collect the ASBA Forms, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	NSE
Draft Red Herring Prospectus / DRHP	The draft red herring prospectus dated June 02, 2024 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue including any addenda or corrigenda thereto.
Eligible FPIs	FPIs that are eligible to participate in this Issue in terms of applicable laws.
Eligible NRIs	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the ASBA Form and the Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares.
Escrow Account(s)	Non-lien and non-interest-bearing accounts to be opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit / NEFT / RTGS in respect of the Bid Amount when submitting a Bid.
Escrow Collection Bank(s)	Bank(s) which are clearing members and registered with SEBI as banker(s) to an issue, under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, and with whom the Escrow Account(s) in relation to the Issue for Bids by Anchor Investors, will be opened, in this case being [●].
First Bidder / Sole Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted.

<b>Term</b>	<b>Description</b>
CareEdge	CARE Analytics and Advisory Private Limited
CareEdge Report	Report titled 'Industry Research Report on Specialty Cables, Train Control System and Interconnect Products' released on May 31, 2024, prepared and issued by CARE Analytics and Advisory Private Limited, appointed by our Company pursuant to an engagement letter dated October 06, 2023, and exclusively commissioned and paid for by our Company in connection with the Issue. A copy of the CareEdge Report is available on the website of our Company at <a href="http://www.quadrantfuturetek.com">www.quadrantfuturetek.com</a> .
Gross Proceeds	The gross proceeds of the Issue
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and modified and updated pursuant to the circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLM.
Maximum Allottees	RIB Maximum number of RIBs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot, subject to valid Bids being received at or above the Issue Price.
Monitoring Agency	[●]
Monitoring Agency Agreement	The agreement dated [●] to be entered into between our Company and the Monitoring Agency prior to filing of the Red Herring Prospectus.
Mutual Fund Portion	Fund 5% of the Net QIB Portion (excluding the Anchor Investor Portion), or [●] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Issue Price.
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Net Proceeds	Proceeds of the Issue less the Issue related expenses. For further details regarding the use of the Net Proceeds and the Issue expenses, see 'Objects of the Issue' on page 100.
Net QIB Portion	QIB Portion less the number of Equity Shares Allotted to the Anchor Investors.
Non Institutional Bidders / NIBs	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount of more than ₹ 0.20 million (but not including NRIs other than Eligible NRIs).
Non-Institutional Portion	The portion of the Issue being not more than 15% of the Net Issue consisting of [●] Equity Shares which shall be available for allocation to Non-Institutional Bidders in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price, out of which (i) one-third shall be reserved for NIBs with the application size exceeding ₹ 0.20 million up to ₹ 1 million; and (ii) two-thirds shall be reserved for NIBs with the application size exceeding ₹ 1 million.  Provided that the unsubscribed portion in either of the sub-categories specified in (i) or (ii) above, may be allocated to applicants in the other sub-category of Non-Institutional Bidders.
Non-Resident	Person resident outside India, as defined under FEMA and includes NRIs, FVCIs, VCFs, and FPIs
Issue	The initial public issue of up to [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] each, aggregating up to ₹ 2,750.00 million.
Issue Agreement	The agreement dated June 02, 2024 amongst our Company and the BRLM, pursuant to which certain arrangements have been agreed to in relation to the Issue.
Issue Price	The final price at which Equity Shares will be Allotted to successful Bidders, other than Anchor Investors in terms of the Red Herring Prospectus and the Prospectus.  The Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price which will be decided by our Company, in consultation with the BRLM in terms of the Red Herring Prospectus and the Prospectus. The Issue Price will be determined by our Company in consultation with the BRLM on the Pricing Date, in accordance with the Book Building Process and in terms of the Red Herring Prospectus.
Issue Proceeds	The proceeds of the Issue shall be available to our Company.

<b>Term</b>	<b>Description</b>
Price Band	Price band of a minimum price of ₹ [●] per Equity Share face value of ₹ 10 (Floor Price) and the maximum price of ₹ [●] per Equity Share face value of ₹ 10 (Cap Price) including any revisions thereof. The Price Band and the minimum Bid Lot for the Issue will be decided by our Company in consultation with the BRLM, and will be advertised in all editions of the [●], an English language national daily with wide circulation and all editions of [●], a Hindi language national daily with wide circulation and Mohali edition of [●], a Punjabi language daily newspaper (being the regional language of Punjab, where our Registered Office is located), at least 2 Working Days prior to the Issue Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites.  Provided that the Cap Price shall be the minimum 105% of the Floor Price and shall not exceed than 120% of the Floor Price.
Pricing Date	The date on which our Company in consultation with the BRLM, will finalise the Issue Price.
Prospectus	The prospectus to be filed with the RoC for this Issue in accordance with the provisions of Section 26 of the Companies Act and the SEBI ICDR Regulations containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information, including any addenda or corrigenda thereto.
Public Issue Account(s)	Bank account(s) to be opened with the Public Issue Account Bank(s) under Section 40(3) of the Companies Act, to receive monies from the Escrow Account(s) and ASBA Accounts on the Designated Date.
Public Issue Account Bank(s)	The bank(s) which are clearing members and registered with the SEBI as a banker to an issue under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, with which the Public Issue Account(s) shall be opened, being [●].
QIB Category/QIB Portion	The portion of the Issue (including the Anchor Investor Portion) being not less than 75% of the Net Issue consisting of [●] Equity Shares which shall be available for allocation to QIBs (including Anchor Investors) on a proportionate basis (in which allocation to Anchor Investors shall be on a discretionary basis, as determined by our Company in consultation with the BRLM), subject to valid Bids being received at or above the Issue Price or Anchor Investor Issue Price (for Anchor Investors).
Qualified Institutional Buyers / QIBs / QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
QIB Bidders	QIB who Bids in the Issue
Red Herring Prospectus / RHP	The red herring prospectus to be issued in accordance with Section 32 of the Companies Act and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the Issue Price and the size of the Issue, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least 3 Working Days before the Bid / Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date.
Refund Account(s)	The account(s) opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investor(s) shall be made.
Refund Bank(s)	The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being [●].
Registered Brokers	Stockbrokers registered under SEBI (Stockbrokers and Sub-Brokers) Regulations, 1992, as amended with the Stock Exchanges having nationwide terminals, other than the BRLM and the Syndicate Members and eligible to procure Bids in terms of Circular No. CIR/ CFD/ 14/ 2012 dated October 4, 2012, issued by SEBI
Registrar Agreement	The agreement dated May 24, 2024 amongst our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of SEBI Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent

<b>Term</b>	<b>Description</b>
	applicable), and the UPI Circulars, as per the lists available on the websites of BSE and NSE.
Registrar to the Issue or Registrar	Link Intime India Private Limited
Retail Individual Bidders / Retail Individual Investors / RIBs / RIIs	Individual Bidders who have Bid for the Equity Shares for an amount not more than ₹ 0.20 million in any of the bidding options in the Issue (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs).
Retail Portion	The portion of the Issue being not more than 10% of the Net Issue comprising [●] Equity Shares which shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s).  QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid / Issue Period and withdraw their Bids until Bid / Issue Closing Date.
Self-Certified Syndicate Bank(s) / SCSB(s)	The banks registered with the SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> or such other websites and updated from time to time.
Specified Locations	Bidding Centres where the Syndicate shall accept ASBA Forms from Bidders and in case of UPI Bidders, only ASBA Forms with UPI.
Sponsor Bank(s)	The Bankers to the Issue registered with SEBI appointed by our Company to act as a conduit between the Stock Exchanges and the National Payments Corporation of India in order to push the UPI Mandate Requests and / or payment instructions of the UPI Bidders using the UPI Mechanism and carry out any other responsibilities in terms of the UPI Circulars, in this case being [●].
Stock Exchanges	Collectively, BSE Limited and National Stock Exchange of India Limited.
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by the BRLM and the Syndicate Members, to collect ASBA Forms and Revision Forms
Syndicate or the members of the Syndicate	Together, the BRLM and the Syndicate Members
Syndicate Agreement	The agreement to be entered into among our Company, the Registrar to the Issue, the BRLM and the Syndicate Members in relation to collection of Bids by Syndicate.
Syndicate Members	Syndicate members as defined under Regulation 2(1)(hhh) of the SEBI ICDR Regulations.
Underwriters	[●]
Underwriting Agreement	The agreement dated [●] to be entered between the Underwriters and our Company to be entered into on or after the Pricing Date but prior to filing of the Prospectus.
UPI	Unified Payment Interface, which is an instant payment mechanism, developed by NPCI.
UPI Bidder(s)	Collectively, individual investors applying as (i) Retail Individual Bidders in the Retail Portion, and (ii) Non-Institutional Bidders with an application size of more than ₹ 0.20 million and up to ₹ 0.50 million in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents.  Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 05, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹ 0.50 million shall use UPI and shall provide their UPI ID in the bid cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website

<b>Term</b>	<b>Description</b>
	of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity).
UPI Circulars	SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and SEBI Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent applicable) along with the Circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and the Circular issued by the BSE Limited having reference no. 20220803- 40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI or the Stock Exchanges in this regard including SEBI Circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, if the Issue is undertaken through the said circular.
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI.
UPI Mandate Request	A request (intimating the UPI Bidder by way of a notification on the UPI linked mobile application and by way of a SMS directing the UPI Bidder to such UPI linked mobile application) to the UPI Bidder initiated by the Sponsor Bank(s) to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment.
UPI Mechanism	The mechanism that may be used by UPI Bidder to make a Bid in the Issue in accordance with the UPI Circulars.
UPI PIN	Password to authenticate UPI transaction
Wilful Defaulter or Fraudulent Borrower	A wilful defaulter or a fraudulent borrower as defined in Regulation 2(1)(III) of the SEBI ICDR Regulations.
Working Day	All days on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid /Issue Period, 'Working Day' shall mean all days, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid / Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, 'Working Day' shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the circulars issued by SEBI.

#### Technical / Industry related terms

<b>Term</b>	<b>Description</b>
AERB	Atomic Energy Regulatory Board
AMC	Annual Maintenance Contract
ATO / TMS	Automatic Train Operations / Train Management System
ATP	Automatic Train Protection
BIS	Bureau of Indian Standards
BS	British Standards
CCIP	Control Cum Indication Panel
CE	Conformité Européenne (European health, safety, and environmental protection standards)
CENELEC	European Committee for Electrotechnical Standardization
CLU	Change of land use
DIN	Deutsches Institut für Normung (German institute for standardisation) (to the extent used in the Chapter titled "Our Business")
DFCCIL	Dedicated Freight Corridor Corporation of India
EIS	Electronic Interlocking System
BIU	Brake Interface Unit
EMI / EMC	Electromagnetic Interference / Electromagnetic Compatibility
ERTMS	European Rail Traffic Management System

<b>Term</b>	<b>Description</b>
ETCS	European Train Control System
EV	Electric Vehicles
HVAC	Heating, Ventilation and Air Conditioning
IATF	International Automotive Task Force
IEC	The International Electrotechnical Commission
IRIS	Indian Railway Industry Standard
IS	Indian Standards
I/O	Input / Output
KVA	Kilo Volts Ampere
LEI	Legal Entity Identifier
MeV	Mega-electron Volts
MSME	Micro, Small and Medium Enterprise
PI	Panel Interlocking
RDSO	Research Designs & Standards Organisation
RFID	Radio Frequency Identification
RIU	Remote Interface Unit
RRI	Route Relay Interlocking
SIL-4	Safety Integrity Level-4
SMT	Surface Mount Technology
TCAS	Train Collision Avoidance System
TS	Technical Specification (Standard for the Automotive industry)
UIC	The International Union of Railways (French: Union internationale des chemins de fer, UIC)
UV	Ultra violet
VDU	Video Display Unit

#### **Conventional and general terms and abbreviation**

<b>Term</b>	<b>Description</b>
A/c	Account
AGM	Annual General Meeting
ASBA	Applications Supported by Blocked Amount
AIF	Alternative Investment Funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
AY	Assessment Year
AOA	Articles of Association
Approx.	Approximately
Lead Manager	Lead Manager to the Issue
BG / LC	Bank Guarantee / Letter of Credit
BSE Sensex	Sensex in an index; market indicator of the position of stock that is listed in the BSE
Banking Regulation Act	The Banking Regulation Act, 1949
CDSL	Central Depository Services (India) Limited
CAGR	Compounded Annual Growth Rate
Category I Alternate Investment Fund / Category I AIF	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations
Category I Foreign Portfolio Investor(s) / Category I FPIs	FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations
Category II Alternate Investment Fund / Category II AIF	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations

<b>Term</b>	<b>Description</b>
Category II Foreign Portfolio Investor(s) / Category II FPIs	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
Category III Alternate Investment Fund / Category III AIF	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
CSR	Corporate social responsibility
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
Companies Act	Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification
Current Ratio	It tells management how business can maximize the current assets on its balance sheet to satisfy its current debt and other payables.
Debt To Equity Ratio	Debt-to-equity (D/E) ratio is used to evaluate a company’s financial leverage.
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository / Depositories	NSDL and CDSL
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
DP	Depository Participant
DP ID	Depository Participant’s Identification Number
EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortisation
EBITDA Margin (%)	EBITDA Margin is an indicator of the operational profitability and financial performance of our business.
ECS	Electronic Clearing System
EPS	Earnings Per Share
EGM / EOGM	Extraordinary General Meeting
ESOP / Plan / Stock Incentive Plan	Employee Stock Option Plan
FY / Fiscal / Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time, and the regulations framed there under
FEMA Regulations	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FDI	Foreign Direct Investment
FIs	Financial Institutions
FIIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Non-debt Instruments) Rules, 2019) registered with SEBI under applicable laws in India
FPIs	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
FVCI	Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
FV	Face Value
GOI / Government	Government of India
GDP	Gross Domestic Product
GAAP / Indian GAAP	Generally Accepted Accounting Principles in India
GST	Goods and Service Tax
HNI	High Net Worth Individual
HUF	Hindu Undivided Family

<b>Term</b>	<b>Description</b>
IBC	The Insolvency and Bankruptcy Code, 2016
ICAI	The Institute of Chartered Accountants of India
INR / ₹ / Rupees / Rs.	Indian Rupees, the legal currency of the Republic of India
Ind AS / Indian Accounting Standards	Indian Accounting Standards prescribed under section 133 of the Companies Act, as notified by the Ind AS Rules
Ind AS Rules India	The Companies (Indian Accounting Standard) Rules, 2015, as amended Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India
Interest Coverage Ratio	The interest coverage ratio is a debt and profitability ratio used to determine how easily a company can pay interest on its outstanding debt.
IPO	Initial Public Offer / Initial Public Issue
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
i.e.	That is
IT Act	Income Tax Act, 1961, as amended from time to time
IT Rules	Income Tax Rules, 1962, as amended, except as stated otherwise
IRDA	Insurance Regulatory and Development Authority
KMP	Key Managerial Personnel
MCA	Ministry of Corporate Affairs, Government of India
MoF	Ministry of Finance, Government of India
Ministry of Railways	Ministry of Railways, Government of India
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MOA	Memorandum of Association
NA	Not Applicable
NCLT	National Company Law Tribunal
Net Capital Turnover Ratio	This metric enables us to track the how effectively company is utilizing its working capital to generate revenue.
Net Worth	The aggregate of paid up Share Capital and Share Premium account and Reserves and Surplus (Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure (to the extent not written off) and debit balance of Profit & Loss Account
NEFT	National Electronic Funds Transfer
NECS	National Electronic Clearing System
NAV	Net Asset Value
NRI / Non Resident Indian	A person resident outside India, as defined under FEMA Regulation and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Non-debt Instruments) Rules, 2019
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NSE	National Stock Exchange of India Limited
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
p.a.	Per Annum
P/E Ratio	Price / Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PAT Margin	PAT Margin is an indicator of the overall profitability and financial performance of our business.
PBT	Profit Before Tax
RBI Act	The Reserve Bank of India Act, 1934 as amended from time to time
Reserve Bank of India / RBI	Reserve Bank of India constituted under the RBI Act



<b>Term</b>	<b>Description</b>
RoCE	Return on Capital Employed, is calculated as profit before tax plus finance costs divided by total equity plus non-current borrowings plus current borrowings.
ROE	Return on Equity, provides how efficiently our Company generates profits from shareholders' funds.
RONW	Return on Net Worth
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business.
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SCSB	Self Certified Syndicate Banks
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI Regulations	AIF Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended from time to time
SEBI Regulations	FII Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time
SEBI Regulations	FPI Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended from time to time
SEBI Regulations	FVCI Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time
SEBI Regulations	ICDR Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time
SEBI LODR Regulations / SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time
SEBI Regulations	SAST Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time
SEBI Regulations	VCF Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as repealed by the SEBI AIF Regulations, as amended
SME	Small and Medium Enterprises
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
TDS	Tax Deducted at Source
TRS	Transaction Registration Slip
TIN	Taxpayers Identification Number
Total Revenue	Total Revenue is used to tack the total revenue generated by the business including other income.
UPI	Unified Payments Interface as a payment mechanism through National Payments Corporation of India with Application Supported by Block Amount for applications in public issues by retail individual investors through SCSBs
VCF / Venture Capital Fund	Foreign Venture Capital Funds as defined under the SEBI AIF Regulations
Wilful Defaulter	An entity or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of regulation 2(1)(III) of the SEBI ICDR Regulations

## **CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION**

### **Certain Conventions**

All references to 'India' contained in the Draft Red Herring Prospectus are to the Republic of India. All references to the 'Government', 'Indian Government', 'GoI', 'Central Government' are to the Government of India and all references to the 'State Government' are to the government of the relevant state.

Unless stated otherwise, any time mentioned in the Draft Red Herring Prospectus is in Indian Standard Time. Unless stated otherwise, all references to page numbers in the Draft Red Herring Prospectus are to the page numbers of the Draft Red Herring Prospectus.

In the Draft Red Herring Prospectus, the terms "we", "us", "our", the "Company", "our Company", "Quadrant Future Tek Limited" and "Quadrant" refer to the Issuer 'Quadrant Future Tek Limited'. In the Draft Red herring Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word "Lac / Lakh" means "one hundred thousand", the word "million (mn)" means "Ten Lac / Lakh", the word "Crore" means "ten million" and the word "billion (bn)" means "one hundred crore". In the Draft Red Herring Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

### **Use of Financial Data**

Unless stated otherwise, throughout the Draft Red Herring Prospectus, all figures have been expressed in Rupees and million. Unless stated otherwise, the financial data in the Draft Red Herring Prospectus is derived from our Restated Financial Information. The restated financial information of our Company comprise of the restated balance sheet as at and for the nine months period ended on December 31, 2023 and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, the restated statement of profit and loss (including other comprehensive income), the restated statement of changes in equity and the restated statement of cash flows for the nine months period ended on December 31, 2023 and for the financial years ended March 31, 2023 and March 31, 2022, and March 31, 2021 and the statement of significant accounting policies, and other explanatory information relating to such financial periods prepared in accordance with Ind AS specified under Section 133 of the Companies Act 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and restated in accordance with the SEBI ICDR Regulations and included in "Restated Financial Information" on page 244.

In the Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

Our fiscal year commences on April 1 of every year and ends on March 31st of every next year. Unless stated otherwise, or the context requires otherwise, all references to a "year" in the Draft Red Herring Prospectus are to a calendar year.

Unless the context otherwise indicates, any percentage amounts, as set forth in "Risk Factors", "Our Business" and "Management Discussion and Analysis of Financial Conditions and Results of Operations" on page 31, 169 and 369 respectively, and elsewhere in the Draft Red Herring Prospectus have been calculated on the basis of the Company's Restated Financial Information prepared in accordance with the applicable provisions of the Companies Act, Ind AS and restated in accordance with SEBI ICDR Regulations, as stated in the report of our Peer Review Auditor, set out in section titled "Restated Financial Information" on page 244.

### **Non-GAAP Measures**

Net Worth, NAV per share, gross profit, gross profit margin/ gross margin, EBITDA, EBITDA Margin, Adjusted EBITDA, Adjusted EBITDA margin, working capital days of sale, invested capital in business, cost of goods sold ("Non-GAAP Measures"), presented in this Prospectus are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with Ind AS. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS and should not be considered in isolation or construed as an alternative to cash flows, profit / (loss) for the period/years or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows

generated by operating, investing or financing activities derived in accordance with Ind AS. In addition, the Non GAAP Measures are not standardised terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate an entity's operating performance.

There are significant differences between Ind AS, U.S. GAAP and IFRS. See "Risk Factor 58 - *Significant differences exist between Ind AS and other accounting principles, such as IFRS and U.S. GAAP, which may be material to investors' assessment of our financial condition*" on page 63. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in the Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in the Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act, Ind AS, and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in the Draft Red Herring Prospectus should, accordingly, be limited.

In the Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. Except as stated otherwise, all figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

Any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

### **Industry and Market Data**

Unless stated otherwise, the industry and market data and forecasts used throughout the Draft Red Herring Prospectus has been obtained from industry sources (websites, data, and reports) as well as derived from the report titled "Industry Research Report on Specialty Cables, Train Control System and Interconnect Products" released on May 31, 2024 prepared by CareEdge ("Industry Report"), which is exclusively prepared for the purpose of the Issue and paid for by our Company. CareEdge was appointed on October 06, 2023. The Industry Report and its excerpts as used for the Draft Red Herring Prospectus, has been exclusively commissioned and paid for by our Company specifically in connection with the Issue. The Industry Report is available on the website of our Company at [www.quadrantfuturetek.com](http://www.quadrantfuturetek.com). Industry sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. For risks in relation to commissioned reports, see "Risk Factor 51 - *Certain sections of the Draft Red Herring Prospectus contain information from the CareEdge Report which we commissioned and paid for and any reliance on such information for making an investment decision in the Issue is subject to inherent risks.*" on page 61.

There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources. Further, the extent to which the industry and market data presented in the Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

The CareEdge Report is subject to the following disclaimer:

*This report is prepared by CARE Analytics and Advisory Private Limited (CareEdge Research). CareEdge Research has taken utmost care to ensure accuracy and objectivity while developing this report based on information available in CareEdge Research's proprietary database, and other sources considered by CareEdge Research as accurate and reliable including the information in public domain. The views and opinions expressed herein do not constitute the opinion of CareEdge Research to buy or invest in this industry, sector or companies*

*operating in this sector or industry and is also not a recommendation to enter into any transaction in this industry or sector in any manner whatsoever.*

*This report has to be seen in its entirety; the selective review of portions of the report may lead to inaccurate assessments. All forecasts in this report are based on assumptions considered to be reasonable by CareEdge Research; however, the actual outcome may be materially affected by changes in the industry and economic circumstances, which could be different from the projections.*

*Nothing contained in this report is capable or intended to create any legally binding obligations on the sender or CareEdge Research which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. CareEdge Research is also not responsible for any errors in transmission and specifically states that it, or its Directors, employees, parent company – CARE Ratings Ltd., or its Directors, employees do not have any financial liabilities whatsoever to the subscribers/users of this report. The subscriber/user assumes the entire risk of any use made of this report or data herein. This report is for the information of the authorized recipient in India only and any reproduction of the report or part of it would require explicit written prior approval of CareEdge Research.*

*CareEdge Research shall reveal the report to the extent necessary and called for by appropriate regulatory agencies, viz., SEBI, RBI, Government authorities, etc., if it is required to do so. By accepting a copy of this Report, the recipient accepts the terms of this Disclaimer, which forms an integral part of this Report.*

*The transfer of the business will not have any impact on your rights and obligations under the agreements/mandates/ work orders entered into by you with CareEdge Research as CRPSL will assume the rights and obligation under these agreements/mandates/work orders pursuant to the Business Transfer.*

In accordance with the SEBI ICDR Regulations, the section ‘Basis for Issue Price’ on page 118, includes information relating to our peer group companies and industry averages. Such information has been derived from publicly available sources. Such industry sources and publications are also prepared based on information as at specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base this information on estimates and assumptions that may prove to be incorrect.

#### **Currency and Units of Financial Presentation**

All references to:

- i. “Rupees”, “Rs.” Or “INR” or “₹” are to Indian Rupees, the official currency of the Republic of India.
- ii. All references to “US\$” or “US Dollars” or “USD”, if any, are to United States Dollars, the official currency of the United States of America.

Our Company has presented certain numerical information in the Draft Red Herring Prospectus in ‘million’ units, or in absolute number where the number have been too small to present in million unless as stated, otherwise, as applicable. 1 million represents ‘10 lakhs’ or 1,000,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than million, such figures appear in the Draft Red Herring Prospectus expressed in such denominations as provided in their respective sources.

Any percentage amounts (excluding certain operational data), as set forth in ‘Risk Factors’, ‘Our Business’, and ‘Management Discussion and Analysis of Financial Conditions and Results of Operation’ on pages 31, 169, and 369 and elsewhere in the Draft Red Herring Prospectus, unless otherwise indicated, have been calculated based on our Restated Financial Information.

Figures sourced from third-party industry sources may be expressed in denominations other than lakhs or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in the Draft Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

#### **Time**

All references to time in the Draft Red Herring Prospectus are to Indian Standard Time. Unless indicated otherwise, all references to a year in the Draft Red Herring Prospectus are to a calendar year.

## **NOTICE TO PROSPECTIVE INVESTORS OUTSIDE INDIA**

### **Notice to Prospective Investors in the United States**

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of the Draft Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Issue, including the merits and risks involved. The Equity Shares offered in the Issue have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act and referred to in the Draft Red Herring Prospectus as “U.S. QIBs”), pursuant to Rule 144A of the U.S. Securities Act, and (b) outside of the United States in offshore transactions as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. For the avoidance of doubt, the term “U.S. QIBs” does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in the Draft Red Herring Prospectus as “QIBs”.

### **Notice to Prospective Investors in the European Economic Area**

The Draft Red Herring Prospectus has been prepared on the basis that all offers of Equity Shares will be made pursuant to an exemption under the Prospectus Directive (as defined below), as implemented in Member States of the European Economic Area (“EEA”), from the requirement to produce a prospectus for offers of Equity Shares. The expression “Prospectus Directive” means Directive 2003/71/EC of the European Parliament and Council EC (and amendments thereto, including the 2010 PD Amending Directive and Prospectus Regulations (EU) 2017/1129, to the extent applicable and to the extent implemented in the Relevant Member State (as defined below)) and includes any relevant implementing measure in each Member State that has implemented the Prospectus Directive (each a “Relevant Member State”). Accordingly, any person making or intending to make an offer within the EEA of Equity Shares which are the subject of the placement contemplated in the Draft Red Herring Prospectus should only do so in circumstances in which no obligation arises for our Company or any of the BRLM to produce a prospectus for such offer. None of our Company or the BRLM have authorised, nor do they authorise, the making of any offer of Equity Shares through any financial intermediary, other than the offers made by the BRLM which constitute the final placement of Equity Shares contemplated in the Draft Red Herring Prospectus.

### **Information to Distributors (as defined below)**

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“MiFID II”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “MiFID II Product Governance Requirements”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Equity Shares have been subject to a product approval process, which has determined that such Equity Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “Target Market Assessment”). Notwithstanding the Target Market Assessment, ‘distributors’ (for the purposes of the MiFID II Product Governance Requirements) (“Distributors”) should note that: the price of the Equity Shares may decline and investors could lose all or part of their investment; the Equity Shares offer no guaranteed income and no capital protection; and an investment in the Equity Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Issue. Furthermore, it is

noted that, notwithstanding the Target Market Assessment, and the BRLM will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Equity Shares. Each Distributor is responsible for undertaking its own target market assessment in respect of the Equity Shares and determining appropriate distribution channels.

#### **Notice to Prospective Investors in the United Kingdom**

The Draft Red Herring Prospectus has been prepared on the basis that all offers of Equity Shares will be made pursuant to an exemption under the UK Prospectus Regulation from the requirement to produce a prospectus for offers of Equity Shares. The expression “UK Prospectus Regulation” means Prospectus Regulation (EU) 2017/1129, as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018. Accordingly, any person making or intending to make an offer within the United Kingdom of Equity Shares which are the subject of the placement contemplated in the Draft Red Herring Prospectus should only do so in circumstances in which no obligation arises for our Company or any of the BRLM to produce a prospectus for such offer. None of our Company and the BRLM have authorized, nor do they authorize, the making of any offer of Equity Shares through any financial intermediary, other than the offers made by the members of the Syndicate which constitute the final placement of Equity Shares contemplated in the Draft Red Herring Prospectus.

#### **Information to Distributors**

Solely for the purposes of the product governance requirements contained within the FCA Handbook Product Intervention and Product Governance Sourcebook (“PROD”) (the “UK MiFIR Product Governance Rules”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the UK Product Governance Rules) may otherwise have with respect thereto, the Equity Shares have been subject to a product approval process, which has determined that such Equity Shares are: (i) compatible with an end target market of: (a) investors who meet the criteria of professional clients as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018; (b) eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“COBS”); and (c) retail clients who do not meet the definition of professional client under (b) or eligible counterparty per (c); and (ii) eligible for distribution through all distribution channels as are permitted by Directive 2014/65/EU (the “Target Market Assessment”). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Equity Shares may decline and investors could lose all or part of their investment; the Equity Shares offer no guaranteed income and no capital protection; and an investment in the Equity Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the BRLM will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of COBS 9A and COBS 10A respectively; or (b) a recommendation to any investor or group of investors to invest in, or purchase or take any other action whatsoever with respect to the Equity Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Equity Shares and determining appropriate distribution channels.

## FORWARD LOOKING STATEMENT

The Draft Red Herring Prospectus contains certain “forward-looking statements”. All statements in the Draft Red Herring Prospectus that are not statements of historical fact are ‘forward-looking statements’.

These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “likely to”, “objective”, “plan”, “propose”, “project”, “seek”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to and including, regulatory changes pertaining to the industry in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industry in which we operate.

Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Our success is dependent on our relationship with our customers, and we do not, generally enter into long term purchase contracts. This exposes us to risk emanating from the inability to retain our established customers as our clients.
- Our Company does not have long-term agreements with suppliers for our input materials and a significant increase in the cost of, or a shortfall in the availability, or deterioration in the quality, of such input materials could have an adverse effect on our business and results of operations.
- We operate in a competitive industry. Any inability to compete effectively may lead to a lower market share or reduced operating margins.
- We presently cater to the requirements of cable in the railways and defence industry. Exploring new business opportunities in the renewable energy and electric vehicle sectors may not yield material business prospectus for us in future.
- We have invested huge human and financial capital for software development in building Automatic Train Protection Systems. This is an evolving landscape in the safety critical operations being envisaged by Indian Railways in long run and may be subject to frequent changes or non adoption of such technology in long run, which may impact our business operations and growth.

For discussion regarding factors that could cause actual results to differ from expectations, see “Risk Factors”, “Industry Overview”, “Our Business” and “Management Discussion and Analysis of Financial Condition and Results of Operations” on pages 31, 129, 169, and 369, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

There can be no assurance to Investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Forward-looking statements reflect our current views as of the date of the Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which

these forward-looking statements are based on reasonable assumptions, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors or KMPs have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the requirements of SEBI, our Company shall ensure that investors are informed of material developments from the date of the Draft Red Herring Prospectus in relation to the statements and undertakings made by the Company until the time of the grant of listing and trading permission by the Stock Exchanges for this Issue.



## SUMMARY OF THE ISSUE DOCUMENT

*This section is a general summary of certain disclosures included in the Draft Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in the Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in the Draft Red Herring Prospectus, including the sections “Risk Factors”, “Our Business”, “Industry Overview”, “Capital Structure”, “The Issue”, “Restated Financial Information”, “Objects of the Issue”, “Management Discussion and Analysis of Financial Position and Results of Operations” and “Outstanding Litigation and Material Developments” on pages 31, 169, 128, 84, 70, 244, 100, 369 and 389 respectively of the Draft Red Herring Prospectus.*

### Primary business of our Company

Quadrant is a research oriented company, engaged in developing new generation Train Control and Signalling Systems that offers the highest level of safety and reliability to rail passengers and also possess an irradiated / E-beam cable manufacturing facility with Electron Beam Irradiation Centre. The Company offers speciality cables for Railways rolling stock and Naval (Defence) industry. Our facility also possess end to end infrastructure capabilities for production of Solar & EV Cables. We believe that our competitive advantage is our technology and innovation-driven approach, our efficiency in operations, maintaining quality control, experienced domain professionals and R&D structure enabling indigenously developed solutions.

### Summary of industry in which our Company operates (Source: CareEdge Report)

Our Company caters to two different industries, namely (i) Cable industry with niche technology for manufacture of E-beam cables which are primarily used in various industries requiring stringent norms, including Railways, Defence, Renewable Energy & Electric Vehicle sectors and growing applications across industries; and (ii) Railways sector for Automatic train protection (ATP) and KAVACH system and growing demand in related technologies and development of new systems to enable safety and capacity augmentation in railways.

### Our Promoters

The Promoters of our Company are Mohit Vohra, Amit Dhawan, Amrit Singh Randhawa, Rupinder Singh, Vishesh Abrol and Vivek Abrol, Aikjot Singh and Rajbir Singh Randhawa. For further details, see “Our Promoters and Promoter Group” on page 230.

Our Company was incorporated with the collaboration of four independent business groups, comprising of technocrats and entrepreneurs, and the shares in the Company are held equally by each group, i.e. 25% of the Pre-Issue Equity Capital, and are collectively represented by: (i) Mohit Vohra and Amit Dhawan (collectively, “MV Group”); (ii) Rupinder Singh, Aikjot Singh and Parminder Kaur (collectively, “NEC Group”); (iii) Amrit Singh Randhawa, Rajbir Singh Randhawa, Swinder Kaur and Navneet Kaur (collectively, “ISG Group”); and (iv) Mohan Krishan Abrol, Vivek Abrol, Vishesh Abrol and Vipin Abrol (collectively, “Abrol Group”). Being represented by four different business groups helps our Company make collaborated and brainstormed decisions without being influenced or dominated by any one promoter or group of promoters.

### The Issue

Fresh Issue of up to [●] Equity Shares of face value ₹ 10 each for cash at a price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share), aggregating up to ₹ 2,750.00 million. The Issue has been authorized by a resolution of our Board dated March 15, 2023 and January 20, 2024 and by our Shareholders pursuant to a special resolution passed on March 01, 2024.

The Issue shall constitute [●]% of the post-Issue paid-up Equity Share capital of our Company. For further details, see “The Issue” and “Issue Structure” on pages 70 and 416, respectively.

### Objects of the Issue

The Net Proceeds are proposed to be utilised towards the following objects:

(₹ in millions)

Sr. No.	Particulars	Estimated utilisation from Net Proceeds
1.	Funding long-term working capital requirements of our Company	1,750.00
2.	Capital expenditure for development for Electronic Interlocking System	250.00
3.	Prepayment or repayment of all or a portion of outstanding working capital term loan availed by our Company	250.00
4.	General Corporate Purpose *	[●]
	<b>Net Proceeds</b>	<b>[●]</b>

\* To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.

For further details, see “Objects of the Issue” on page 100.

### Aggregate pre-Issue and post-Issue shareholding of our Promoters and the members of our Promoter Group

The aggregate pre-Issue and post-Issue shareholding of our Promoters and members of our Promoter Group as on the date of the Draft Red Herring Prospectus is set out below:

Sr. No.	Name of the shareholder	Pre-Issue Equity Share Capital		Post-Issue Equity Share Capital	
		No. of Equity Shares held	% of paid up Equity Share Capital	No. of Equity Shares held	% of paid up Equity Share Capital
<b>Promoter &amp; Promoter Group</b>					
1	Amrit Singh Randhawa	40,50,000	13.50	40,50,000	[●]
2	Rajbir Singh Randhawa	18,00,000	6.00	18,00,000	[●]
3	Swinder Kaur	10,50,000	3.50	10,50,000	[●]
4	Navneet Kaur	6,00,000	2.00	6,00,000	[●]
5	Vivek Abrol	23,25,000	7.75	23,25,000	[●]
6	Vishesh Abrol	23,25,000	7.75	23,25,000	[●]
7	Mohan Krishan Abrol	25,50,000	8.50	25,50,000	[●]
8	Vipin Abrol	3,00,000	1.00	3,00,000	[●]
9	Rupinder Singh	57,00,000	19.00	57,00,000	[●]
10	Aikjot Singh	15,00,000	5.00	15,00,000	[●]
11	Parminder Kaur	3,00,000	1.00	3,00,000	[●]
12	Mohit Vohra	37,50,000	12.50	37,50,000	[●]
13	Amit Dhawan	37,50,000	12.50	37,50,000	[●]
	<b>Total</b>	<b>3,00,00,000</b>	<b>100.00</b>	<b>3,00,00,000</b>	<b>[●]</b>

### Summary of selected financial information

The details of certain financial information as set out under the SEBI ICDR Regulations as at and for the nine months period ended December 31, 2023, as at and for the financial years ended March 31, 2023, March 31, 2022, and March 31, 2021, as derived from the Restated Financial Information are set forth below:

(₹ in millions, except per share data)

Particulars	As at and for the period ended / Fiscal ended			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Equity Share Capital	100.00	100.00	100.00	100.00
Total Equity	337.55	194.21	56.05	37.11
Net worth/ Equity attributable to owners of our Company <sup>1</sup>	<b>437.55</b>	<b>294.21</b>	<b>156.05</b>	<b>137.11</b>
Revenue from Operations	1,003.71	1,528.04	1,042.58	728.28

Particulars	As at and for the period ended / Fiscal ended			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Restated profit for the period / year	144.19	139.04	19.43	48.12
Earnings per Share (face value of Equity Shares of ₹ 10 each)				
- Basic <sup>2 3 4</sup>	4.78	4.61	0.63	1.61
- Diluted <sup>2 3 4</sup>	4.78	4.61	0.63	1.61
Net Asset Value per Equity Share <sup>5</sup>	14.59	9.81	5.20	4.57
Total Borrowings <sup>6</sup>	758.66	739.96	806.81	409.30

<sup>1</sup> Net worth has been defined as the aggregate value of the paid-up equity share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as on December 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021 in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations, as amended.

<sup>2</sup> Earnings per Equity Share (Basic) = Restated profit for the period / year attributable to the equity holders of our Company / Weighted average number of equity shares outstanding during the period / year. The weighted average number of Equity Shares outstanding during the year is adjusted for bonus issue.

<sup>3</sup> Earnings per Equity Share (Diluted) = Restated profit for the period / year attributable to equity holders of our Company / Weighted average number of equity shares outstanding during the period / year considered for deriving basic earnings per share and the weighted average number of Equity Shares which could have been issued for potential dilution of Equity Shares. The weighted average number of Equity Shares outstanding during the year is adjusted for bonus issue.

<sup>4</sup> Basic EPS and Diluted EPS calculations are in accordance with Indian Accounting Standard 33 'Earnings per Share'. Further, pursuant to the Shareholders resolution passed at the EGM held on March 01, 2024, our Company has issued bonus shares in the ratio of two Equity Shares for every one existing Equity Share held in the meeting of the Board of Directors held on April 15, 2024. Accordingly, the earnings per Equity Share has been adjusted for the aforementioned bonus issue.

<sup>5</sup> Net Asset Value per Equity Share = Net worth as per the Restated Financial Information / number of Equity Shares outstanding as at the end of the year / period. The weighted average number of Equity Shares outstanding during the year is adjusted for bonus issue of equity shares.

<sup>6</sup> Total borrowings is computed as current borrowings plus non-current borrowings, including unsecured loans.

#### **Qualifications of the Statutory Auditors which have not been given effect to in the Restated Financial Information**

The audit report for the financial year ended March 31, 2022 had a qualified opinion, details of which and the manner of giving effect to in the Restated Financial Information is provided under chapter titled "Management Discussion and Analysis of Financial Conditions and Results of Operations - Qualifications of the Statutory Auditors" on page 374.

Except as above, there are no qualifications included by the Statutory Auditors in their audit reports.

#### **Summary of outstanding litigations**

A summary of outstanding litigation proceedings involving our Company, our Directors, our Promoters and our Group Companies in accordance with the SEBI ICDR Regulations and the Materiality Policy as on the date of the Draft Red Herring Prospectus, is provided below:

Name of entity	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoters	Other material proceedings	Aggregate amount involved (₹ in millions) #
<b>Company</b>						
By our Company	-	-	-	-	-	-
Against our Company	-	1	1	-	-	3.11
<b>Directors</b>						
By our Directors	-	-	-	-	-	-
Against our Directors	9*	-	-	-	-	Non-Ascertainable
<b>Promoters</b>						
By our Promoters	-	-	-	-	-	-
Against our Promoters	9*	-	-	-	-	Non-Ascertainable
<b>Group Companies</b>						
By our Group Companies		Not applicable			-	-
Against our Group Companies		Not applicable			-	-

\* All cases pertain to one single incident of road accident

# Amount to the extent quantifiable

For further details, see “Outstanding Litigation and Material Developments” on page 389.

## Risk Factors

Specific attention of Bidders is invited to the section “Risk Factors” on page 31. Bidders are advised to read the risk factors carefully before taking an investment decision in the Issue.

## Summary of contingent liabilities

The following table sets forth certain information relating to our contingent liabilities and commitments as of December 31, 2023 and Fiscal 2023, 2022 and 2021 as indicated in the Restated Financial Information:

(₹ in millions)

Particulars	As at			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Claims against the company not acknowledged as debts				
Bank guarantee issued	40.44	29.36	9.74	1.90
<b>Total contingent liabilities</b>	<b>40.44</b>	<b>29.36</b>	<b>9.74</b>	<b>1.90</b>

For details, see “Restated Financial Information - Note 35: Contingent liabilities and commitments” on pages 322.

## Summary of Related Party Transactions

The summary of related party transactions entered into by us for the nine months period ended December 31, 2023, and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, as derived from the Restated Financial Information are as set out in the table below:

Related Party Transactions		(₹ in millions)			
		For the nine months ended December 31, 2023	Fiscal ended March 31, 2023	Fiscal ended March 31, 2022	Fiscal ended March 31, 2021
<b>Transactions undertaken during the year</b>					
<b>Sale</b>					
Abrol Engineering Company Private Limited	26.24	50.29	117.52	57.79	
International Switchgear Private Limited	73.54	82.02	57.91	46.61	
MV Electrosystems Limited	18.50	25.93	73.36	102.00	
NEC Switchgear & Controls	11.24	82.70	48.56	66.81	
Prime Electronics	17.12	65.51	59.14	31.61	
MV Mobility Limited	0.12	0.60	-	-	
<b>Purchase</b>					
Abrol Engineering Company Private Limited	68.07	151.66	92.33	34.11	
MV Electrosystems Limited	-	8.88	9.52	24.54	
NEC Switchgear & Controls	0.02	29.83	2.73	0.20	
International Switchgear Private Limited	0.08	59.27	104.36	1.18	
<b>Directors' Remuneration</b>					
Amrit Singh Randhawa	2.70	-	-	6.00	
Rajbir Singh Randhawa	2.70	-	-	6.00	
Rupinder Singh	2.70	-	-	6.00	
Amit Dhawan	2.70	-	-	6.00	
Vivek Abrol	2.70	-	-	6.00	
Vishesh Abrol	2.70	-	-	6.00	
Mohit Vohra	2.70	-	-	6.00	
Aikjot Singh	2.70	-	-	6.00	
<b>Loan Received</b>					
Amrit Singh Randhawa	-	1.50	10.00	4.00	
Rajbir Singh Randhawa	-	1.50	2.50	2.00	
Rupinder Singh	-	12.00	35.00	12.00	
Amit Dhawan	-	1.50	17.50	6.00	
Vivek Abrol	-	-	10.00	6.00	
Vishesh Abrol	-	-	5.00	6.00	
Mohit Vohra	-	-	7.50	6.00	
Swinder Kaur	-	-	2.50	9.50	
<b>Loan Repaid</b>					
Amrit Singh Randhawa	-	-	-	3.60	
Amit Dhawan	-	-	5.00	-	
Aikjot Singh	-	-	-	0.50	
Navneet Kaur	-	-	-	1.45	
Parminder Kaur	-	-	-	0.50	
Rupinder Singh	-	29.00	-	35.25	
Swinder Kaur	-	-	-	7.15	
Vishesh Abrol	-	-	-	6.75	
Vivek Abrol	-	-	-	10.00	
Rajbir Singh Randhawa	-	-	-	1.65	
<b>Outstanding balances</b>					
<b>As creditors</b>					
Abrol Engineering Company Private Limited	-	4.64	0.69	-	

<b>Related Party Transactions</b>	<b>For the nine months ended December 31, 2023</b>	<b>Fiscal ended March 31, 2023</b>	<b>Fiscal ended March 31, 2022</b>	<b>Fiscal ended March 31, 2021</b>
MV Electrosystems Limited	-	1.25	2.25	0.10
Amit Dhawan	-	-	-	0.05
NEC Switchgear & Controls	-	-	-	-
International Switchgear Private Limited	-	-	105.55	-
<b>As debtors</b>				
Abrol Engineering Company Private Limited	2.39	-	-	7.28
MV Mobility Limited	0.60	2.10	-	-
MV Electrosystems Limited	3.19	0.71	-	-
International Switchgear Private Limited	28.86	1.11	-	7.61
NEC Switchgear & Controls	1.57	0.08	0.12	11.83
Prime Electronics	4.93	20.63	14.70	25.91
<b>Outstanding loan balances</b>				
Amrit Singh Randhawa	19.50	19.50	18.00	8.00
Aikjot Singh	10.00	10.00	10.00	10.00
Amit Dhawan	23.88	23.88	22.38	9.88
Mohit Vohra	17.38	17.38	17.38	9.88
Rajbir Singh Randhawa	10.50	10.50	9.00	6.50
Rupinder Singh	30.00	30.00	47.00	12.00
Swinder Kaur	10.00	10.00	10.00	7.50
Vishesh Abrol	12.40	12.40	12.40	7.40
Vivek Abrol	24.60	24.60	24.60	14.60

For details of the related party transactions, as per the requirements under Ind AS 24 ‘Related Party Disclosures’ and as reported in the Restated Financial Information, see “Restated Financial Information - Note 31: Related Party Transactions” on page 312.

### Financing arrangements

There have been no financing arrangements whereby our Promoters, members of our Promoter Group, our Directors and their relatives (as defined under Companies Act, 2013) have financed the purchase by any other person of securities of our Company (other than in the normal course of the business of the financing entity) during a period of six months immediately preceding the date of the Draft Red Herring Prospectus.

### Weighted average price at which the Equity Shares were acquired by our Promoters and members of our Promoter Group in the last one year preceding the date of the Draft Red Herring Prospectus

Except as disclosed below, no Equity Shares have been acquired by our Promoters and members of our Promoter Group in the last one year immediately preceding the date of the Draft Red Herring Prospectus.

<b>Name of shareholder</b>	<b>No. of Equity Shares acquired in the preceding one year *</b>	<b>Weighted average price of acquisition per Equity Share face value of ₹ 10 (₹)</b>
<b>Promoters</b>		
Aikjot Singh	10,00,000	Nil
Amit Dhawan	25,00,000	Nil
Amrit Singh Randhawa	27,00,000	Nil
Mohit Vohra	25,00,000	Nil
Rajbir Singh Randhawa	12,00,000	Nil
Rupinder Singh	38,00,000	Nil
Vishesh Abrol	15,50,000	Nil

Name of shareholder	No. of Equity Shares acquired in the preceding one year *	Weighted average price of acquisition per Equity Share face value of ₹ 10 (₹)
Vivek Abrol	15,50,000	Nil
<b>Promoter Group</b>		
Mohan Krishan Abrol	17,00,000	Nil
Swinder Kaur	7,00,000	Nil
Navneet Kaur	4,00,000	Nil
Vipin Abrol	2,00,000	Nil
Parminder Kaur	2,00,000	Nil

\* Issued as bonus shares by way of capitalisation of reserves.

**Weighted average price at which the Equity Shares were acquired by our Promoters and members of our Promoter Group in the last eighteen months preceding the date of the Draft Red Herring Prospectus**

Except as disclosed below, no Equity Shares have been acquired by our Promoters and members of our Promoter Group in the last eighteen months immediately preceding the date of the Draft Red Herring Prospectus.

Name of shareholder	No. of Equity Shares acquired in the preceding eighteen months *	Weighted average price of acquisition per Equity Share face value of ₹ 10 (₹)
<b>Promoters</b>		
Aikjot Singh	10,00,000	Nil
Amit Dhawan	25,00,000	Nil
Amrit Singh Randhawa	27,00,000	Nil
Mohit Vohra	25,00,000	Nil
Rajbir Singh Randhawa	12,00,000	Nil
Rupinder Singh	38,00,000	Nil
Vishesh Abrol	15,50,000	Nil
Vivek Abrol	15,50,000	Nil
<b>Promoter Group</b>		
Mohan Krishan Abrol	17,00,000	Nil
Swinder Kaur	7,00,000	Nil
Navneet Kaur	4,00,000	Nil
Vipin Abrol	2,00,000	Nil
Parminder Kaur	2,00,000	Nil

\* Issued as bonus shares by way of capitalisation of reserves.

**Details of the price at which equity shares were acquired in the last three years immediately preceding the date of the Draft Red Herring Prospectus by our Promoters and members of our Promoter Group**

Except as stated below, none of our Promoters and members of our Promoter Group have acquired any equity shares in the three years immediately preceding the date of the Draft Red Herring Prospectus:

Name of shareholder	No. of Equity Shares acquired in the preceding three year *	Weighted average price of acquisition per Equity Share face value of ₹ 10 (₹)
<b>Promoters</b>		
Aikjot Singh	10,00,000	Nil
Amit Dhawan	25,00,000	Nil
Amrit Singh Randhawa	27,00,000	Nil
Mohit Vohra	25,00,000	Nil
Rajbir Singh Randhawa	12,00,000	Nil
Rupinder Singh	38,00,000	Nil
Vishesh Abrol	15,50,000	Nil
Vivek Abrol	15,50,000	Nil
<b>Promoter Group</b>		

Name of shareholder	No. of Equity Shares acquired in the preceding three year *	Weighted average price of acquisition per Equity Share face value of ₹ 10 (₹)
Mohan Krishan Abrol	17,00,000	Nil
Swinder Kaur	7,00,000	Nil
Navneet Kaur	4,00,000	Nil
Vipin Abrol	2,00,000	Nil
Parminder Kaur	2,00,000	Nil

\* Issued as bonus shares by way of capitalisation of reserves.

Except as disclosed under “History and Certain Corporate Matters - Dispute amongst the Promoter and Promoter Group and the Settlement Agreement dated February 01, 2023 (“Settlement Agreement”) and Amendment to the Settlement Agreement dated March 01, 2024 (“Amendment to the Settlement Agreement”)” on page 208, there are no rights to the shareholders of our Company to appoint directors or any other rights, as applicable since the incorporation of the Company.

#### Average cost of acquisition of Equity Shares by our Promoters and members of our Promoter Group

The average cost of acquisition of Equity Shares by our Promoters and members of our Promoter Group as at the date of the Draft Red Herring Prospectus, is:

Name of shareholder	No. of Equity Shares held	Weighted average acquisition price per Equity Share face value of ₹ 10 (₹)
<b>Promoters</b>		
Aikjot Singh	15,00,000	3.33
Amit Dhawan	37,50,000	3.33
Amrit Singh Randhawa	40,50,000	3.33
Mohit Vohra	37,50,000	3.33
Rajbir Singh Randhawa	18,00,000	3.33
Rupinder Singh	57,00,000	3.33
Vishesh Abrol	23,25,000	3.33
Vivek Abrol	23,25,000	3.33
<b>Promoter Group</b>		
Mohan Krishan Abrol	25,50,000	3.33
Swinder Kaur	10,50,000	3.33
Navneet Kaur	6,00,000	3.33
Vipin Abrol	3,00,000	3.33
Parminder Kaur	3,00,000	3.33

#### Details of pre-IPO placement

Our Company does not contemplate any fresh issuance of Equity Shares pursuant to a pre-IPO placement from the date of the Draft Red Herring Prospectus till the listing of the Equity Shares.

#### Issue of equity shares of our Company for consideration other than cash in the last one year

Except as disclosed below, our Company has not issued any equity shares for consideration other than cash in the one year preceding the date of the Draft Red Herring Prospectus:

Date of allotment	No. of Shares allotted	Face value per Share (in ₹)	Issue price per Share (in ₹)	Nature of allotment	Benefits accrued to our Company
April 15, 2024	2,00,00,000	10	-	Issue of bonus shares in the ratio of 2:1 (i.e. two new Equity Share for every one Equity Share held)	Nil, except for expansion of capital base of our Company



For further details, see “Capital Structure - Notes to the Capital Structure - History of Equity Share Capital of our Company” on page 84.

**Split or consolidation of equity shares in the last one year**

Our Company has not undertaken split or consolidation of its equity shares in the one year preceding the date of the Draft Red Herring Prospectus.

**Exemption from complying with any provisions of securities laws, if any, granted by the SEBI**

Our Company has not been granted any exemption by SEBI from complying with any provisions of securities laws, as on the date of the Draft Red Herring Prospectus.

## SECTION II: RISK FACTOR

*An investment in equity shares involves a high degree of risk. Prospective investors should carefully consider all the information in the Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described in this section are not the only ones relevant to us or the Equity Shares but also includes the industry and segments in which we currently operate. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our businesses, results of operations, financial condition and cash flows. If any of the following risks, or a combination of risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our businesses, results of operations, financial condition and cash flows could be adversely affected, the trading price of the Equity Shares could decline, and you may lose all or part of your investment. To obtain a complete understanding of us, prospective investors should read this section in conjunction with 'Industry Overview', 'Our Business', 'Financial Indebtedness' and 'Management Discussion and Analysis of Financial Condition and Results of Operations' on pages 128, 169, 363 and 369, respectively, as well as the financial, statistical and other information contained in the Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.*

*Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries. The Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in the Draft Red Herring Prospectus. For details, see 'Forward-Looking Statements' on page 20.*

*Unless stated or, the context requires, otherwise, our financial information has been derived from the Restated Financial Information included in the Draft Red Herring Prospectus.*

*Unless otherwise indicated, industry and market data used in this section has been derived from the report titled 'Industry Research Report on Specialty Cables, Train Control System and Interconnect Products', prepared by CareEdge which has been commissioned and paid for by our Company in connection with the Issue. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CareEdge Report and included herein with respect to any particular year, refers to such information for the relevant calendar year. CareEdge was appointed by our Company and is not connected to our Company, our Directors, our Promoters, our Key Managerial Personnel, Senior Management or BRLM. A copy of the CareEdge Report is available on the website of our Company at [www.quadrantfuturetek.com](http://www.quadrantfuturetek.com).*

*Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section.*

### INTERNAL RISK FACTORS

- 1. Our Company has passed through an incidence of litigation involving dispute inter-se our Promoters in which two of the Directors of our Company were charged with carrying out certain competing activities in their personal company that poses a conflict of interest to our Company and as such were proposed to be removed from the Board of Directors of our Company. The matter was escalated to NCLT and subsequently the same was amicably settled between the Promoters and Promoter Group and a settlement agreement was executed. We cannot assure that such instance will not occur in future, which may adversely affect our business prospects and results of operations.***

Historically, in one instance, a dispute has arisen between the four promoter groups in reference to investment in and commencement of compounding facility by International Switchgears Private Limited in their factory and placing of orders for cable extruders as well and alleged usage of the technical know-how developed by our Company over the years. On account of the said dispute, the remaining three Promoter Groups (i.e. Mohit Vohra, Amit Dhawan, Rupinder Singh, Aikjot Singh, Vishesh Abrol and Vivek Abrol) initiated the

proceedings to remove Amrit Singh Randhawa and Rajbir Singh Randhawa from the then Board of the Company. In response to the same, Amrit Singh Randhawa and Rajbir Singh Randhawa, alongwith Swinder Kaur and Navneet Kaur Randhawa moved a petition in National Company Law Tribunal, Chandigarh Bench on July 02, 2022 to claim relief under in the matter of Sections 169, 241, 242 and 244 of the Companies Act, 2013. Thereafter, post various hearing in the NCLT, the Promoter Group have amicably arrived at a mutual settlement that International Switchgears Private Limited will not carry on or propose to carry on business competing with the business of our Company and hence all other issues and disputes stand settled between the parties. Further, the proceedings of the Board Meeting held on June 13, 2022, the Extra Ordinary General Meeting held on July 11, 2022 shall stand null and void and the related notice / special notice / intimations for the said meeting shall stand withdrawn and null and void. Post signing of the Settlement Agreement dated February 01, 2023 (“Settlement Agreement”), the said petition stands withdrawn / dismissed. For details of the Settlement Agreement, refer to History and Certain Corporate Matters - Dispute amongst the Promoter and Promoter Group and the Settlement Agreement dated February 01, 2023 (“Settlement Agreement”) and Amendment to the Settlement Agreement dated March 01, 2024 (“Amendment to the Settlement Agreement”)” on page 208.

We cannot assure you any such instance will not occur in future as the four Promoter Group of our Company majorly work for the railways sector and may have a conflict of interest in their business operations. Any such dispute in future may adversely affect our business prospects and results of operations.

2. ***Our Company, its Directors and its Promoters are party to certain legal and regulatory proceedings, including criminal proceedings against one of our Promoter Director. These legal and regulatory proceedings are pending at different levels of adjudication before various courts and regulatory authorities. Any adverse decision in such proceedings may have a material adverse effect on our business, financial condition, cash flows and results of operations.***

Our Company, its Directors and its Promoters are parties to certain legal and regulatory proceedings in India, including criminal proceedings against one of our Promoter Director, which are pending at different levels of adjudication before the concerned authorities. We cannot assure you that these proceedings will be decided in favour of our Company, its Directors and its Promoters, as the case may be. Any adverse decision in such proceedings may render us liable to penalties and may have a material adverse effect on the financials and reputation of our Company, its Directors or its Promoters which may in turn have an adverse effect on our business. Additionally, during the course of our business we are subject to risk of litigation in relation to contractual obligations, employment and labour law related, personal injury, damage to property, etc.

A classification of these outstanding proceedings is given in the following table:

Name of entity	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoters	Other material proceedings	Aggregate amount involved (₹ in millions) #
<b>Company</b>						
By our Company	-	-	-	-	-	-
Against our Company	-	1	1	-	-	3.11
<b>Directors</b>						
By our Directors	-	-	-	-	-	-
Against our Directors	9*	-	-	-	-	Non-Ascertainable
<b>Promoters</b>						
By our Promoters	-	-	-	-	-	-
Against our Promoters	9*	-	-	-	-	Non-Ascertainable
<b>Group Companies</b>						
By our Group Companies		Not applicable			-	-
Against our Group Companies		Not applicable			-	-

\* All cases pertain to one single incident of road accident

# Amount to the extent quantifiable

However, none of the above litigation(s) are so significant that continuation of operations of our Company are dependent on the outcome of such pending litigation(s).

### **Operational Risk**

- 3. Our business is dependent on our single manufacturing facility, and we are subject to certain risks in our manufacturing process. Any slowdown or shutdown in our manufacturing operations could have an adverse effect on our business, financial condition and results of operations.***

We have a single manufacturing facility situated in Basma, Mohali, Punjab which is equipped with advanced equipment, modern technology and automated PCB assembly line. The said manufacturing facility caters to both the business divisions of our Company, i.e. Speciality Cables Division and Train Control Systems Division and the entire manufacturing and supply is dependent on this facility. However, our manufacturing facility is subject to various operating risks, including the breakdown or failure of equipment and performance below expected levels of output or efficiency. We have provisioned the redundancy in most of our production & test equipment, however, high capex equipment like Electron Beam Accelerator and polymer compounding line currently do not have backup. Any significant malfunction or breakdown of Electron Beam Accelerator or polymer compounding line, our automation systems, or any other equipment / machinery may entail significant repair and maintenance costs and cause delays in our operations. If we are unable to repair our manufacturing assets in a timely manner or at all, our operations may need to be suspended until we procure the appropriate manufacturing assets to replace them. Further, our activities for development of embedded system and design for Train Control and Signalling Division are undertaken at our centres at Bengaluru, Karnataka and Hyderabad, Telangana. Any significant interruption to, or loss or shutdown of, operations at any of our manufacturing facility or Railway Signalling & Embedded System Design centre would adversely affect our business.

Our manufacturing facility houses a 2.5 MeV Electron Beam Accelerator for irradiation of polymers used in cable insulation & sheathing, machines for lifting of heavy materials and handling of poly compounds and chemicals that may result in accidents, which could cause injury to our employees and other persons at our manufacturing facility or that could also damage our equipment, machines and properties. In the event of any such accidents, our business operations may be interrupted, and this may adversely affect our production schedules, costs and sales and our ability to meet customer demand. In addition, any such accidents may expose us to civil or criminal liability, which could have an adverse effect on our business, results of operations and financial condition.

Being dependent on our sole manufacturing facility heightens our exposure to adverse developments related to regulation, as well as economic, demographic and other changes at the location as well as the occurrence of natural and man-made disasters, which may adversely affect business, results of operations and financial condition.

If our facility or any of our centres are harmed or rendered inoperable by factors such as, including the breakdown or failure of equipment, difficulties or delays in obtaining raw materials, spare parts and equipment / machines, raw material shortages, performance below expected levels of output or efficiency, facility obsolescence or disrepair, natural or man-made disasters (including earthquakes, fire, floods, acts of terrorism and power outages) and industrial accidents, it may render it difficult or impossible for us to efficiently operate our business for some time, or require us to shut major part of our operations, which may adversely affect our business, financial condition, result of operations and cash flows. Further, any failure or disruption in power or water supply could affect our daily operations and substantially increase our manufacturing costs.

- 4. Our present business operations and revenues comprising of speciality cables and the proposed business operations under Train Control Products and Solutions are substantially dependent on Indian Railways and Naval (Defence) manufacturing units. Any adverse change in policy of the Ministry of Railways may adversely affect our business and results of operations.***

Our business and revenues are substantially dependent on the policies of the Ministry of Railways and operations of Indian Railways and tenders awarded by different Railway Zones or their production units and

orders from private sector companies. Further, we are also supplying power and control cables used in Naval ships to public sector undertakings in the Naval (Defence) Industry. The summary of such sales made to Indian Railways (through Zonal railways / their divisions / production units) and PSUs in Naval (Defence) industry is as under:

(₹ in millions)

Nature of customers	December 31, 2023		March 31, 2023		March 31, 2022		March 31, 2021		
	Sales	%age*	Sales	%age*	Sales	%age*	Sales	%age*	
<b>Wires and Cables (Railways)</b>									
Indian Railways (through Zonal railways / their divisions / production units)	485.12	48.33%	737.56	48.27%	562.47	53.95%	198.20	27.22%	
<b>Wires and Cables (Defence)</b>									
Public Sector Undertakings	251.75	25.08%	369.16	24.16%	30.45	2.92%	3.06	0.42%	

\* As %age to total revenue from operations.

We generate sales by subscribing and fulfilling of tenders invited by Indian Railways directly or different Railway Zones or their division / production units, selling to private railway suppliers and contractors, requirement of such cables by Group Companies and tenders invited by Naval (Defence) manufacturing units. In case of sales to Railways Zones or Naval (Defence) manufacturing units, our Company bids in the prospective tenders where bidders are scrutinised for technical and financial qualifications. Quality and reliability of the products, competitive bids at which the tenders are subscribed, ability to perform the tenders within time, etc. are some of the major criteria upon which the government companies awards the tender. Further, being tender based award of contracts, we do not have any long term arrangements with any of our customers for purchase of our products in the future, at the current prices or at all.

Given that we derive a significant portion of our revenue from contracts awarded by Indian Railways, Railway Zones and their divisions / production units or entities operating and catering to Indian Railways under private sector, we are exposed to various additional risks inherent in doing business with them, which may adversely affect our business, results of operations and financial condition. These risks include:

- participation in contracts with government entities could subject us to stricter regulatory and testing requirements which may increase our compliance costs;
- delays in project implementation and key initiatives where we have invested significant costs;
- delays in payment due to the time taken to complete internal processes of such entities and agencies;
- levy of liquidated damages due to our execution delays, which may adversely affect our profit margins;
- contracts with government agencies are awarded to the lowest bidder that meets the technical conditions of the tender, which makes winning such tenders difficult. In addition, if we have to lower our pricing in order to win tenders, it would exert pressure on our margins;
- the tender process is long and may be subject to significant delays and/or renegotiation of the terms of the bid or lowering the price for products and services included in the tender;
- political and economic factors such as pending elections, changes in leadership among key governmental decision makers, changes or delays in the implementation of government policies, revisions to tax policies and reduced tax revenues can affect the number and terms of new government contracts signed;
- any disinvestment by the GoI of its shareholding in such entities could result in a change in business operations of such entities, which may impact existing or future business arrangements between our Company and such entities;

Certain government programs or projects may be subject to delays, extensive internal processes, policy changes, and changes due to local, national and internal political forces, such as periodic elections at Central and State level, insufficiency of Government funds or changes in budgetary allocations of Government entities. Any change in the mandate may halt the expansion of our business. Any withdrawal or adverse changes in Government policies may lead to adverse impact on our on-going business and could, materially

and adversely affect our financial condition, capital expenditure, revenues, development and our business operation.

5. ***We are dependent on and derive a substantial portion of our revenue from a limited number of customers. Cancellation or orders by customers or delay or reduction in their orders could have a material adverse effect on our business, results of operations and financial condition.***

For our speciality cable division, we are dependent on a limited number of public and private sector customers, including Group Companies. Our revenue from operations from this division are concentrated with, and we are dependent on, a limited number of customers. The table set forth below provides our revenue from operations from our top ten customers, top five customers and our largest customer for Speciality Cables Division and such revenue as a percentage of our operations during the nine months period ended December 31, 2023 and the Fiscal 2023, Fiscal 2022 and Fiscal 2021.

(₹ in million)

Particulars	Nine months period ended December 31, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	₹ in million	%age *	₹ in million	%age *	₹ in million	%age *	₹ in million	%age *
Top ten customers	766.31	76.35%	1,184.27	77.50%	892.50	58.41%	575.90	37.69%
Top five customers	584.79	58.26%	790.34	51.72%	659.72	43.17%	348.64	22.82%
Largest customer	188.52	18.78%	213.51	13.97%	238.49	15.61%	102.00	6.68%

\* as percentage of revenue from operations

Further, for Train Collision Avoidance System (KAVACH equipment) developed by our Company, we have been accorded proto-type approval by Indian Railways / RDSO and further technical clearance for deployment of our systems 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. Our Company will receive orders for deployment of our KAVACH equipment after participation in the new tenders from Indian Railways.

Our business being dependant on regular Railways & Defence Tenders. There are no long term contracts with any of our customer and therefore we may not be able to retain our customers in the future or expand our sales volumes, maintain our relationships with our key customers and may experience material fluctuations or decline in our revenue and reduction in our operating margins, as a result of which our business, results of operations and financial condition could be materially and adversely affected. In addition, cancellation by customers or delay or reduction in their orders could have a material adverse effect on our business, results of operations and financial condition. Further, where anticipated orders fail to materialize can result in mismatch between our inventories of raw materials and of manufactured products, thereby increasing our costs relating to maintaining our inventory and reduction of our margins, which may adversely affect our profitability and liquidity. In addition, we may not find any customers or purchasers for the surplus or excess capacity, in which case we would be forced to incur a loss. Further, our inability to find customers for surplus products may result in excessive inventories which may become obsolete and may be required to be written off in the future. All of these factors could have an adverse impact on our business.

6. ***We do business with our customers on purchase order basis or through tenders issued by them from time to time and do not have long-term contracts with most of them. Further, our business in the speciality cables division tends to vary from quarter to quarter based on the timing of release of various tenders***

As is common in our industry, our business is conducted on purchase order basis or through tenders issued by our customers from time to time, depending on their requirements for speciality cables. We neither have long-term contracts with most of our customers nor have any marketing tie up for our speciality cables and there can be no assurance that we will continue to receive repeat orders from any of them, including our long-standing customers. Further, Railway Budget is presented on an annual basis in January and then incorporated into a bill in a few months. Subsequent to this, the tenders are sent out for various works by the different railway boards and zones. However, the time it takes for the various railway zones to send out tenders can vary substantially. Accordingly, demand in the railways industry tends to be low in the first quarter of the

financial year and picks up only in the second quarter in response to the Railway Budget announcement in the last quarter of the previous financial year.

Further, many of our customers place orders for products on an as-needed basis. Any change in the buying pattern of our end users or disassociation of major customers can adversely affect the business of our Company. As a result, the order levels for speciality cables ordered by any particular customer have varied significantly from quarter to quarter in the past and may continue to vary significantly in the future. Therefore, our results of operations in any particular quarterly period may be significantly affected by the speciality cables ordered and delivered in any given quarterly period. As a result of these quarterly fluctuations, comparisons of our sales and operating results between quarterly periods may not be meaningful and, as such, these comparisons should not be relied upon as indicators of our future performance.

Further, the loss of or interruption of work by, a significant customer or a number of significant customers or the inability to procure new orders on a regular basis or at all may have an adverse effect on our revenues, cash flows and operations. Further, even if we were to continue receiving orders from our customers, there can be no assurance that they will be on the same terms, and the new terms may be less favourable to us than those under the present terms.

7. ***Most of our customer agreements generally contains a liquidated damage charges clause for delay or non delivery of the E-beam Cables. We have in the past and may in the future incur additional costs or liquidated damages in the event of disputes, claims, defects or delays, which could adversely affect our business, financial condition, profitability and cash flows.***

We are responsible for the quality of our E-beam Cables as the application for the same are very critical and are also required to complete the manufacturing of cables as per the specification of the customer within a stipulated schedule. Any failure to adhere to a contractually agreed schedule for reasons other than the agreed force majeure events could result in payment of liquidated damages. The table below shows the liquidated damage charges paid by our Company during the nine months period ended December 31, 2023 and Fiscals 2023, 2022 and 2021, respectively:

Particulars	For the nine months ended December 31, 2023	For the Fiscal		
		2023	2022	2021
Liquidated Damage Charges	10.76	14.33	3.01	0.09

(₹ in million)

The Company started to supply cables to Naval (Defence) manufacturing units. Such cables require to undergo braiding process for protection from Electromagnetic Interference and Electromagnetic Compatibility shielding and involves additional processes compared to E-beam cables required in railway, leading to delay in delivery of orders. Such delays in delivery of orders in the recent past led to increase in the Liquidated damage charges.

We cannot guarantee that in future we would not default any of the existing terms of the contract resulting in the payment of liquidated damages. In extreme cases, non-performance or other deficiencies on our part could result in a customer terminating our contract due to default. While there have been no instances in the past where our contracts were terminated on account of default, we cannot guarantee that our contracts will not be terminated on grounds of default. A termination for default could expose us to liability, including liability for the costs of manufacturing, could damage our reputation and could hurt our ability to compete for future contracts.

Further, our Company is also required to furnish bank guarantees in the ordinary course of business in relation to the fulfilment of purchase orders, as and when required and in certain cases a retention money is retained by the customer out of the total payment to be made against such orders. The table below shows the outstanding bank guarantees and retention money held back by our customers as at December 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021:

(₹ in million)

Particulars	As at			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Bank guarantee issued	40.44	29.36	9.74	1.90
Retention money (grouped under Trade Receivable (Non Current – Unsecured considered good) in the Restated Financial Information)	27.48	12.22	-	-

In the event that any such bank guarantees are invoked and if we are unable to meet our guarantee requirements or retention money is forfeited, then legal proceedings may be initiated against us, or we may incur additional costs. While we have not defaulted in the payment of bank guarantees in the past, we cannot assure you that we will not default in future.

The existence, or even threat, of a major liability claim could damage the reputation of our Company and affect consumers' views of our products. Any damage to our reputation or brand image may lead to a loss of existing business contracts and adversely affect our ability to enter into additional business contracts in the future.

8. ***We are subject to strict quality requirements, customer inspections and audits, and any failure to comply with quality standards may lead to cancellation of existing and future orders and could negatively impact our reputation and our business and results of operations and future prospects.***

We specialize in manufacturing of wide range of Electron Beam Irradiated Cables for the applications where fire and safety, light weight and long term performance are of utmost importance. Given the nature of our products, and the sector in which we operate, we believe that our customers have high standards for product quality and delivery schedules. Adherence to quality standards is a critical factor as a defect in products and solutions manufactured by our Company or failure to comply with the specifications of our customers may, in turn, lead to the manufacture of faulty end-products by our customer. If any of our products do not meet regulatory standards or are defective, we may be, inter alia, (i) responsible for damages relating to any defective products, (ii) required to replace, recall or rectify such products or (iii) incur significant costs to defend any such claims. Further, any failure to make timely deliveries of products and solutions as per our customers' requirements could result in cancellation or non-renewal of purchase orders and at certain instances may also result in us bearing additional financial exposure.

Our manufacturing processes are also subject to regular inspections conducted by our customers. We also conduct quality inspections and testing for our raw materials and final products from time to time to meet the stringent requirements of our customers. Quality test results of samples play a vital role in selection by our customers. Testing process of copper cable wire includes the electrical tests, mechanical tests and chemical tests. A number of tests on electrical cables are conducted during the manufacturing process which is describe as non-destructive tests such as test for absences of faults, voltage testing and overall dimension test. These tests includes routine test, high voltage test, insulation resistance test (IR) and conductor resistance test (CR) etc. The machines used for performing these tests are High Voltage Machine, Megger Test Meter, Mage Ohm Meter etc.

Further, our KAVACH equipment and Train Collision Avoidance System should be in compliance with various European standards for running and operating trains. Adherence with such standards is rigorously verified by RDSO before granting their approval for field trails. Further, we are also required to maintain such standards for future too. While we have put in place quality control procedures and have an in-house testing facility which is equipped to conduct the tests according to most of the internationally recognized test standards, including IEC, DIN, UIC, BS, UL, CE & CENELEC Standards to ensure that every product undergoes stringent quality tests accordingly to prescribed standards at various stages of production before its delivery, we cannot assure you that our products will always be able to satisfy our customers' quality standards.



Our quality control procedures may fail to test for all possible conditions of use or identify all defects in the design or specifications of the speciality cables. Any such failure to identify defects could require us to undertake service actions or recalls of our products or could also result in customer claims for damages. Any negative publicity regarding our Company, or our products could adversely affect our reputation, our operations and our results from operations.

- 9. *Our programming and software development under Train Control Systems division is complex and technologically advanced and could have unknown defects or errors as the same is yet to undergo and complete field trial requirement of RDSO. Any failure to achieve desired results under field trails may result in dis-qualification of our product developed and may require us to undertake fresh investments for rectification of the errors which may adversely impact our financial position.***

Technology is the core to of our Automated Train Protection System and the TCAS Software developed. We have expanded our operations to build an indigenously-developed Automatic Train Protection System that uses radio frequency identification to detect and stop a possible train collision under the Kavach project being implemented by Indian Railways. The Train Collision Avoidance System (KAVACH equipment) developed by our Company has received proto-type approval by Indian Railways / RDSO and further technical clearance for deployment of our systems 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 software architecture of such advanced programming is based on complex and interdependent applications. For instance, our loco hardware continuously interacts with the station hardware and also interacts with the KAVACH system of our competitors to meet the interoperability requirement of RDSO. 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 lead to incorrect data flow, thereby resulting in an accident or loss of life causing an adverse impact on our business prospects.

Our technology systems are vulnerable to damage or interruption from, among others, fire, natural disasters, power loss, telecommunications failures, errors, glitches, bugs, vulnerabilities or design defects, which could result in service interruptions or system failures, and our systems are subject to certain technical limitations that may compromise our ability to meet our objectives. While we have designed, implemented and tested security measures intended to prevent any failure of the technology and also compliant with SIL-4 standards, our technology and dependent systems have not experienced any such interruption in the past during development or trial phase with RDSO. Further, the said technology will be implemented by Indian Railways only after successful clearance from RDSO. While there have been no instances in the past where we were not able to rectify the defects or malfunction as per the requirement of RDSO, our inability to rectify such defects or malfunction in our system to the satisfaction of RDSO in the future could lead to liability claims against us, damage our brand image and cause harm to our reputation and earn us a negative publicity, any of which could adversely affect our business, results of operations and financial condition. We may also be required to undertake fresh investments to rectify the errors, if any, identified by RDSO during trial run, which may negatively impact our financial position.

- 10. *Any asset impairment could adversely affect our financial condition and results of operations.***

We have non-current assets such as property, plant and equipment, substantial intangible assets and computer equipment, and are required to review these assets for impairment at each balance sheet date. Further, we have also capitalised an aggregate sum of ₹ 594.41 million as Intangible asset on October 18, 2024. For details of the same, refer to chapter titled “Management Discussion and Analysis of Financial Conditions and Results of Operations - Capital Expenditures” on page 383 which may also be tested for impairment based on the changes in technology in future. This review would be required to be made with reference to the recoverable amounts in respect of those assets. Impairment of any of these assets could adversely affect our financial condition and results of operations. The recoverable amount of an asset depends on the prevailing market conditions at the time of the review, the nature of the asset, its fair value and value in use. Any reduction in the recoverable amount of an asset below its carrying value, whether due to a weak economic environment, challenging market conditions, asset or portfolio sale decisions by management or any other condition or occurrence, could be charged to the income statement and could thus materially and adversely affect our results of operations and shareholders’ equity in the period in which the impairment occurs.

**11. *Our failure to keep technical knowledge confidential could erode our competitive advantage***

The Train Collision Avoidance System has been developed by us in strict compliance with the SIL-4 standards and the specifications provided by RDSO. We work closely with RDSO to incorporate their requirements into our system for TCAS. Our Company has entered into a Memorandum of Understanding (MOU) with The President of India acting through Executive Director / Tele-II posted as in the office of the Research Designs and Standard Organisation for development of the KAVACH equipment and system. In terms of the said MOU, the technical specification and domain knowledge has been provided by RDSO and our Company has conducted research and developed said technology.

We do not have a product or process patent for the Train Collision Avoidance System. Our technical knowledge is a significant independent asset, which may not be adequately protected by intellectual property rights. Some of our technical knowledge is protected only by secrecy / IT access. However, in the event of an employee leaving the company, there is a possibility that the he/she may carry the knowledge to an extent of the access provided to him / her.

Certain proprietary knowledge may be leaked, either inadvertently or wilfully, at various stages of the development process. A significant number of our employees have access to different modules of confidential design and product information and there can be no assurance that this information will remain confidential. Moreover, certain of our employees may leave us and join our various competitors. While we may enter into non-disclosure agreements with our employees the employees are provided restricted access to information, there is always a chance for the leakage of that specific information in the event of employees leaving the company. The potential damage from such disclosure is increased as many of our designs and process are not patented, and thus we may have no recourse against designs that enter the market subsequent to such leakages. If the confidential technical information in respect of our products or business becomes available to third parties or to the public, any competitive advantage we may have over our competitors could be harmed. If a competitor is able to reproduce or otherwise capitalize on our technology, it may be difficult, expensive or impossible for us to obtain necessary legal protection. Consequently, any leakage of confidential technical information could have a material adverse effect on our business, results of operations, financial condition and/or prospects.

**12. *If we are unable to use software licensed from third parties to us or if we make use of open source software under license terms that interfere with our proprietary rights it could disrupt our business.***

Our train control systems division technology platform and internal systems incorporate software licensed from third parties, including some software, known as open source software, which we may use without charge. Although we monitor our use of open source software, the terms of many open source licenses to which we are subject have not been interpreted by the courts of many jurisdictions and there is a risk that such licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to provide our technology offering to our customers. In the future, we could be required to seek licenses from third parties in order to continue offering our solution, which licenses may not be available on terms that are acceptable to us, or at all. Alternatively, we may need to re-engineer our offering or discontinue using portions of the functionality provided by our technology. In addition, the terms of open source software licenses may require us to provide software that we develop using such software to others on unfavourable terms, such as by precluding us from charging license fees or by requiring us to disclose our source code. Any such restriction on the use of our own software, inability to use open source or third-party software, or if we are required to pay any royalty payments in future for the software being used by us, may result in disruptions to our business or operations, increased operation cost or delays in our development of future solutions or enhancements of our existing platform, which could impair our business and adversely affect our operating results.

***Financial and Issue based (including objects of the Issue) Risk***

**13. *Our Audit Report for the Fiscal 2022 has a qualified opinion.***

Our audit report for the Fiscal 2022 has a qualified opinion from the Statutory Auditor regarding “a difference of INR 54.84 lacs in opening balance of the current year books of accounts and prior period audited financial

statements”. The present Statutory Auditors, SANMARKS & Associates, Chartered Accountants, have considered the same and identified the difference for the above stated amount and given rectified financial effect of the same in the Restated Financial Information. For details of the same, refer to “Restated Financial Information - Note 44(k)” on page 333 and “Management Discussion and Analysis of Financial Conditions and Results of Operations” on page 374.

- 14. Our Company has a high working capital requirement and working capital projections made by our Company are based on our management's assumptions. We may require alternate funding in Fiscal 2025 and Fiscal 2026 post the utilization of Net Proceeds and if our Company is unable to raise sufficient working capital, the operations of our Company will be adversely affected.**

Our business requires significant working capital for our business operation, furnishing of bank guarantees for orders awarded or deduction of retention money from amount receivable by us, financing inventory and any change in terms of credit or payment would affect our working capital. The following table shows our net working capital turnover ratio as on nine months ended December 31, 2023 and as on March 31, 2023, March 31, 2022 and March 31, 2021, respectively:

Particulars	Nine months ended December 31, 2023	Fiscal		
		2023	2022	2021
Net working capital turnover ratio *	2.51 #	3.97	2.76	2.27

\* excludes cash and cash equivalents and current borrowings

# not annualised

We propose to use ₹ 1,750.00 million out of Net Proceeds of the Issue towards meeting our requirement for working capital. The working capital projections made by our Company are based on certain key assumptions by our management, including for Train Controls and Signalling Division which is yet to commence commercial operations, and we may require alternative means of funding in Fiscal 2025 and Fiscal 2026 even after the utilization of Net Proceeds. Our inability to meet our present working capital requirements or our enhanced working capital requirements will have an adverse impact on our results of operation, business and financial condition. For further details pertaining to our present working capital position, see “Financial Indebtedness” and “Management Discussion and Analysis of Financial Condition and Results of Operation” on pages 363 and 369, respectively.

- 15. We have incurred a significant amount as capital expenditure during the last three Fiscal Years for development of platform for train control systems. Our investments in technology, especially our research and development activities, may not yield the intended results in a timely manner or at all, which may adversely affect our financial condition and results of operations. Further, we may require financing for our business operations and planned capital expenditure and the failure to obtain additional financing on terms commercially acceptable to us may adversely affect our ability to grow and our future profitability. Further, the amount proposed to be utilised for investment in product development in Fiscals 2025 and 2026 is based on management estimates.**

We have invested a significant amount towards capital expenditure aggregating to ₹ 594.41 million till date in developing our 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 our design and development capabilities, particularly with a view to expand our operations. Our choice of upgradation of technology and commitment of finances for investment in upgradation of technology and human capital for Railway Signalling & Embedded System Design centre will be based on the management’s perception of the opportunities available in the railways industry. The table below indicates the expenses for product development incurred by our Company in Fiscal 2023, 2022 and 2021:

Particulars	For nine months ended December 31, 2023 *	Fiscal ended March 31, 2023	Fiscal ended March 31, 2022	(₹ in million)
				Fiscal ended March 31, 2021

Intangible asset / Capital Work in Progress (Train Collision Avoidance System Software)	563.22	484.49	310.24	38.91
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*\* On October 18, 2023, the Company has received approval from RDSO to conduct Type Testing of KAVACH equipment developed by the Company. Based on the said approval, the Company proceeded with the lab test of the KAVACH equipment developed by it, signifying final step towards approval of the combined product (hardware and software) developed and deemed approval for the software developed by the Company for TCAS. On the basis of such approval received from RDSO, the product development phase for TCAS software is deemed to be completed and fit for commercial use, subject to other approvals for complete KAVACH equipment by RDSO. Accordingly, the expenses made after October 18, 2023 towards such TCAS software and KAVACH equipment has been accounted for as revenue expenditure in the profit and Loss Account and all the expenses incurred prior to 18.10.2023 aggregating to ₹ 594.41 million has been capitalized along with the opening capital WIP as 'Intangible Asset'*

The above mentioned expenses for product development includes inter alia expenses on manpower (which includes procurement of engineers, product managers, consultants for designing and testing new products, etc.), material costs (which includes expenses incurred for metal, machined parts and electronic components, etc.) which are required for product development purposes and overhead cost (which includes expenses incurred for paying rent for the premises, or lease expenses, etc.).

Further, as on April 30, 2024 we had 24 employees in the Railway Signalling & Embedded System Design centre, which is approximately 9.02% of our overall employee strength, and we intend to add more capable and experienced employees in the product development team, in order for us to make better products and solutions.

We cannot assure you that such investments will yield the intended results as anticipated. Our inability to achieve intended results from our investments in design and development of embedded systems may adversely affect our financial position and results of operations.

We will continue to focus on innovation, in order to upgrade our products in line with the emerging needs of the Indian Railways. We believe that investment in product development is essential to our business, in order to take advantage of growth opportunities in the railways industry.

The Government of India aims to promote domestic development, and manufacturing by promoting indigenous development in the field of railway infrastructure and allied systems. With these measures, 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. Under Atma Nirbhar Bharat, the Government also plans to introduce parameters for better quality of output to meet international standards so that Indian products can compete in the global market, see "Our Business - Our Strategies - Make in India and focus on indigenisation" on page 180, for further details.

We intend to utilise ₹ 250 million from the Net Proceeds towards investment in product development opportunities in Fiscals 2025 and 2026. For further details, see "Objects of the Offer - Details of the Objects - 2. Capital expenditure for development for Electronic Interlocking System" on page 110. While we endeavour to increase our investments in new product development and allocated a higher amount towards investment in product development, the amount of Net Proceeds to be actually used based on our management's estimates and has not been appraised by any bank or financial institution. Further, we may be required to incur additional expenses towards price escalation during the product development phase, increase in salaries, etc which may have to be funded through internal accruals of our Company or means other than the Net Proceeds, which may require us to reschedule or reallocate our capital expenditure and may have an adverse impact on our business, financial condition, results of operations and cash flows.

- 16. Our historical performance is not indicative of our future growth or financial results and we may not be able to sustain our historical growth rates. Our inability to effectively manage our growth or implement our growth strategies may have a material adverse effect on our business prospects and future financial performance.**

We have experienced growth in our financial performance over the past three years. Our revenue from operations increased from ₹ 728.28 million in Fiscal 2021 to ₹ 1,528.04 million in Fiscal 2023, at a CAGR of 44.85% and was ₹ 1,003.71 million in the nine months ended December 31, 2023. Our EBITDA increased from ₹ 112.92 million in Fiscal 2021 to ₹ 265.49 million in Fiscal 2023 and was ₹ 291.46 million in the nine months ended December 31, 2023. Our EBITDA margin was 29.03%, 17.36%, 0.62% and 10.83% during the nine months ended December 31, 2023 and in Fiscal 2023, 2022 and 2021, respectively. As a result of significant expansion by way of sale of cable to Naval (Defence) manufacturing units and development of KAVACH Equipment and system, our business and organization have become, and are expected to continue to become, considerably more complex. This requires us to adapt continuously to meet the needs of our growing business and could expose us to a number of factors that may negatively impact our business, financial condition and results of operations.

While we have built governance frameworks and operational management systems to manage our business operations and to support our growth, in the future, in particular, our success will depend on our ability to adapt continuously to meet the needs of our growing business, in particular, to:

- Maintain, develop and expand the products in the Train Controls and Signalling Division and further develop our brand strength, increasing number of markets we cater, especially in light of our expansion and new products;
- ensure safe movement and storage of inventory;
- source, at appropriate prices, the amount of raw materials required for increased business operations;
- attract and retain experienced, high quality management and other key employees;
- respond to increasing competition from competitors in the existing markets we cover as well as new markets we may enter in the future; and

We may not be able to adequately respond to any of the foregoing factors or otherwise manage our significant growth which could negatively impact our business, financial condition and results of operations.

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Our growth strategies include continue focus on product development 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 our business from non promoter group companies and expansion of cable business new sectors. For further information, see “Our Business - Key Strategies” on page 180.

Our ability to expand may be impacted by various factors, including controlling our operating or investment costs, effectively managing our internal supply chain and manufacturing processes, and other business and competitive uncertainties and factors beyond our control such as change in technology or a slowdown in the global economic and market conditions, infrastructure and logistical challenges, legal regulations and economic conditions in new markets. In addition, we could face challenges from domestic and global competitors in our industry, who may have stronger and more established operations and may have advantages over us in terms of availability of financial resources, among other factors. However, there can be no assurance that our future growth strategy will be successful or that we will be able to continue to expand further, or grow at the same rate.

***17. Our funding requirements and proposed deployment of the Net Proceeds of the Issue have not been appraised by a bank or a financial institution and if there are any delays or cost overruns, our business, financial condition and results of operations may be adversely affected. Further, any variation in the utilization of our Net Proceeds as disclosed in this Draft Red Herring Prospectus would be subject to certain compliance requirements, including prior Shareholders’ approval.***

We intend to use the Net Proceeds of the Issue for the purposes described in “Objects of the Issue” on page 100. The objects of the Issue have not been appraised by any bank or financial institution. Whilst a monitoring agency will be appointed for monitoring utilisation of the Net Proceeds, the proposed utilisation of Net Proceeds is based on current conditions, our business plans and internal management estimates and is subject to changes in external circumstances or costs, or in other financial condition, business or strategy, as discussed further below. Based on the competitive nature of our industry, we may have to revise our business plan and / or management estimates from time to time and consequently our funding requirements may also change.

Our internal management estimates may exceed fair market value or the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our project and capital expenditure and may have an adverse impact on our business, financial condition, results of operations and cash flows.

Our Company, in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Net Proceeds. Further, pending utilisation of Net Proceeds towards the Objects of the Issue, our Company will have the flexibility to deploy the Net Proceeds and to deposit the Net Proceeds temporarily in deposits with one or more scheduled commercial banks included in Second Schedule of Reserve Bank of India Act, 1939, as may be approved by our Board. Accordingly, prospective investors in the Issue will need to rely upon our management's judgment with respect to the use of Net Proceeds.

Various risks and uncertainties, such as economic trends and business requirements, competitive landscape, as well as general factors affecting our results of operations, financial condition and access to capital and including those set forth in this section, may limit or delay our efforts to use the Net Proceeds to, among others, (i) achieve profitable growth in our business, (ii) procure more orders, (iii) capitalise on new opportunities to expand our Consumer base and (iv) expand our presence to new opportunities and the railways safety and signalling segment. For example, our growth initiatives and expansion plans could be delayed due to failure to receive regulatory approvals, approval of our future product developments by RDSO, technical difficulties, human resource, technological or other resource constraints, or for other unforeseen reasons, events or circumstances. Further, we may not be able to attract personnel with sufficient skills or sufficiently train our personnel to manage our expansion plans. Accordingly, use of the Net Proceeds for other purposes identified by our management may not result in actual growth of our business, increased profitability or an increase in the value of our business and your investment.

We propose to utilise the Net Proceeds towards the proposed objects of the Issue, see "Objects of the Issue" on page 100. In accordance with Sections 13(8) and 27 of the Companies Act 2013, we cannot undertake any variation in the utilisation of the Net Proceeds without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations.

Further, our Promoters would be required to provide an exit opportunity to Shareholders who do not agree with our proposal to change the objects of the Issue or vary the terms of such contracts, at a price and manner as prescribed by SEBI. Additionally, the requirement by Promoters to provide an exit opportunity to such dissenting shareholders may deter the Promoters from agreeing to the variation of the proposed utilisation of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI.

In light of these factors, we may not be able to undertake variation of Objects of the Issue to use any unutilized proceeds of the Issue, if any, or vary the terms of any contract referred to in the Draft Red Herring Prospectus, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilised portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business and results of operations.

***18. We have incurred indebtedness and an inability to comply with repayment and other covenants in our financing agreements could adversely affect our business and financial condition. Under our financing arrangements, we are required to obtain the prior, written lender consent for, among other matters, changes in our capital structure, formulate a scheme of amalgamation or reconstruction and entering into any other borrowing arrangement.***

We have entered into agreements with HDFC Bank Limited for term loan, working capital loan and non fund based facilities. The working capital facilities are repayable on demand. Our Company has decided to avail multiple banking and has obtained approval for fund based working capital facility from ICICI Bank Limited for ₹ 200.00 million, which was sanctioned to our Company on February 27, 2024. The overall maximum permissible bank finance permitted by ICICI Bank is ₹ 280.00 million. As of December 31, 2023, we had a total borrowings (inclusive of fund based and non-fund based, but excluding unsecured loan from Promoter

and Promoter Group) of ₹ 600.41 million, which contain restrictive covenants, including requirements that we obtain consent from the lenders prior to undertaking certain matters including altering our capital structure, amending our constitutional documents, further issuance of any shares, effecting any scheme of amalgamation or reconstruction, changing the management and dilution of Promoters' shareholding, and creation of security in favour of parties other than our existing lenders. Moreover, our manufacturing facility and some of our plant and machinery at such facility have been offered as a collateral for some of our loans and our Promoters have also provided personal and corporate guarantees in relation to our borrowings. For further information, see "Financial Indebtedness" and "History and Certain Corporate Matters" on pages 363 and 205, respectively. Additionally, we are required to, among others, maintain the prescribed debt coverage ratio, net total debt, and fixed asset coverage ratio. There can be no assurance that we will be able to comply with these financial or other covenants at all times or that we will be able to obtain the consent necessary to take the actions that we believe are required to operate and grow our business. As of the date of the Draft Red Herring Prospectus, there are no pending defaults under the relevant facility agreements. However, there is no assurance that we will be in compliance with such covenants in the future.

Additionally, pursuant to the Issue, our Company proposes to utilise a part of the Net Proceeds aggregating to ₹ 250.00 million to prepay its existing term loans and in the event our Company pre-pays certain loans, it may be required to bear pre-payment penalties, additional interest or additional bank fees or may require the consent of such lenders. For further information, see "Objects of the Issue" on page 100. We have received the NOC dated February 27, 2024 from HDFC Bank for the proposed issue of equity shares through initial public offering and also for repayment of term loan as per the proposed Objects of the Issue. Further we have received the NOC from ICICI Bank also on April 09, 2024 giving their non objection with regard to the IPO and its objects.

Further, we are susceptible to changes in interest rates and the risks arising therefrom. A majority of our financing agreements provide for interest at variable rates with a provision for the periodic resetting of interest rates. Further, under all of our working capital financing agreements, the lenders are entitled to charge the applicable rate of interest, which is a combination of a base rate that depends upon the policies of the RBI and a contractually agreed spread, and in the event of an adverse change in our Company's credit risk rating, the applicable rate of interest may be changed by our lenders which may adversely affect our business and financial condition.

Under these financing agreements, consent from the lender is required for and in connection with the Issue. As on the date of the Draft Red Herring Prospectus, our Company has received the consents from HDFC Bank Limited and ICICI Bank Limited in relation to the Issue, without any restrictive covenant.

If our future cash flows from operations and other capital resources are insufficient to pay our debt obligations or our contractual obligations, or to fund our other liquidity needs, we may be forced to sell assets or attempt to restructure or refinance our existing indebtedness. Our ability to restructure or refinance our debt will depend on the condition of the capital markets, our financial condition at such time and the terms of our other outstanding debt instruments. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments may restrict us from adopting some of these alternatives. In addition, any failure to make payments of interest or principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our creditworthiness or credit rating, which could harm our ability to incur additional indebtedness on acceptable terms.

- 19. We have availed working capital facility from ICICI Bank Limited sanctioned on February 27, 2024 with the objective of commencing multiple banking for our Company, alongwith HDFC Bank Limited, the existing lender wherein maximum permissible bank finance has been limited to ₹ 280.00 million by ICICI Bank. As on the date of the DRHP, HDFC Bank Limited has not given its consent for multiple banking and the total money utilised from fund based limit from both the banks exceeds ₹ 280.00 million. If the said multiple banking is not allowed by HDFC Bank, we may be required to repay the loan availed from ICICI Bank for non registration of charge.**

On February 27, 2024, our Company was sanctioned a working capital facility by ICICI Bank Limited for an aggregate sum of ₹ 200.00 million and to commence multiple banking, alongwith HDFC Bank. ICICI Bank, through its sanction letter, has limited the maximum permissible bank finance to ₹ 280.00 million. Our Company has utilised the limit granted by ICICI Bank and the outstanding amount as on May 31, 2024 is ₹

197.54 million. Accordingly, as on present date, both limits of HDFC Bank and ICICI Bank are being operated independently and separately and the aggregate amount utilised under both the fund based limits is ₹ 313.52 million as on May 31, 2024.

The Company has already applied with HDFC Bank Limited for commencing multiple banking, which is pending with the Bank and the final decision of HDFC Bank is yet to be received. Our Company has started to utilise the facility from ICICI Bank w.e.f. April 02, 2024 and in terms of the sanction letter, the approval from HDFC Bank has to be obtained within 90 (ninety) days from the date of disbursement of the facility, i.e. by July 01, 2024. In case the sanction for multiple banking is not received from HDFC Bank and pari passu charge for the assets provided as security to ICICI Bank is not extended, we may be required to repay the amount availed from ICICI Bank on immediate basis, unless the period for registration of such pari passu charge is extended by ICICI Bank. Furthermore, HDFC Bank may also recall their facility if the multiple banking is not consented to by HDFC Bank. Any such obligation to repay the amount immediately may negatively impact our cash flows and financial condition.

**20. We have experienced negative cash flows from operating activities during the Fiscal 2022 and may experience similar earnings declines or operating losses or negative cash flows from operating activities in the future.**

The following table sets forth certain information relating to our cash flows for the periods indicated:

Particulars	For the nine months period ended December 31, 2023	Fiscal		
		2023	2022	2021
Net cash flows from / (used in) operating activities	131.09	298.92	(45.92)	56.30
Net cash flows from / (used in) investing activities	(119.76)	(200.17)	(317.82)	(84.32)
Net cash flows from / (used in) financing activities	(10.06)	(95.94)	363.87	27.08

We had net cash outflow from operating activities of ₹ 45.92 million during the Fiscal 2022, primarily due to lower profitability and high level of outstanding debtors, other current assets and inventory as at the end of the financial year. We have also sustained negative cash flow used in investing activities for nine months ended December 31, 2023 and Fiscals 2023, 2022 and 2021 on account of investment in capital work in progress for creation of intangible assets. There can be no assurances that cash flows will be positive in the future thereby creating an adverse impact on our ability to meet working capital expenditure, repay loans without raising finance from external resources. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations. For further details, see “Management Discussion and Analysis of Financial Condition and Results of Operations - Cash Flows” on page 382.

**21. Our contingent liabilities which have not been provided for in our financial statements, if materialize, may impact our financial condition.**

The following table sets forth certain information relating to our contingent liabilities and commitments as of December 31, 2023 and Fiscal 2023, 2022 and 2021:

Particulars	As at			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Claims against the company not acknowledged as debts				
Bank guarantee issued	40.44	29.36	9.74	1.90
<b>Total contingent liabilities</b>	<b>40.44</b>	<b>29.36</b>	<b>9.74</b>	<b>1.90</b>

For further information, see “Management Discussion and Analysis of Financial Condition and Results of Operations - Contingent Liabilities and other Off-Balance Sheet Arrangements” and “Financial Statements - Annexure V – Statement of Notes to the Restated Ind AS Financial Information - Note 35 - Contingent



Liabilities and Commitments” on pages 382 and 322, respectively. Any or all of these contingent liabilities may become actual liabilities. In the event that any of our contingent liabilities materialize, our business, financial conditions and results of operations may be adversely affected. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current financial year or in the future.

22. *Our Group Companies are involved or authorised to undertake business similar to our business activities, which could create conflicts of interest which may have an adverse effect on our business. We cannot assure that our Promoter will not favour the interests of that company over our interest or that the said entities will not expand which may increase our competition, which may adversely affect business operations and financial condition of our Company.*

Certain of our Promoter Group entities have common pursuits as per their constitutional documents and are authorised to engage in similar line of business as we do. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company and Group Company, in circumstances where our respective interests diverge. In cases of conflict, our Promoter may favour our Group Company over our Company.

Our Promoters are engaged various other ventures which are engaged in the railways industry. The details of such ventures and their operations are as under:

Name of Promoters	Name of ventures	Nature of business operations (including common pursuits)
Rupinder Singh and Aikjot Sandhu	NEC Switchgears	(1) Manufacture of wiring harness for rail vehicles and (2) Switchgears & electrical panels for railway coaches
Mohit Vohra and Amit Dhawan	MV Mobility Limited	(1) Production & supply of train interiors & furnishing products
Mohit Vohra and Amit Dhawan	Prime Electronics	Inter-Coach electrical connectors and Earthing Devices
Mohit Vohra and Amit Dhawan	MV Electrosystems Limited	(1) Manufacture of wiring harness for rail vehicles, (2) Switchgears & electrical panels for railway coaches, (3) Flexible conduit & fittings, and (4) Locomotive propulsion systems
Vivek Abrol and Vishesh Abrol	Abrol Engineering Company Private Limited	(1) Manufacture of wiring harness for rail vehicles, (2) Switchgears & electrical panels for railway coaches and (3) Copper wire drawing for electrical cables.
Amrit Singh Randhawa and Rajbir Singh Randhawa	International Switchgears Private Limited	(1) Manufacture of wiring harness for rail vehicles, (2) Switchgears & electrical panels for railway coaches, (3) Flexible conduit & fittings, (4) Electron Beam Irradiation for applications other than electrical cables and (5) Polymer compound production for electrical cables & other applications.

Accordingly, there can be no assurance that these Group Companies will not in future engage in any competing business activity or acquire interests in competing ventures. If so, conflict of interest may arise in the future and in the absence of a non compete arrangement, we may not be able to suitably resolve any such conflict without an adverse effect on our business or operations. In a situation where a conflict of interest may occur between our business and the business activities of these entities, it could have an adverse effect on our business, prospects, results of operations and financial condition. For further details of business activities of our Group Companies, please refer to the chapter titled “Group companies” on page 238.

23. *We have entered into, and will continue to enter into, related party transactions that may involve conflict of interest.*

We have in the course of our business entered into transactions with related parties and the nature of such transactions includes sale of speciality cables, purchase of raw material, payment of directors' remuneration and extending unsecured loans to our Company. The summary of the transaction entered into with related parties are as under:

(₹ in millions)

Particulars	For the nine months period ended December 31, 2023	Fiscal		
		2023	2022	2021
Sale of goods	146.76	307.04	356.49	304.81
Purchase of raw material	68.18	249.64	208.94	60.03
Directors Remuneration	21.60	-	-	48.00
Loan received	-	16.50	90.00	51.50
Loan repaid	-	29.00	5.00	66.85

For details of the related party transactions, see "Restated Financial Information - Note 31: Related Parties Transactions" on page 312.

If we are unable to continue with such transactions with the above related parties in the future, there may be a negative impact on our business operations.

While we believe that all such transactions have been conducted on an arm's length basis, we cannot assure you that we could not have achieved more favourable terms had such transactions not been entered into with related parties. It is likely that we may enter into related party transactions in the future. Although related party transactions that we may enter into post-listing would be subject to the Audit Committee, Board or Shareholder approval, as necessary under the Companies Act, 2013, and the SEBI Listing Regulations, we cannot assure you that our existing agreements and any such future transactions, will be in the interest of our Company and minority shareholders and in compliance with the SEBI Listing Regulations and individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. Furthermore, any future transactions with our related parties could potentially involve conflicts of interest which may be detrimental to our Company. There can be no assurance that we will be able to address such conflicts of interest in the future.

**24. Our Company has availed unsecured loans from promoters / Directors which are repayable on demand. Any demand from lenders for repayment of such unsecured loans, may adversely affect our cash flows.**

Our Company has availed unsecured loans in the past from our directors or shareholders from time to time to meet the business requirements. Such loans have been unsecured and repayable on demand. Such unsecured loans from directors and shareholders do not carry any interest. As at May 31, 2024, our Company has unsecured loans aggregating to ₹ 148.00 million from certain of our directors and shareholders which are repayable on demand to the respective lenders.

However, vide separate letter(s) dated May 31, 2024 received from each of the lender from whom amount was outstanding on May 31, 2024, our Company has entered into the following terms for repayment of such unsecured loan:

Name of lender	Amount outstanding as on May 31, 2024 (₹ in million)	Repayment terms	Rate of interest
Aikjot Singh	10.00	The said loan is repayable on demand. However, post listing of Equity Shares by the Company, the loan outstanding on such date of listing shall not be repaid on or before March 31, 2027, unless approval of the majority of public	Nil
Amit Dhawan	21.75		
Amrit Singh Randhawa	19.50		
Mohit Vohra	15.25		
Rajbir Singh Randhawa	10.50		
Rupinder Singh	27.00		
Swinder Kaur	7.00		
Vishesh Abrol	12.40		

Vivek Abrol	24.60	category shareholders is received through a general meeting.
<b>Total</b>	<b>148.00</b>	

For further details of unsecured loans of our Company, refer Chapter titled “Financial Indebtedness” on page 306.

If any or all of the above lenders seek repayment of any such unsecured loans, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. As a result, any such demand may affect our business, cash flows, financial condition and results of operations.

## Regulatory Risk

### ***25. There have been some instances of delayed filing with the Registrar of Companies and other non-compliances including errors and omissions under the Companies Act in the past which may attract penalties.***

There have been certain discrepancies in relation to statutory filings required to be made by us with the Registrar of Companies under applicable laws, as well as there are certain other non-compliances and delays by our Company under the Companies Act, 2013 in relation to the following:

#### ***(a) Failure to open a separate bank account for receipt of share application money and for use of monies thereof prior to allotment in compliance with Section 42 of the Companies Act***

In order to meet the capital needs in the initial years of incorporation, the Company has raised funds by issuing equity shares to the Promoter and Promoter Group of the Company through preferential allotment by way of private placement of securities under Section 62(1)(c) read with Section 42 of Companies Act, 2013. The Company had undertaken six different private placement of equity shares from time to time (i.e. on March 01, 2016, June 06, 2016, August 10, 2016, November 05, 2016, January 30, 2017 and April 14, 2017) and had raised funds aggregating to ₹ 8,00,00,000/- (Rupees Eight Crores only) but failed to open a separate bank account for receipt of the share application money and utilisation thereof prior to the allotment of equity shares, which is a non compliance under Section 42 of the Companies Act.

#### ***(b) Failure to utilise the entire amount of obligation towards Corporate Social Responsibility for the financial year 2020-21***

During the financial year 2020-21, the Company was required to comply with the provisions of Section 135 of Companies Act for the amount equivalent to two per cent of its average net profits made during the three immediately preceding the said financial year towards its Corporate Social Responsibility (CSR) obligations. The amount required to be spent by the Company towards its CSR obligation was in relation to an on-going project. However, the Company had failed to spend such amount towards meeting its CSR obligations strictly in accordance with the provisions of Section 135 of the Companies Act. Furthermore, the Company was also required to transfer such an unspent amount to a special account i.e. Unspent Corporate Social Responsibility Account to be opened by the Company with a scheduled bank. The Company had not transferred such an unspent amount to the said unspent CSR account.

Though the Company had spent the aforesaid unspent sum towards its CSR obligation for financial year 2020-21 in the subsequent financial year 2022-23

#### ***(c) Failure to appoint an independent director on the Board of Directors of the Company***

Pursuant to conversion of the Company into an unlisted public company with effect from October 21, 2021, the Company was required to appoint independent directors on its board in light of the requirement envisaged under Section 149 of the Companies Act read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014. Such failure to have independent director on Board of Directors of the Company subsisted for a period from conversion of Company till March 08, 2024.

**(d) Non-compliance in relation to constitution of audit committee and nomination and remuneration committee**

The Company was converted into an unlisted public limited company with effect from October 21, 2021. In terms of the provisions of Section 177 read with Section 178 of the Companies Act and relevant rules made thereunder, the Board of Directors of our Company was required to constitute an Audit Committee and Nomination and Remuneration Committee of the Board upon such conversion. Such Audit Committee was formed by our Board on January 02, 2022 and Nomination and Remuneration Committee was formed on January 02, 2022. Hence, our Company was non compliant with the above provisions for the period from the date of conversion of Company till the respective date of formation of such committee(s). Also, the composition was the Audit Committee and Nomination and Remuneration Committee was not in compliance with the requirement of Companies Act since the Company did not had any independent director(s).

**(e) There are instances of delayed filings and lapses in various regulatory filings made with the concerned Registrar of Companies and other regulatory authorities under the provisions of the Companies Act. Due to such lapses and delays, the Company may be held liable to penal actions by the regulatory authorities under the Companies Act which may have an impact on its financial position.**

There are instances of delayed filings and lapses in various regulatory filings made with the concerned Registrar of Companies and other regulatory authorities under the provisions of the Companies Act. Although, no regulatory action or penalty has been taken / levied on the Company for such delays / defaults, however, it cannot be assured that no such regulatory action or penalty will be taken/ levied in the future. Further, we cannot assure you that such non-compliances will not occur in the future. Therefore, if the concerned authorities impose monetary penalties on us or take certain punitive actions against our Company or its directors / officers in relation to the same, our business and financial condition could be adversely affected.

Further, our Company has voluntarily filed / in the process of filing two separate applications for adjudication as under before the Registrar of Companies, Chandigarh under section 454 of the Companies Act, 2013, for various non-compliances and delays under Companies Act:

Section	SRN / date
42 (as covered under sub-clause (a) above). The said adjudication application is pending before the RoC.	AA7833941 / May 07, 2024
135, 149, 177 & 178 (as covered under sub-clause (b) to (d) above)	Company is in the process of submission of adjudication application.

**26. There are certain defaults / delay in payment of statutory dues by us. Any further default / delay in payment of statutory dues may attract financial penalties and / interest on delayed payments from the respective government authorities and in turn may have a material adverse impact on our financial condition and cash flows.**

We have had instances of defaults / delay in the payment of certain statutory dues with respect to provident fund, Employee State Insurance (ESI) contribution and professional tax, tax deducted at source and advance tax. There can be no assurance that such defaults / delay may not arise in the future. Such delays may attract interest for the period of delay and also lead to financial penalties from respective government authorities which may have a material adverse impact on our financial condition and cash flows.

**27. We have delayed in complying with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“POSH Act”) and may be subject to regulatory action by the governmental authorities, which could affect our business and operations.**

The POSH Act was enacted by the Indian Parliament to provide protection against sexual harassment of women at workplace and prevention and redressal of complaints of sexual harassment and for matters connected therewith. In terms of POSH Act, we are required to (a) have a defined policy on prevention of sexual harassment, (b) set up an Internal Complaints Committee (“Committee”) to redress grievances related

to sexual harassment, and (c) file periodic returns with the District Officer, who in turn shall prepare a brief on the annual report and submits the same to the concerned State Government.

Our Company has delayed in putting in place a defined policy on prevention of sexual harassment at workplace and constituting the Committee. The Company is also not regular in filing periodic returns under POSH Act. Subsequently, our Company formulated a written policy on prevention of sexual harassment at workplace and also constituted the Committee. In addition, the Company recently conducted a training session for its employees in order for them to better understand the provisions of POSH Act and help in creation of safe and respectful work environment.

Our past non-compliance with procedural requirements under the POSH Act may lead to initiation of regulatory actions by concerned governmental authorities and imposition of penalties for any past non-compliance, which in turn may have an adverse effect on our reputation, business, results of operations and financial conditions.

- 28. *We have not complied with one of the conditions under the change of land use, for the land in Basma where our registered office and factory is situated, for installation of solar panel and general of solar power through the same. Failure to comply with the conditions of use of such land could result in an adverse impact on our business and financial condition.***

Our registered office and manufacturing facility in Basma was developed after conversion of agricultural land to an industrial based land by obtaining the Change of land use permission (“CLU”) from the local government. As one of the conditions for change of land use, we were required to comply with the condition for installation of a solar plant in our factory premises. Although the change of land use does not prescribe the penalty for failure to comply with such condition, we may be required to incur additional liability for non compliance with such condition or also cancellation of permission for usage of land for the purpose it was acquired. Any such action could adversely impact our results of operations and financial condition.

- 29. *There are certain errors noticed in our audited financial statements for the Fiscal 2022 and 2021 which do not require any corrective adjustment in the financial information. Any penalty or action taken by any regulatory authorities for such erroneous disclosure may lead to penal action against our Company under the provisions of the Companies Act, 2013.***

There are certain errors noticed in our audited financial statements for the Fiscal 2022 and 2021. However such errors do not require any corrective adjustment in the financial statements. Any penalty or action taken by any regulatory authorities in future for such erroneous disclosures under the Companies Act, 2013 or any other law could impact the financial position of our Company to that extent.

- 30. *Our operations are subject to environmental and workers’ health and safety laws and regulations. We may have to incur material costs to comply with these regulations or suffer material liabilities or damages in the event of an incidence or non-compliance of environment, health and safety and other similar laws and regulations which may have a material adverse effect on our reputation, business, results of operations and financial condition***

Our Factory operations at Mohali, Punjab are subject to provisions of Factories Act, 1948 read with Punjab Factories Rules, 1952. Any non-compliance of these provisions can result in imposition of fines, penalties and/or any other regulatory action(s) which can adversely impact our business.

Our operations are also subject to environmental laws and regulations in India, including The Environment Protection Act, 1986, The Water (Prevention and Control of Pollution) Act, 1974, The Air (Prevention and Control of Pollution) Act 1981, Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 framed under the Environment (Protection) Act, 1986 and other regulations promulgated by the Ministry of Environment, Forest and Climate Change, Government of India (“MoEF”) and various statutory and regulatory authorities and agencies in India. We are subject to regulations with respect to a range of environmental matters including limitations on land use, licensing requirements, management of materials used in manufacturing activities, the storage of inflammable and hazardous substances and associated risks, the storage, treatment and disposal of wastes, remediation of contaminated soil and groundwater, air quality standards, water pollution and discharge of hazardous materials into the environment. For details of the key regulations applicable to our business, see “Key Regulations and Policies” on page 196. The discharge or

emission of chemicals, dust or other pollutants into the air, soil or water that exceed permitted levels and cause damage to others may give rise to liabilities towards the government and third parties and may result in our incurring costs to remedy any such discharge or emissions.

Environmental laws and regulations in India have become and continue to be more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment, and emissions management and other expenditure to comply with environmental standards. Environmental laws require the Company to submit an environmental statement on annual basis to the concerned State Pollution Control Board. Our failure to comply with this statutory requirement can lead to imposition of penalties on the Company, which could adversely affect our business, reputation, financial condition, results of operations or cash flows. Our Company has not been regular in filing environmental statement and any failure on our part to comply with any existing or future regulations applicable to us may result in legal proceedings, including public interest litigation, being commenced against us, third party claims or the levy of regulatory fines which may impact our operations. Further, any violation of the environmental laws and regulations may result in fines, criminal sanctions, revocation of operating permits, or shutdown of our manufacturing facilities.

Further, our manufacturing facility at Basma uses 2.5 MeV Electron Beam Accelerator that is used for irradiation of Polymers used in cable Insulation & Sheathing, which is subject to strict compliances under The Atomic Energy Act, 1962 (“Atomic Energy Act”) and The Atomic Energy (Radiation Protection) Rules, 2004 (“Radiation Protection Rules”) and accordingly require a registration from the Atomic Energy Regulatory Board (“AERB”) to install and operate such machine. Proper shielding is essential to protect operators and bystanders from radiation exposure. Additionally, the equipment should have safety interlocks to prevent accidental exposure during maintenance or malfunctions. While we implement procedures and protocols to comply with health and safety standards, the safety of our employees may be compromised if there are any physical failures, including structural collapse or the collapse of factory building, or electrical failures, including electrical short-circuits, which may occur as a result of natural disasters, events beyond our control, failings in design, construction, installation or maintenance, wear and tear, malicious acts of third-parties, human error, or any other events within or outside of our control. The occurrence of any of these events may cause harm to our employees, residents in the vicinity of our Basma Factory, any other third-parties or the general public, or may result in damage to their property, which may subject us to financial liability, reputational damage and, potentially, criminal liability. However, in the past, no such even had occurred. If we fail to effectively implement or comply with health and safety standards for our employees, including standards imposed by the government or regulators in respect of our employees’ working conditions, we may be subject to legal and financial liability. Additionally, our reputation and ability to attract suitable employees may be adversely affected. If we fail to comply with any applicable health and safety standards, or if any of the foregoing events or similar events occur, our business, financial condition, results of operations or prospects may be adversely affected.

Also, the Radiation Protection Rules require a license for a person to handle radioactive material or operate radiation generating equipment. The Radiation Protection Rules also requires a licensee to submit reports on a regular basis to the authority. The license so granted needs to be renewed on a periodic basis. The said rules also provide for conspicuous and prominent display of radiation symbol on visible surfaces of radiation equipment, containers for storage of radioactive materials and vehicles carrying radioactive packages, entrance to the room housing the radiation generating equipment and at the entrance of the controlled areas. The said rules also provides for employment of a duly qualified and experienced ‘Radiological Safety Officer’ who shall advise the employer on all matters connected with the radiological safety of the employees. Any non compliance with the provisions of Radiation Protection Rules and conditions notified by AERB may result in fines, revocation of operating permits or shutdown of our manufacturing facility.

As a consequence of unanticipated regulatory or other developments, future environmental and regulatory related expenditures may vary substantially from those currently anticipated. We cannot assure you that our costs of complying with current and future environmental laws and other regulations will not adversely affect our business, results of operations or financial condition. Our potential exposure includes fines and civil or criminal sanctions, third-party property damage or personal injury claims and clean-up costs. The amount and timing of costs under environmental laws are difficult to predict.

**31. *We are subject to various laws, regulations, approvals and licenses required in the ordinary course of business. Any failure to obtain or retain them in a timely manner may materially adversely affect our operations***

Our business and operations are subject to a number of approvals, statutory and regulatory licenses, registrations and permissions for construction of our manufacturing facility, in addition to extensive government regulations for the protection of the environment and occupational health and safety.

We have either made or are in the process of making an application or renewal for obtaining necessary approvals that are not in place or have expired. We may also need to apply for additional approvals including the renewal of approvals which may expire from time to time, in the ordinary course of business. We are also subject to the provisions of Hazardous Waste Management Rules, 2016 in relation to our operations at our factory in Mohali, Punjab. Our Company has delayed seeking approval of the relevant authorities under Hazardous Waste Management Rules, 2016. For details, see “Government and Other Approvals - Material approvals or renewals for which applications are currently pending before relevant authorities” on page 399. If we fail to retain, renew or receive any of such approvals, licenses, registrations, permissions or renewals, in a timely manner or at all, our business, financial condition, results of operations and prospects may be adversely affected.

Further, our government approvals and licenses are subject to certain conditions, some of which are onerous and require us to make substantial compliance-related expenditure. If we fail to comply or a regulator claims that we have not complied with such conditions, our business, prospects, financial condition and results of operations may be adversely affected. For further information, see “Outstanding Litigation and Material Developments” page 389.

## **Industry and Business Risk**

**32. *Our exposure to performance guarantees, could negatively impact our business, results of operations and financial condition.***

Historically we are required to provide performance guarantee for completing the orders awarded to us. To the extent that we fail to satisfy a performance guarantee, profitability from a particular contract may decrease or project losses may be incurred, which, in turn, could negatively impact our business, financial condition, and results of operations. The uncertainties associated with our performance guarantees make it more difficult to predict our future results and exacerbate the risk that our results will not match market expectations.

**33. *We have only recently expanded our operations into Train Control Systems and it may be difficult to predict and evaluate its performance and future prospects, for which a substantial portion of the Net Proceeds of the Issue shall be deployed since we are yet to be awarded any contracts. Our Promoters also do not have significant background or experience in the train control systems segment under the railways industry. If we cannot scale our business or manage our businesses effectively or are unable to successfully implement our strategies, the quality of our product and services and our results of operations could be adversely affected.***

We have recently expanded our operations into Train Control Systems and related services. We have no prior experience in train control systems. 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. In addition, the evaluation and expectation for these investments may significantly deviate from the actual results.

Our ability to expand our operations and manage our businesses will depend upon our ability to:

- improve our existing operational, administrative and technological systems and our financial and management controls;
- attract, retain and effectively manage our employees in order to execute our business plans and strategies, including providing high quality support services;
- control operational costs and maintain effective quality controls;
- offer competitive prices for our goods and services;

- implement our projects quickly and successfully;
- correctly assess the cost of investment and growth potential;
- arrange adequate funding for capital expenditures;
- ensure the safety of our operations.

As part of our strategies, we also intend to pursue expansion opportunities outside India in long run. Competing successfully in international markets requires additional management attention and resources to customize our services to suit different requirements in each new country. Entering new markets also exposes us to additional risks including: legal and regulatory restrictions and operational differences in the countries in which we intend to operate; competition from existing players in such markets; foreign exchange controls that might restrict/regulate us while repatriating cash earned outside India; political and economic instability; challenges caused by distance, language and cultural differences; currency exchange rate fluctuations; potentially adverse tax consequences; and higher costs associated with doing business internationally. A failure to successfully mitigate these risks, or achieve any of the above in an efficient manner and at a pace consistent with the growth of our businesses could have an adverse effect on the quality of our services, our ability to win new and retain existing customers, and our ability to manage our costs of operations. There can be no assurance that we will be able to achieve any of the above at all times or at all, and failure to do so may cause our business, results of operations and financial condition to be adversely affected.

This could have a material adverse effect on our financial condition and results of operations.

- 34. Our TCAS platform may require frequent modifications or upgradations with continuous advancement in internet connectivity protocols at present and in the future which may not be compatible with the present TCAS platform and any failure to adapt our technology platform to new or upgraded technologies in future may impact our business and results of operations.**

The internet market and technologies has seen significant changes in the recent past and present technologies may not be relevant in future in this dynamic and disruptive environment. The Indian Railways currently uses GSM-R based network and intends to migrate to the ultra-high-speed long-term evolution (LTE) network. Presently, our Train Collision Avoidance System is compatible to the LTE network technology, which the Ministry of Railways has proposed to install along its rail network for train-ground and train-train communication. In case of any such changes arising from the industry or RDSO, there will be a need to continuously upgrade or modify our existing technology to accommodate such developments / upgradations in future, whether directly through internal development or by third party license, and may require substantial investment in time and money. We may be unable to adapt our technology platform to new or upgraded technologies in future which may impact our business and results of operations.

- 35. We depend on third party suppliers for primary requirement of raw materials which are on a purchase order basis. Further, the costs of the raw materials which we use in our manufacturing process are subject to volatility in prices in domestic and international market/s. Such suppliers may not perform, or be able to perform their obligations in a timely manner, or at all and any delay, shortage, interruption, reduction in the supply of or volatility in the prices of raw materials on which we rely may have a material adverse effect on our business, results of operations, financial condition, cash flows and future prospects.**

We are dependent on our suppliers for uninterrupted supply of raw materials i.e. copper & tin and polymers and fillers which are majorly procured domestically by us. The details of contribution of our top 1, top 5 and top 10 suppliers to our total cost of materials consumed for the nine months period ended December 31, 2023 and the Fiscal 2023, 2022 and 2021 are as follows:

Particulars	(₹ in million)							
	Nine months period ended December 31, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	₹ in million	%age *	₹ in million	%age *	₹ in million	%age *	₹ in million	%age *
	#		#	#		#	#	
Top ten suppliers	576.41	95.52%	880.37	85.95%	795.30	90.64%	408.73	85.46%
Top five suppliers	551.12	91.33%	791.22	77.24%	699.84	79.76%	294.67	61.61%



Largest supplier	376.44	62.38%	424.89	41.48%	257.45	29.34%	107.42	22.46%
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\* as percentage of purchase of material and consumables

We rely on such suppliers to perform their conditions and deliver adequate supplies and quality raw materials and other inputs in a timely manner. Our suppliers are associated with us through purchase orders, and we do not enter into definite-term agreements with them. Although various of our contracts comprises of price escalation clause, and we believe that we could find additional suppliers to supply these raw materials in case of shortage or non availability, however, any failure of our suppliers to deliver these raw materials in the necessary quantities or to adhere to delivery schedules or specified quality standards and technical specifications would adversely affect our production processes and our ability to deliver orders on time and at the desired level of quality. As a result, we may lose a customer or incur contractual penalties or liabilities for failure to perform contracts, which could have a material adverse effect on our business, financial condition and results of operations.

Furthermore, as we typically do not have exclusive arrangements with our suppliers, our suppliers could engage with our competitors and prioritize supplies of their other customers, which could adversely impact our ability to procure a sufficient quantity of raw materials, plant, machinery and components at competitive rates.

Further, our profitability is partly dependent on our ability to anticipate and adapt to changes in the cost of raw materials. The prices of these raw materials are subject to price fluctuation due to various factors beyond our control, including but not limited to international metal prices and governmental regulations, which may reduce supply and lead to increase in supply costs, which may not be covered under the price escalation clause. We do not use financial instruments to hedge our risk against market fluctuations in the price of commodities at this time. In the event that we are unable to anticipate and react to changing raw material costs through our procurement process or adapt to changing supply costs by adjusting our purchasing practices or we are unable to negotiate favourable pricing terms with our suppliers for such raw materials, then our business, profitability and financial performance may be materially and adversely affected.

**36. Significant shortages of, or delay or disruption in the supply of raw materials for Train Collision Avoidance could affect our estimated costs, expenditures and timelines which may have a material adverse effect on our business, financial condition, results of operations and cash flows.**

Our primary raw materials for TCAS system and hardware is printed circuit board assemblies, chips, power supplies, integrated circuits, cables and wires, connectors and mechanical enclosures. In the recent past, industry has witnessed big gap in the demand and supply of chips which has resulted in cost fluctuations of our raw materials, particularly in the aforementioned components due to volatility in the commodity markets. Since the selling prices of our products are affected by the prices of our raw materials, strong and rapid fluctuations in the prices of these raw materials and the inability to pass on the cost increase to our customers could negatively affect our operating results. We typically do not enter into long-term agreements with our suppliers, other than for the contract period of the project under the purchase order. We typically pay in advance to our suppliers for procuring raw materials.

**37. Under-utilization of our e-beam cable manufacturing capacity and an inability to effectively utilize our existing manufacturing capacity could have an adverse effect on our business, future prospects and future financial performance.**

Our capacity utilization levels are dependent on our ability to carry out uninterrupted operations at manufacturing facility as well as on the orders received by us for the e-beam cables. Among others, the capacity utilization also depends upon the availability of raw materials, industry / market conditions and procurement practice followed by our customers. For nine months period ended December 31, 2023 and Financial year ending March 2023, 2022 and 2021, our overall capacity utilization for Speciality Cable Division is detailed below:

Capacity details	For nine months ended December 31, 2023 *	For the financial year ended		
		March 31, 2023	March 31, 2022	March 31, 2021
Total installed capacity (in MTPA)	1,887.60	1,638.00	1,500.72	1,372.80
Total capacity utilised (in MT)	588.53	888.72	864.64	799.71
Capacity utilised (%)	31.18%	54.26%	57.62%	58.25%

\* not annualised

For details regarding our capacity utilisation of our manufacturing facility, see “Our Business” on page 169. Further, for TCAS system, our Company will participate in the tenders to be issued by the Indian Railways and the production shall commence only if any of such tenders are granted to us.

In the event we are unable to achieve considerable capacity utilization of our current manufacturing facility, such under utilisation would result in operational inefficiencies which could have a material adverse effect on our business, results, financial condition and future prospects.

**38. We operate in a competitive environment and an inability to compete effectively may adversely affect our results of operations, financial condition and business prospects**

We compete primarily against other players in the same industry which manufacture Electron Beam Irradiated Cables for the industrial & applications. Competition in this industry is based primarily on the characteristics and properties of the cables to be supplied and location of the client. Some of our competitors may have significantly greater financial and marketing resources than we do. If we cannot maintain, or gain, sufficient market presence or are unable to differentiate ourselves from our competitors, we may not be able to compete effectively. In addition, our clients have not entered into exclusivity arrangements or long term contracts with us and are free to procure their cable requirement with our competitors or other third parties. Furthermore, if we cannot maintain cost competitiveness within the speciality cable industry, including if we choose to expand and incur excessive fixed costs or if we experience a disproportionate increase in costs in comparison to our competitors, we may lose out on business in favour of our competitors.

Quadrant has expanded its operations to build an indigenously-developed Automatic Train Protection System that uses radio frequency identification to detect and stop a possible train collision under the Kavach project developed by the Research Designs & Standards Organisation (RDSO). We have been awarded projects aggregating to INR 168.60 millions by Indian Railways for implementation of our Train Protection System at “Moula-Ali (Excluding) - Raghunathapalli section of South Central Railway - Reach 2” covering 5 stations and 10 train sets and railway track covering 43.6 kms. Some domestic competitors may have substantially greater financial resources, longer operating histories, larger marketing budgets, broader geographic presence and thus may be able to respond more quickly and effectively to new or changing opportunities, technologies and standards than us. Also, some of our international competitors may be able to capitalize on their overseas experience to compete in the Indian market in future.

The markets in which we operate are highly competitive and subject to frequent changes due to technological improvements and advancements, availability of new or alternative services and changing customer preferences and demands, and can require significant investment in research and development by market participants. We expect competition to intensify further, as new entrants emerge in the industry due to the opportunities available and as existing competitors seek to expand their services. Consolidation among our competitors may also leave us at a competitive disadvantage.

As a result, there can be no assurance that we will be able to compete successfully in the future against our existing or potential competitors or any failure by us to adapt to changes in the market or respond quickly, successfully or adequately to new or changing opportunities, technologies, standards or client demands could impair our ability to compete and retain customers, which could have an adverse effect on our business, financial condition and results of operations.

## Others

- 39. *We have significant power requirements and in particular to run and operate 2.5 MeV Electron Beam Accelerator for irradiation of Polymers used in cable Insulation & Sheathing. Any disruption of power facilities may affect our manufacturing processes adversely negatively impacting our manufacturing capacity, results of operations and financial condition.***

Our manufacturing facility require substantial amount of power and our energy cost represents a significant portion of the production cost for our operations. The quantum and nature of power requirements of the industry in which our Company operates is such that it cannot be supplemented / augmented by alternative / independent sources of power supply since it involves significant capital expenditure and per unit cost of electricity produced is very high.

We source most of our electricity requirements for our manufacturing facility from state electricity board. We are dependent on State Government for meeting our electricity requirements and we have sanctioned load of 1222 KW from Punjab State Power Corporation Limited for power supply. Any defaults or non compliance of the conditions of the sanction letter may render us liable for termination or any future changes in the terms of the sanction may lead to increased costs, thereby affecting the profitability. Further, since we are majorly dependent on third party power supply, there may be factors beyond our control affecting the supply of power.

If supply is not available for any reason, we will need to rely on captive generators, which may not be able to consistently meet our higher electricity requirements. To deal with electricity failures, our Company has also installed a UPS Inverter and Diesel Generator as a standby arrangement, but this may increase the cost of production and which in turn shall have an impact on profitability and turnover of our Company.

Any disruption / non availability of power shall directly affect our production which in turn shall have an impact on profitability and turnover of our Company.

- 40. *We may be subject to labour unrest, slowdowns and increased wage costs, which may adversely affect our business, results of operations and financial condition.***

As of April 30, 2024, we had 266 employees at our manufacturing facility, Railway Signalling & Embedded System Design centre and corporate function. The success of our operations depends on availability of labour and good relationships with our labour force. As of the date of the Draft Red Herring Prospectus, our employees are not members of any organised labour unions. Shortage of skilled or unskilled personnel or increased wage demands could have an adverse effect on our business and results of operations. In addition, work stoppages caused by disagreements with employees like strikes and lockouts may adversely affect our operations. Although we have not had instances of strikes and labour disputes in last three years, we may experience strikes or lockouts on account of labour disputes in the future. Such events could disrupt our operations and may have a material adverse effect on our business, results of operations and financial condition. In addition, we also may face protests from local citizens at our existing facility, which may delay or halt our operations.

Events like COVID-19 pandemic or disruption otherwise could result in liabilities, or adversely affect our reputation with suppliers, customers, regulators, employees and the public, which could in turn affect our financial condition and business performance. Our inability to effectively respond to such events and rectify any disruption, in a timely manner and at an acceptable cost, could lead to the slowdown or shutdown of our operations or the under-utilization of our manufacturing facility, which in turn may have an adverse effect on our business, results of operations and financial condition.

- 41. *We will be subject to risks associated with the performance of contractors, sub-contractors and consultants being involved in our projects relating to Train Control Systems division. Despite our best efforts for supervision and quality assurance plans, we may face the risk of delays, quality of work, cost overruns in respect of work performed by contractors, subcontractors and consultants which could result in a negative impact on our business, reputation, financial condition and results of operations.***

For our projects pertaining to Train Control Systems Division, we will typically sub-contract civil construction and other development works of our civil infrastructure. A completion delay on the part of a contractors, sub-contractors and consultants, for any reason, could result in an inability to meet project

timelines. Under our contracting arrangements, while we assume liability for defects in connection with any design or engineering work provided by contractors, sub-contractors and consultants, and the contractors, sub-contractors and consultants gives us necessary warranties in connection with design and engineering work as well as provides guarantees and indemnities to cover cost overruns and additional liabilities. However, such guarantees and indemnities may not address all losses, damages or risks or cover the full loss or damage suffered due to construction delays, performance shortfalls, or the entire amount of any cost overruns. We may also be unable to replace contractors, sub-contractors and consultants without any disruptions or adverse consequences to our operations and in certain situations, may be compelled to engage certain sub-contractors over multiple projects to derive cost efficiencies.

Therefore, for timely completion of the projects which may be awarded to us under Train Control Systems, we will have to depend on the performance of our contractors, sub-contractors and consultants engaged for adhering to the conditions of quality and other obligations for various civil works. Any failure by the contractors, sub-contractors and consultants in performance of their respective obligations could result in delay or failure in timely execution or delivery of our projects.

There can be no assurance that our contractors, sub-contractors and consultants will continue to perform their obligations to the same standards as those required by us or that we will be able to enter into new or continue our existing arrangements with sub-contractors on terms acceptable to us. In the event any of the above risks occur, execution of our projects or contracts may be delayed and our returns on such projects or contracts may be affected, and it may harm our business reputation and goodwill. In the event a project or contract is not completed to the satisfaction of our client/s, whether on account of the foregoing or otherwise, it may result in a material adverse effect on our business, financial condition, results of operations, and future prospects.

- 42. *We rely on third-party transportation providers for both procurement of our raw materials and distribution of our products. Disruption in transportation or failure by any of our transportation providers to deliver our raw materials or our products on time, or in good condition, or at all, may adversely affect our business, financial condition and results of operations.***

We depend on various forms of transportation to either receive raw materials for our manufacturing operations or to deliver the finished products to our customers. We are therefore significantly dependent on transportation and logistics companies that we engage with.

The disruption of transportation services due to natural factors such as weather conditions particularly during monsoon or flood seasons, or man-made factors such as strikes, accidents, or other inadequacies in the transportation infrastructure, or any other factor that could impair the ability of our suppliers to deliver raw materials to us and our ability to deliver our products to our indirect distributors and their ability to deliver products to the end retailer in a timely manner, which may adversely affect our sale of products. Such raw materials and our products may be lost, damaged or deteriorated due to improper handling, negligence, transport strike or accidents or any other *force majeure* events which may not be within our control. Additionally, if we lose one or more of our third-party transportation providers, there can be no assurance that we will be able to find new or alternative third-party transportation providers at all, or at terms as favourable as those which we have in force with our current partners.

Further, our third-party transportation providers may not carry adequate insurance coverage and therefore, any losses that may arise during the transportation process may have to be claimed under our insurance policy. There can be no assurance that we will receive compensation for any such claims in full amount in a timely manner or at all, and consequently, any such loss may adversely affect our business, financial condition and results of operations.

- 43. *The success of our business and growth depends substantially on our management team and operational workforce. Our inability to retain them could adversely affect our businesses.***

Our senior management and key management personnel are difficult to replace. Our success and growth depends upon consistent and continued performance of our employees with direction and leadership from senior management. The key managerial personnels play a strategic role in developing and building relations with our key stakeholders, including investors, board members, suppliers and other strategic business relationships on a regular basis. They play a significant role in building and maintaining strong relationships

with critical stakeholders into the future. The following table sets forth our Company's attrition in Fiscal 2023, Fiscal 2022 and Fiscal 2021:

<b>Particulars</b>	<b>Nine months ended December 31, 2023 <sup>1</sup></b>	<b>Fiscal 2023</b>	<b>Fiscal 2022</b>	<b>Fiscal 2021 <sup>2</sup></b>
Attrition Rate	44.02%	17.69%	13.29%	36.00%

<sup>1</sup> The Company do not employ contract labours and the majority of the resignations are for factory level and not KMP and SMP.

<sup>2</sup> Of the total 54 employees who left in the Fiscal 2021, 33 employees left in April 2020 due to COVID-19 Pandemic.

Our industry is characterized by high demand and increased competition for skilled employees, and we may need to offer in order to attract and retain our employees in the future. We cannot assure you that we will be able to attract and retain the key personnel that we will need to achieve our business objectives. As we utilize advance technologies in our operations and business, we require expertize and skilled employees. We may not be able to identify, attract or retain such employees with the skillsets we require in a timely manner, on commercially favorable terms or at all. Although we have employment agreements with members of our key management personnel and senior management personnel, we cannot assure you that we will be able to retain key members of our management team. If we are unable to offer competitive salaries to our employees, we may not be able to retain them. If one or more of our key personnel are unable or unwilling to continue in their present positions, or if they join a competitor or form a competing company, we may lose valuable operational, technical, business or other knowhow and expertise and we may not be able to replace them easily. Further, we may not be able to effectively or successfully transition the responsibilities of our key management personnel or senior management personnel to new employees. Our business may be significantly disrupted and our financial condition and results of operations may be materially and adversely affected by any of the foregoing.

We also depend on our employees to perform our operations, deliver our services to customers and grow our business. If any of our employees are not properly trained, incentivized or motivated to perform our services in accordance with our quality standards, operating procedures, safety regulations or applicable laws, this may adversely affect our brand and our business. In particular, we rely on our employees to install devices and perform maintenance works on our infrastructure deployed in the rolling stock and railway stations / sidings. Any non-compliance by our employees with our quality standards, operating procedures, safety regulations or applicable laws or any malicious acts, including making disparaging or unauthorized statements in the public press about our business or causing personal harm to any of our customers in the course of performing their employment, could damage our reputation and subject us to claims and loss of business. Furthermore, we depend on our employees to deliver adequate service to our customers. If they fail to do so, or if we fail to adequately train or motivate our employees to do so, this could adversely affect our ability to retain our customers or to attract new customers. We may also become subject to regulatory proceedings, which impose service quality standards on us. If we are unable to properly train, motivate or incentivize our employees or if we are unable to attract or retain skilled employees or if our employees are poorly trained or engage in any misconduct, our business, operational efficiency, results of operations and prospects may be adversely affected.

Further, as we intend to continue to expand our operations and develop new products and expand into new technology segments for use of our products, we will need to continue to attract and retain experienced management, engineering, design and development team and sales personnel. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting suitable employees. There can be no assurance that our competitors will not offer better compensation packages, incentives and other perquisites to such skilled personnel. In the event that we are not able to attract and retain talented employees as required for conducting our business, or if we experience high attrition levels which are largely out of our control, or if we are unable to motivate and retain existing employees, our business, results of operations and financial condition may be adversely affected.

**44. Inability to maintain adequate internal controls may affect our ability to effectively manage our operations, resulting in errors or information lapses.**

As we continue to expand, our success depends on our ability to effectively utilize our resources and maintain internal controls. Our internal audit functions make an evaluation of the adequacy and effectiveness of internal systems on an ongoing basis so that our operations adhere to our policies, compliance requirements and internal guidelines. We periodically test and update our internal processes and systems and are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to ensure effective internal checks and balances in all circumstances. We may need to modify and improve our financial and management control processes, reporting systems and procedures and other internal controls and compliance procedures to meet our evolving business needs. If we are unable to improve our controls, systems and procedures, they may become ineffective and adversely affect our ability to manage our operations resulting in errors or information lapses that affect our business. Our efforts in improving our internal control systems may not result in eliminating all risks. If we are not successful in discovering and eliminating weaknesses in our internal controls, our ability to manage our business effectively may materially and adversely be affected.

We are also subject to anti-corruption laws and regulations, which generally prohibit us and our employees and intermediaries from bribing, being bribed or making other prohibited payments to government officials or other persons to obtain or retain business or gain some other business advantage. If we are not in compliance with applicable anti-corruption laws, we may be subject to criminal and civil penalties, disgorgement and other sanctions and remedial measures, and legal expenses, which could have an adverse impact on our business, financial condition, results of operations and liquidity. Likewise, any investigation of any potential violations of anticorruption laws by the relevant authorities could also have an adverse impact on our business and reputation.

**45. We do not have certain documents evidencing the biographies and / or educational qualifications of certain of our Directors, Key managerial Personnel and Senior Management Personnel and have relied on the statement of marks and provisional certificate / affidavits submitted by such personnel for details of their profile included under the section “Our Management” of the Draft Red Herring Prospectus.**

We do not have certain documents evidencing the educational qualifications of certain of our Directors, Key Managerial Personnel and Senior Management Personnel namely Mr. Girish Buttan, Independent Director and Mr. Rahul Kumar, Assistant General Manager mentioned in their biographies under the section “Our Management” on page 211, details of which area as under:

<b>Name of Director / Senior Management Personnel</b>	<b>Experience / Education details not available</b>	<b>Period / Experience</b>
Girish Buttan, Director	Experience Letters for employment with Umang Dairies Limited, Turner Morrison Limited, Yamaha Motor India Private Limited, Zee Turner Limited, Neo Sports Broadcast Private Limited, Times Strategic Solutions Limited and Essel Group	Approx. 20 years
Rahul Kumar, Senior Management Personnel	Bachelor’s degree from Raghunath Jha College, Sitamarh (copy of leaving certificate available)	NA

Accordingly, to the extent of disclosures relating to the foregoing, reliance has been placed on the provisional certificates and statement of marks submitted by aforesaid Director and Senior Management Personnel and certificates / affidavit executed by them certifying the authenticity of the information provided. Further, certain details for Girish Buttan, Director were verified based on the information available on the website of Ministry of Corporate Affairs. We cannot assure you that all information relating to our Directors included in the section titled “Our Management” is true and accurate and do not have any inadvertent errors or omissions.

**46. Our insurance coverage may not adequately protect us against all losses or the insurance cover may not be available for all the losses as per the insurance policy, which could adversely affect business, results of operations and financial condition.**

Our operations are subject to various risks inherent to the manufacturing of E-beam Cables including defects, malfunction and failure of plant and machinery, fire, riots, strikes, explosions, loss-in-transit, accidents and natural disasters. We have obtained insurance policies that we believe are customary in our industry and provide for commercially appropriate insurance coverage for a variety of risks. For further information regarding the insurance policies obtained by us, see “Our Business - Insurance” on page 193.

There can be no assurance that our current insurance policies will insure us fully against all risks and losses that may arise in the future. Further, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. In cases where certain loss or damages are not covered under our insurance policies, or even if such losses are insured, we are required to pay a significant deductible on any claim for recovery of such a loss, or the amount of the loss may exceed our coverage for the loss or the premium charged is significantly increased, our results of operations and cash flows could be adversely affected. In addition, our insurance policies are subject to annual review, and we cannot assure you that we will be able to renew these policies on similar or otherwise acceptable terms, or at all. If we were to incur a serious uninsured loss or a loss that significantly exceeds the limits of our insurance policies, it could have a material adverse effect on our financial condition, results of operations and cash flows.

**47. Our Railway Signalling & Embedded System Design centre based at Bengaluru, Karnataka and Hyderabad, Telangana are operated through leased premises. If we are unable to renew existing leases or relocate our operations on commercially reasonable terms, there may be an adverse effect on our business, financial condition and operations. Also, our lease agreements in relation to these properties are inadequately stamped and have not been registered with the offices of concerned sub-registrars.**

We have taken office spaces on lease from third parties for our Railway Signalling & Embedded System Design centre located at Bengaluru and Hyderabad. The leases for these premises require periodic renewal and are subject to periodic escalation of lease payments. In the event of any such termination we may be required to either re-negotiate terms or shift our operations to alternate locations on expiry of lease period. While there have not been any other instances of unilateral termination of lease agreements in the past three Fiscals and in the nine months period ended December 31, 2023, there can be no assurance that such lease agreements will not be terminated unilaterally in future. If we are unable to renew certain or all of these leases on commercially reasonable terms, we may suffer a disruption in our Railway Signalling & Embedded System Design centre or be unable to continue to operate from those locations in the future. Consequently, we may have to incur additional costs in relocating our operations elsewhere.

Also, our lease agreements in relation to these properties are inadequately stamped and have not been registered with the offices of concerned sub-registrars. Consequently, in case of a dispute, such lease agreements may not be admissible as evidence in the court of law unless proper stamp duty has been paid in respect thereof. These lease agreements may be subject to impounding by the collector of stamps, who may impose a penalty on the Company of an amount up to ten times the amount of proper stamp duty payable or of the deficit portion thereof.

**48. We may not be able to protect our intellectual property rights and prevent the unauthorized use of our intellectual property, which could harm our business and competitive position.**

We regard our logo, patents, domain names, trade secrets, proprietary technologies, and similar intellectual property as critical to our success. We rely on trade secret protection and confidentiality and license agreements with our employees and others to protect our proprietary rights. We have invested significant resources to develop our own intellectual property. Failure to maintain or protect these rights could harm our business. In addition, any unauthorized use of our intellectual property by third parties may adversely affect our current and future revenues and our reputation.

Implementation and enforcement of Indian laws relating to intellectual property have historically been deficient and ineffective. Furthermore, policing unauthorized use of proprietary technology is difficult and expensive. We rely on a combination of trademark and trade secret laws and restrictions on disclosure to

protect our intellectual property rights. Despite our efforts to protect our proprietary rights, third parties may attempt to copy or otherwise obtain and use our intellectual property or seek court declarations that they do not infringe upon our intellectual property rights. Monitoring unauthorized use of our intellectual property is difficult and costly, and we cannot assure you that the steps we have taken or will take will prevent misappropriation of our intellectual property. From time to time, we may have to resort to litigation to enforce our intellectual property rights, which could result in substantial costs and diversion of our resources.

***49. Unstamped and improper execution of agreements in the routine course of our business may be subject to impounding and we may have to bear a penalty on the same.***

In the routine course of our business, we enter into agreements with third parties including consultants and service providers. Some of these agreements executed by us may be inadequately stamped. Consequently, in case of a dispute, such agreements may not be admissible as evidence in the court of law unless proper stamp duty has been paid in respect thereof. These agreements may be subject to impounding by the collector of stamps, who may impose a penalty on the Company.

***50. A slowdown in economic growth in India could have an adverse effect on our business, results of operations and financial condition***

We operate in the field of railway safety infrastructure development. A slowdown in economic growth could affect business and lead to a decrease in demand for our goods / services for prolonged periods.

We cannot assure you that such macroeconomic and other factors, which are beyond our control, would not significantly affect demand for our services. Consequently, the occurrence of such events could have an adverse effect on our business, results of operations and financial condition.

***51. Certain sections of the Draft Red Herring Prospectus contain information from the CareEdge Report which we commissioned and paid for and any reliance on such information for making an investment decision in the Issue is subject to inherent risks.***

Certain sections of the Draft Red Herring Prospectus include information based on, or derived from, the CareEdge Report or extracts of the CareEdge Report prepared by CARE Analytics and Advisory Private Limited, which is not related to our Company, Directors or Promoters. We commissioned and paid for this report for the purpose of confirming our understanding of the industry in connection with the Issue. All such information in the Draft Red Herring Prospectus indicates the CareEdge Report as its source. Accordingly, any information in the Draft Red Herring Prospectus derived from, or based on, the CareEdge Report should be read taking into consideration the foregoing. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.

Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While we have assumed responsibility for the contents of the report and have taken reasonable care in the reproduction of the information, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Further, the CareEdge Report is not a recommendation to invest / disinvest in any company covered in the CareEdge Report. Accordingly, prospective investors should not place undue reliance on, or base their investment decision solely on this information.

In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Issue pursuant to reliance on the information in the Draft Red Herring Prospectus based on, or derived from, the CareEdge Report. You should consult your own advisors and undertake an independent assessment of information in the Draft Red Herring Prospectus based on, or derived from, the CareEdge Report before making any investment decision regarding the Issue. For the disclaimers associated with the CareEdge Report, see “Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation” on page 15.

***52. Information relating to our production capacities and the historical capacity utilization of our manufacturing facility included in the Draft Red Herring Prospectus is based on various assumptions and estimates and is certified by third party and capacity utilization may vary.***



The information relating to the estimated annual installed capacity and the average estimated annual available capacity of our manufacturing facility included in the Draft Red Herring Prospectus are based on various assumptions and estimates of our management that have been taken into account by the chartered engineer in the calculation of our capacity. These assumptions and estimates include the standard capacity calculation practice of industry after examining the installed capacity, calculations and explanations provided by our management, the period during which the facility operates in a year, availability of raw material, expected utilization levels, estimated downtime resulting from scheduled maintenance activities, assumptions relating to unscheduled breakdowns, as well as expected operational efficiencies. Actual production levels and capacity utilization rates may therefore vary significantly from the estimated annual installed capacity and the average estimated annual available capacity information of our facility.

Undue reliance should therefore not be placed on our capacity information or historical capacity utilization information for our existing facility included in the Draft Red Herring Prospectus. Further, average estimated annual available capacity has been calculated on the basis of the estimated daily available capacity for the relevant periods, as certified by Sapient Services Private Limited, Chartered Engineer pursuant to report dated May 31, 2024. Significant changes from our annual available capacity could adversely affect our results of operations, cash flows and financial condition.

**53. *The average cost of acquisition of Equity Shares by our Promoters is lower than the issue price.***

Our Promoters' average cost of acquisition of Equity Shares in our Company is lower than the Issue Price as decided by our Company in consultation with the Book Running Lead Manager. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, refer chapter titled "Summary of the Issue Document" and "Capital Structure" on page 22 and 84 respectively.

**54. *All the Independent Directors on our Board, except Mr. Pramod Jain, have no previous experience of being independent director in any other listed entity within India, therefore, they will be able to provide limited guidance in relation to affairs of our Company post listing.***

Our Independent Directors, except Mr. Pramod Jain, do not have any previous experience of being director in a listed entity. While the Independent Directors on the Board of our Company are qualified professionals with substantial experience in their respective domains, due to reasons of them not having any experience of being directors in a listed entity, they have historically not been subject to the compliance requirements and scrutiny of the regulators associated with a listed company. Accordingly, we may get limited guidance from them and accordingly, may fail to satisfy our obligations and / or maintain and improve the effectiveness of our disclosure controls, procedures and internal control as required for a listed entity under applicable laws.

**55. *After the completion of the Issue, our Promoters along with the Promoter Group will continue to collectively hold substantial shareholding in our Company.***

As on the date of the Draft Red Herring Prospectus, our Promoters and members of the Promoter Group hold 100% of the paid-up share capital of our Company. For details of their shareholding pre and post Issue, see "Capital Structure" on page 84. After the completion of the Issue, our Promoters along with the Promoter Group will continue to collectively hold substantial shareholding in our Company, i.e. [●]%. Our Promoters will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholders' approval, including the composition of our Board, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these shareholders. The interests of the Promoters as our controlling shareholder could conflict with our interests or the interests of its other shareholders. We cannot assure you that our Promoters will act to resolve any conflicts of interest in our favour and any such conflict may adversely affect our ability to execute our business strategy or to operate our business. For further information in relation to the interests of our Promoters in the Company, see "Our Promoters and Promoter Group", "Our Management" and "Restated Financial Information" on pages 230, 211 and 244, respectively.

**56. *Grants of stock options under our employee stock option plan may result in a charge to our profit and loss account and, to that extent, reduce our profitability and financial condition.***

As on the date of the Draft Red Herring Prospectus, 455,000 stock options have been granted to eligible employees and are outstanding under ‘Quadrant Future Tek Limited Stock Incentive Plan, 2024’, all of which are pending for vesting. For further information, see “Capital Structure - Employee Stock Option Schemes” on page 91.

Under Ind AS, the grant of stock options results in a charge to our Company’s profit and loss account equal to the fair value of options (which will amortize over the expected life of these stock options). Since the stock options have been granted on April 15, 2024, there has been no charge to profit and loss account for the nine months period ended December 31, 2023 and previous financial years.

**57. *Our ability to pay dividends in the future will depend on our future cash flows, working capital requirements, capital expenditures and financial condition.***

While our declaration of dividends is at the discretion of our Board and subject to Shareholders’ approval as set out in “Dividend Policy” on page 243, the amount of our future dividend payments, if any, will depend on our future earnings, cash flows, financial condition, working capital requirements, capital expenditures, applicable Indian legal restrictions and other factors. We have not declared dividends in the past and till the date of filing the Draft Red Herring Prospectus. There can be no assurance that we will declare and pay dividends in the future. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. Additionally, in the future, we may be restricted by the terms of our financing agreements in making dividend payments unless otherwise agreed with our lenders.

**58. *Significant differences exist between Ind AS and other accounting principles, such as IFRS and U.S. GAAP, which may be material to investors’ assessment of our financial condition.***

The financial statements included in the Draft Red Herring Prospectus have been prepared in accordance with Ind AS, as applicable, in the relevant period of reporting. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in the Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Ind AS financial statements, which are restated as per the SEBI ICDR Regulations included in the Draft Red Herring Prospectus, will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Draft Red Herring Prospectus should be limited accordingly.

## **EXTERNAL RISK FACTORS**

### **Risks related to India**

**59. *Our business and operations are located in India and as such, we are subject to regulatory, economic, social and political uncertainties in India, many of which are beyond our control.***

The Indian economy and capital markets are influenced by economic, political and market conditions in India and globally. We are incorporated in India, and almost all of our business and all of our personnel are located in India. Consequently, our business, cash flows and results of operations will be affected by a number of macroeconomic and demographic factors in India which are beyond our control. In particular, our total income and profitability are strongly correlated to consumer discretionary spending in India, which is influenced by general economic conditions, salaries and employment levels and consumer confidence. Recessionary economic cycles, a protracted economic slowdown, a worsening economy, increased unemployment, increased energy prices, rising interest rates or other industry-wide cost pressures could lead to a decline in our total income and profitability.

While our results may not necessarily track India’s economic growth figures, the Indian economy’s performance affects the environment in which we operate. These factors could have an adverse effect on our business, financial condition, cash flows and results of operations.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations, cash flows and financial condition and the price of the Equity Shares.

**60. *Changing laws, rules and regulations and legal uncertainties, including any adverse application of corporate and tax laws, may adversely affect our business, cash flows, prospects and results of operations.***

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, cash flows, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

For instance, GoI has notified the Finance Act, 2021 (“**Finance Act**”), which introduced various amendments to the taxation laws in India. Under the Finance Act, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. Further, the GoI has announced the Union Budget for the Financial Year 2023 pursuant to which the Finance Act of 2022 has introduced various amendments. Unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

Further, the GoI introduced new laws relating to social security, occupational safety, industrial relations and wages namely, the Code on Social Security, 2020 (“**Social Security Code**”), the Occupational Safety, Health and Working Conditions Code, 2020, the Industrial Relations Code, 2020 and the Code on Wages, 2019, which consolidate, subsume and replace numerous existing central labor legislations, were to take effect from April 1, 2021 (collectively, the “**Labour Codes**”). The GoI has deferred the effective date of implementation of the respective Labour Codes, and they shall come into force from such dates as may be notified. Different dates may also be appointed for the coming into force of different provisions of the Labour Codes. While the rules for implementation under these codes have not been finalized, as an immediate consequence, the coming into force of these codes could increase the financial burden on our Company, which may adversely impact our profitability. For instance, under the Social Security Code, a new concept of deemed remuneration has been introduced, such that where an employee receives more than half (or such other percentage as may be notified by the Central Government) of their total remuneration in the form of allowances and other amounts that are not included within the definition of wages under the Social Security Code, the excess amount received shall be deemed as remuneration and accordingly be added to wages for the purposes of the Social Security Code and the compulsory contribution to be made towards the employees’ provident fund.

Additionally, the Ministry of Electronics and Information Technology has brought about a ‘new regime’ on data protection in India by notifying Digital Personal Data Protection Act, 2023 (“**DPDP Act**”) on August 11, 2023. The DPDP Act, amongst other obligations, prescribes format for obtaining consent and giving notice for processing of personal data, along with certain legitimate uses for which personal data can be processed. The notification for its implementation is awaited and its rules are yet to be notified.

Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, cash flows, results of operations and prospects. Uncertainty in the application, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our businesses in the future.

**61. *A downgrade in ratings of India, may affect the trading price of the Equity Shares.***

India's sovereign debt rating could be downgraded due to several factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, all which are outside the control of our Company. Our borrowing costs and our access to the debt capital markets depend significantly on the sovereign credit ratings of India. Any adverse revisions to India's credit ratings for domestic and overseas debt by international rating agencies may adversely impact our ability to raise additional external financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of the Equity Shares.

**62. *In the past, there have been changes in Indian law related to foreign investments in India. Any such changes or restrictions on foreign investors may adversely affect the trading price of Equity Shares.***

Foreign investment in Indian securities is subject to regulation by Indian regulatory authorities including FEMA. Under foreign exchange regulations which are currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to compliance with sectoral norms and certain other restrictions) provided they comply with the pricing guidelines and reporting requirements specified under applicable law. Further, unless specifically restricted, foreign investment is freely permitted in majority of the sectors up to any extent and without any prior approval of Government of India, but the foreign investor is required to follow certain prescribed procedures for making such investment. Under the Consolidated FDI Policy, 100% foreign direct investment is permitted in a company engaged in manufacturing, under the automatic route, subject to certain conditions specified thereunder.

Further, in accordance with the provisions of the FEMA and the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 as amended from time to time, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares a land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India. We cannot assure investors from such jurisdictions that any required approval from the RBI or any other governmental agency can be obtained on any particular terms and conditions or at all. For further information, see "Restrictions on Foreign Ownership of Indian Securities" on page 439. Our ability to raise any foreign capital under the FDI route is therefore constrained by Indian law, which may adversely affect our business, cash flows and financial condition.

**63. *Financial instability in other countries may cause increased volatility in Indian financial markets.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us.

Furthermore, economic developments globally can have a significant impact on India. In particular, the global economy has been negatively impacted by the conflict between Russia and Ukraine. Governments in the United States, United Kingdom, and European Union have imposed sanctions on certain products, industry sectors, and parties in Russia. The conflict could negatively impact regional and global financial markets and economic conditions, and result in global economic uncertainty and increased costs of various commodities, raw materials, energy and transportation. In addition, recent increases in inflation and interest rates globally, including in India, could adversely affect the Indian economy.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. These factors may also result in a slowdown in India's export growth. Any significant financial disruption could have an adverse effect on our business, financial condition, cash flows and results of operation.

**64. *If inflation rises in India, increased costs may result in a decline in profits and result of operations may be adversely affected.***

Inflation rates in India have been volatile in recent years, and such volatility may continue. Increasing inflation in India could cause a rise in the costs of third party suppliers and contract manufacturers, rents, wages, raw materials and other expenses. In recent years, India has experienced consistently high inflation, especially and increasingly so in recent months, which has increased the price of, among other things, our rent, raw materials and wages. Further, while the Government of India has previously initiated economic measures to combat high inflation rates, it is unclear whether these measures will remain in effect, and there can be no assurance that Indian inflation levels will not worsen and rise in the future. If we are unable to increase our revenues sufficiently to offset our increased costs due to inflation, it could have an adverse effect on our business, prospects, financial condition, results of operations and cash flows.

#### **Risks related to the Issue**

***65. The Equity Shares have never been publicly traded, and, after the Issue, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Issue Price, or at all.***

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares is proposed to be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in the securities markets in India and other jurisdictions, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

***66. Investors may be subject to Indian taxes arising out of income arising on the sale of and dividend on the Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares held as investments in an Indian company are generally taxable in India. Any capital gain realized on the sale of listed equity shares on a Stock Exchange held for more than 12 months immediately preceding the date of transfer will be subject to long term capital gains in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of Securities Transaction Tax (“STT”), on the sale of any Equity Shares held for more than 12 months immediately preceding the date of transfer. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any capital gains realized on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India. Further, withholding tax may be applicable on sale of shares by Non- Resident / FII under section 115E and 115AD of the Income Tax Act, 1961.

No dividend distribution tax is required to be paid in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020 and, accordingly, such dividends would not be exempt in the hands of the Shareholders both for residents as well as non-residents. Our Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident Shareholder for the purposes of deducting tax at source pursuant to any corporate action, including dividends.

There is no certainty on the impact of Indian tax laws or other regulations, and which may adversely affect the Company’s business, financial condition, results of operations or on the industry in which we operate. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares.

**67. *QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Application (in terms of quantity of Equity Shares or the Application Amount) at any stage after submitting the Application, and Retail Individual Investors are not permitted to withdraw their Application after Issue Closing Date.***

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to pay the Application Amount on submission of the Application and are not permitted to withdraw or lower their Application (in terms of quantity of Equity Shares or the Application Amount) at any stage after submitting a Application. Retail Individual Investors can revise their Application during the Issue Period and withdraw their Application until the Issue Closing Date. While we are required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed including Allotment pursuant to the Issue within three Working Days from the Issue Closing Date, events affecting the Investors' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition may arise between the date of submission of the Application and Allotment. We may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the Investors' ability to sell the Equity Shares allotted pursuant to the Issue or cause the trading price of the Equity Shares to decline upon listing. QIBs and Non-Institutional Applicants will therefore not be able to withdraw following adverse developments in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or otherwise, between the dates of submission of their Application Form and Allotment.

**68. *The Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Issue.***

The Issue Price of the Equity Shares is proposed to be determined by us in consultation with the Lead Manager, through a book-building process. This price is based on numerous factors, as described under "Basis for Issue Price" on page 118, and may not be indicative of prices that will prevail in the open market following the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. In addition, the stock market often experiences price and volume fluctuations that are unrelated or disproportionate to the operating performance of a particular company. These broad market fluctuations and industry factors may materially reduce the market price of the Equity Shares, regardless of our Company's performance. As a result of these factors, we cannot assure you that investors will be able to resell their Equity Shares at or above the Issue Price.

**69. *Investors may have difficulty enforcing foreign judgments against us or our management.***

The Company is a limited liability company incorporated under the laws of India. The majority of our directors and executive officers are residents of India. All of our assets and the assets of our Directors are located in India. As a result, it may be difficult for foreign investors to effect service of process upon us or directors to enforce judgments obtained outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 of the Code of Civil Procedure, 1908 ("CPC"), on a statutory basis. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the CPC provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside of India which the GoI has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the CPC is

applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties. Some jurisdictions including the United Kingdom, United Arab Emirates, Singapore and Hong Kong have been declared by the GoI to be reciprocating countries for the purposes of Section 44A of the CPC.

However, the party in whose favor such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India.

Further, there may be considerable delays in the disposal of suits by Indian courts. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian law. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the FEMA to execute such a judgment or to repatriate any amount recovered.

***70. Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.***

Under the Companies Act, a company having share capital and incorporated in India must offer holders of its Equity Shares pre-emptive rights to subscribe and pay for a proportionate number of Equity Shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the Equity Shares who have voted on such resolution.

However, if the laws of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in us would be reduced.

***71. Any future issuance of Equity Shares or convertible securities or other equity linked securities by us may dilute your shareholding and sales of the Equity Shares by our major shareholders may adversely affect the trading price of the Equity Shares.***

We may be required to finance our growth through future equity offerings. Any future issuance of our Equity Shares, convertible securities or securities linked to our Equity Shares by us, including through exercise of employee stock options may dilute your shareholding in us. Any future equity issuances by us, including a primary offering, may lead to the dilution of investors' shareholdings in us. Any disposal of Equity Shares by our major shareholders or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of the Equity Shares or incurring additional debt. We cannot assure you that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge or encumber the Equity Shares in the future. Any future issuances could also dilute the value of your investment in the Equity Shares. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of the Equity Shares.

***72. A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.***

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of the Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of our Company. Under the Takeover

Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the SEBI SAST Regulations.

**73. *Rights of shareholders of companies under Indian law may be more limited than under the laws of other jurisdictions.***

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and widespread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder in an Indian company than as shareholders of an entity in another jurisdiction.

**74. *Pursuant to listing of the Equity Shares, we may be subject to pre-emptive surveillance measures like Additional Surveillance Measure ("ASM") and Graded Surveillance Measures ("GSM") by the Stock Exchanges in order to enhance market integrity and safeguard the interest of investors.***

SEBI and the Stock Exchanges, in the past, have introduced various pre-emptive surveillance measures with respect to the shares of listed companies in India (the "Listed Securities") in order to enhance market integrity, safeguard the interests of investors and potential market abuses. In addition to various surveillance measures already implemented, and in order to further safeguard the interest of investors, the SEBI and the Stock Exchanges have introduced additional surveillance measures ("ASM") and graded surveillance measures ("GSM").

ASM is conducted by the Stock Exchanges on Listed Securities with surveillance concerns based on certain objective parameters such as share price, price-to-earnings ratio, percentage of delivery, client concentration, variation in volume of shares and volatility of shares, among other things. GSM is conducted by the Stock Exchanges on Listed Securities where their price quoted on the Stock Exchanges is not commensurate with, among other things, the financial performance and financial condition measures such as earnings, book value, fixed assets, net-worth, other measures such as price-to-earnings multiple and market capitalization and overall financial position of the concerned listed company, the Listed Securities of which are subject to GSM.

For further details in relation to the ASM and GSM Surveillance Measures, including criteria for shortlisting and review of Listed Securities, exemptions from shortlisting and frequently asked questions (FAQs), among other details, refer to the websites of the NSE and the BSE.

Upon listing, the trading of our Equity Shares would be subject to differing market conditions as well as other factors which may result in high volatility in price, and low trading volumes as a percentage of combined trading volume of our Equity Shares. The occurrence of any of the abovementioned factors or other circumstances may trigger any of the parameters prescribed by SEBI and the Stock Exchanges for placing our securities under the GSM and / or ASM framework or any other surveillance measures, which could result in significant restrictions on trading of our Equity Shares being imposed by SEBI and the Stock Exchanges. These restrictions may include requiring higher margin requirements, requirement of settlement on a trade for trade basis without netting off, limiting trading frequency, reduction of applicable price band, requirement of settlement on gross basis or freezing of price on upper side of trading, as well as mentioning of our Equity Shares on the surveillance dashboards of the Stock Exchanges. The imposition of these restrictions and curbs on trading may have an adverse effect on market price, trading and liquidity of our Equity Shares and on the reputation and conditions of our Company. Any such instance may result in a loss of our reputation and diversion of our management's attention and may also decrease the market price of our Equity Shares which could cause you to lose some or all of your investment.



## SECTION III: INTRODUCTION

### THE ISSUE

The following table summarizes the Issue details:

Issue of Equity Shares <sup>(1)</sup>	Up to [●] Equity Shares, aggregating to ₹ 2,750.00 million
The Issue consists of:	
A. QIB Portion <sup>(2) (3)</sup>	Not less than [●] Equity Shares
of which	
(1) Anchor Investor Portion <sup>(2)</sup>	Up to [●] Equity Shares
(2) Net QIB Portion available for allocation to QIBs other than Anchor Investors (assuming the Anchor Investor Portion is fully subscribed)	[●] Equity Shares
Of which	
(a) Available for allocation to Mutual Fund only (5% of the Net QIB Portion)	[●] Equity Shares
(b) Balance of the Net QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares
B. Non Institutional Portion <sup>(3) (4) (5)</sup>	Not more than [●] Equity Shares
Of which	
(1) One-third of the Non-Institutional Portion reserved for applicants with an application size of more than ₹ 0.2 million and up to ₹ 1 million	[●] Equity Shares
(2) Two-third of the Non-Institutional Portion reserved for applicants with an application size of more than ₹ 1 million	[●] Equity Shares
C. Retail Portion <sup>(3) (4)</sup>	Not more than [●] Equity Shares
<b>Pre and Post-Issue Equity Shares</b>	
Equity Shares outstanding prior to the Issue (as at the date of the Draft Red Herring Prospectus)	3,00,00,000 Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
Utilization of Net Proceeds	See 'Objects of the Issue' on page 100 for information about the utilization of Net Proceeds

(1) The Issue has been authorised by our Board pursuant to the resolution passed at its meeting held on March 15, 2023 and January 20, 2024 and has been authorised by our Shareholders pursuant to the shareholders' resolution passed in their Extra Ordinary General Meeting held on March 01, 2024.

(2) Our Company, in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares will be added back to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. In the event the aggregate demand from Mutual Funds is less than as specified above,

the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, see 'Issue Procedure' on page 420.

- (3) Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category would be allowed to be met with spill-over from any other category or combination of categories, as applicable, at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange, subject to applicable law. Undersubscription, if any, in the QIB Portion would not be allowed to be met with spill-over from other categories or a combination of categories. For further details, see 'Issue Procedure' on page 420.
- (4) Allocation to Bidders in all categories, except in Anchor Investor Portion, Non-Institutional Portion and Retail Individual Portion, shall be made on a proportionate basis subject to valid Bids received at or above the Issue Price. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. The allocation to each Non-Institutional Investor shall not be less than ₹ 0.2 million, subject to availability of Equity Shares in Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis in accordance with the SEBI ICDR Regulations. For details, see 'Issue Procedure' on page 420.
- (5) The Equity Shares available for Allocation to Non-Institutional Investors under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Investors shall be reserved for applicants with an application size of more than ₹ 0.2 million and up to ₹ 1 million; and (ii) two-third of the portion available to Non-Institutional Investors shall be reserved for applicants with application size of more than ₹ 1 million, provided that the unsubscribed portion in either of the subcategories specified above may be allocated to applicants in the other sub-category of Non-Institutional Bidders in accordance with the SEBI ICDR Regulations.

For further details, including in relation to grounds for rejection of Bids, see "Issue Structure" and "Issue Procedure" on pages 416 and 420, respectively. For further details of the terms of the Issue, see "Terms of the Issue" on page 410.

## SUMMARY OF FINANCIAL INFORMATION

The following table set forth summary financial information derived from the Restated Financial Information. The summary financial information presented below should be read in conjunction with “Restated Financial Information” and “Management Discussion and Analysis of Financial Condition and Results of Operations” on pages 244 and 369, respectively.

### Restated Information of Assets and Liabilities

(All amounts in Indian Rupees in Millions, unless otherwise stated)

Particulars	Note	31-12-2023	2022-23	2021-22	2020-21
		Restated	Restated	Restated	Restated
<b>ASSETS</b>					
<b>(1) Non-current assets</b>					
<b>Property, Plant and Equipment and Intangible Assets</b>					
(a) Property, Plant and Equipment	1	194.64	209.04	195.72	184.37
(b) Capital work -in- Progress	1.1	-	-	24.35	21.17
(c) Other Intangible Assets	1.2	563.22	0.01	0.01	0.01
(d) Intangible assets under development	1.2	-	484.49	310.24	38.91
<b>(e) Financial Assets</b>					
(i) Trade Receivables	5	27.48	12.22	-	-
(ii) Other Financial Assets	2	1.54	5.11	1.70	2.14
(f) Deferred Tax Assets (Net)	3	2.88	2.58	1.76	1.30
<b>Total non-current Assets</b>		<b>789.76</b>	<b>713.45</b>	<b>533.78</b>	<b>247.89</b>
<b>(2) Current assets</b>					
(a) Inventories	4	260.97	186.53	243.34	152.71
<b>(b) Financial Assets</b>					
(i) Trade receivables	5	213.13	232.59	268.11	168.76
(ii) Cash and cash equivalents	6	2.07	2.00	0.81	1.19
(iii) Bank balances other than (ii) above	7	4.53	3.33	1.72	1.20
iv) Other Financial assets	8	6.05	3.07	2.56	5.17
(c) Current Tax Assets (Net)	9	0.94	6.06	4.05	4.19
(d) Other current assets	10	51.27	41.16	73.29	5.81
<b>Total Current Assets</b>		<b>538.95</b>	<b>474.73</b>	<b>593.88</b>	<b>339.04</b>
<b>Total Assets</b>		<b>1,328.71</b>	<b>1,188.18</b>	<b>1,127.66</b>	<b>586.93</b>
<b>EQUITY</b>					
(a) Equity Share Capital	11	100.00	100.00	100.00	100.00
(b) Other Equity	12	337.55	194.21	56.05	37.11
		<b>437.55</b>	<b>294.21</b>	<b>156.05</b>	<b>137.11</b>
<b>LIABILITIES</b>					
<b>(1) Non-current liabilities</b>					
<b>(a) Financial Liabilities</b>					
(i) Borrowings	13	422.34	488.79	558.35	178.65
(ii) Other financial liabilities		-	-	-	-
(b) Provisions	14	7.12	5.31	2.32	0.71
(c) Deferred tax liabilities (Net)	3	-	-	-	-
(d) Other non-current liabilities		-	-	-	-
<b>Total Non-current Liabilities</b>		<b>429.46</b>	<b>494.11</b>	<b>560.67</b>	<b>179.36</b>
<b>(2) Current liabilities</b>					
<b>(a) Financial Liabilities</b>					
(i) Borrowings	15	336.33	251.16	248.46	230.66
(ii) Trade payables:	16	54.89	63.99	138.40	11.82

Particulars	Note	31-12-2023	2022-23	2021-22	2020-21
		Restated	Restated	Restated	Restated
(A) Total outstanding dues of micro small and medium enterprises		26.37	15.13	-	-
(B) Total outstanding dues of creditors other than micro, small and medium enterprises		28.52	48.86	138.40	11.82
(iii) Other financial liabilities (other than those specified in item(c))	17	13.20	9.85	7.54	14.32
(b) Provisions	14	1.61	0.36	0.50	0.09
(b) Other current liabilities	18	10.83	18.85	6.90	8.19
(c) Current Tax Liabilities (Net)	19	44.84	55.65	9.15	5.38
<b>Total Current Liabilities</b>		<b>461.70</b>	<b>399.86</b>	<b>410.94</b>	<b>270.46</b>
<b>Total Equity and Liabilities</b>		<b>1,328.71</b>	<b>1,188.18</b>	<b>1,127.66</b>	<b>586.93</b>

The above Statement should be read with Annexure V- Significant accounting policies and explanatory notes to Restated Financial Statements.

## Restated Information of Profit and Loss

(All amounts in Indian Rupees in Millions, unless otherwise stated)

Particulars	Note	For the	For the	For the	For the	For the
		period 01- 04-2023 to 31-12-2023	period 01- 04-2022 to 31-12-2022	period 01- 04-2022 to 31-03-2023	period 01- 04-2021 to 31-03-2022	period 01- 04-2020 to 31-03-2021
		Restated	Restated	Restated	Restated	Restated
<b>INCOME:</b>						
I Income from operations	20	1,003.71	1,148.59	1,528.04	1,042.58	728.28
II Other income	21	0.42	0.02	1.41	0.33	0.65
<b>III Total Income (I+II)</b>		<b>1,004.13</b>	<b>1,148.61</b>	<b>1,529.45</b>	<b>1,042.91</b>	<b>728.93</b>
<b>IV. Expenses:</b>						
Cost of Materials consumed	22	607.23	803.17	1,028.36	884.75	518.07
Changes in inventories of Work in progress and finished goods	23	(66.70)	6.03	73.98	(84.68)	(35.77)
Employee benefits expense	24	80.60	40.32	53.83	69.98	81.23
Finance costs	25	28.77	22.21	29.09	33.64	23.68
Depreciation and amortization expense	26	56.02	27.65	37.08	31.96	30.65
Other expenses	27	91.55	71.33	107.79	77.78	52.49
<b>Total expenses</b>		<b>797.47</b>	<b>970.71</b>	<b>1,330.14</b>	<b>1,013.42</b>	<b>670.34</b>
<b>V. Profit before exceptional items and tax (III-IV)</b>		<b>206.67</b>	<b>177.90</b>	<b>199.32</b>	<b>29.49</b>	<b>58.59</b>
VI. Exceptional items	28	0.32	-	-	-	0.10
<b>VII Profit/(loss) before tax (V-VI)</b>		<b>206.99</b>	<b>177.90</b>	<b>199.32</b>	<b>29.49</b>	<b>58.69</b>
<b>VIII Tax expense:</b>						
(1) Current tax	29	63.14	54.12	61.03	10.30	11.88
(2) Short/ (Excess) Provision for Earlier Years						
(2) Deferred tax		(0.34)	(0.44)	(0.74)	(0.24)	(1.32)
Total Tax Expense		62.80	53.68	60.28	10.06	10.56
<b>IX Profit(loss)for the period from continuing operation (VII-VIII)</b>		<b>144.19</b>	<b>124.22</b>	<b>139.04</b>	<b>19.43</b>	<b>48.12</b>
X Profit/(Loss) from discontinued operations.		-	-	-	-	-
XI Tax expense of discontinued operations		-	-	-	-	-
XII Profit/(loss) from discontinued operation (X-XI)		-	-	-	-	-
<b>XIII Profit(loss) for the period (IX+XII)</b>		<b>144.19</b>	<b>124.22</b>	<b>139.04</b>	<b>19.43</b>	<b>48.12</b>
<b>XIV Other Comprehensive Income</b>						
A (i) Item that will not be reclassified to profit or loss		(0.81)	(0.27)	(0.96)	(0.71)	0.08
(ii) Income tax relating to item that will not be reclassified to profit or loss		0.04	0.12	(0.08)	(0.22)	0.02
<b>XVI Total Comprehensive Income for the period (XIII+XIV) (Comprising profit (loss) and other</b>		<b>(0.85)</b>	<b>(0.39)</b>	<b>(0.88)</b>	<b>(0.49)</b>	<b>0.06</b>
<b>Comprehensive Income for the period)</b>		<b>143.34</b>	<b>123.84</b>	<b>138.16</b>	<b>18.94</b>	<b>48.19</b>
<b>XVII Earnings per equity share:(for continued Operation):</b>						
(1) Basic	30	14.33	12.38	13.82	1.89	4.82
(2) Diluted	30	14.33	12.38	13.82	1.89	4.82

Restated statement of cash flows

(All amounts in Indian Rupees in Millions, unless otherwise stated)

Particulars	For the Period ended December 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit before tax	206.18	198.36	28.78	58.77
<b>Adjustments for :</b>				
Depreciation of Property, Plant and Equipment's and Intangible Assets	56.02	37.08	31.96	30.65
Finance costs (other than Interest on lease liabilities)	28.77	29.09	33.64	23.68
Interest Income	(0.18)	(0.13)	-	(0.10)
Profit on Sale of property, plant and equipment	(0.32)	-	-	(0.10)
<b>Operating profit before working capital changes</b>	<b>290.47</b>	<b>264.40</b>	<b>94.37</b>	<b>112.90</b>
<b>Adjustments for :</b>				
(Increase)/Decrease in trade receivables	19.46	35.53	(99.35)	(9.41)
(Increase)/Decrease in Other financial assets	(11.69)	(15.63)	0.44	3.39
(Increase) / Decrease in Other assets	(7.97)	29.62	(64.73)	90.36
(Increase) / Decrease in Inventories	(74.44)	56.82	(90.64)	(5.66)
(Decrease)/increase in other liabilities	-	-	-	-
(Decrease)/Increase in trade payables	(9.10)	(74.41)	126.58	(19.78)
(Decrease)/Increase in Other financial liabilities including Current Liabilities	(4.68)	14.26	(8.07)	(89.57)
(Decrease)/increase in provisions	3.06	2.86	2.02	0.80
<b>Cash generated from operating activities</b>	<b>205.10</b>	<b>313.44</b>	<b>(39.38)</b>	<b>83.04</b>
Extraordinary Item	-	-	-	-
Income Tax Paid	74.01	14.53	6.53	26.74
<b>Net cash generated from operating activities</b>	<b>131.09</b>	<b>298.92</b>	<b>(45.92)</b>	<b>56.30</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment, CWIP including intangible assets, capital advances and capital creditors	(121.26)	(200.30)	(317.82)	(84.73)
Proceeds from sale of property, plant and equipment	1.32	-	-	0.31
Interest Income	0.18	0.13	-	0.10
<b>Net cash used in investing activities</b>	<b>(119.76)</b>	<b>(200.17)</b>	<b>(317.82)</b>	<b>(84.32)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Interest paid (other than on lease liabilities)	(28.77)	(29.09)	(33.64)	(23.68)
Increase/(Decrease) from long term borrowings	(66.45)	(69.55)	353.87	50.76
Increase/(Decrease) from short term borrowings	85.17	2.71	43.64	-
<b>Net cash used in Financing Activities</b>	<b>(10.06)</b>	<b>(95.94)</b>	<b>363.87</b>	<b>27.08</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>1.27</b>	<b>2.80</b>	<b>0.13</b>	<b>(0.94)</b>
Cash and cash equivalents at the beginning of the period/ year	5.33	2.52	2.39	3.33
<b>Cash and cash equivalents at the closing of the period/ year</b>	<b>6.60</b>	<b>5.33</b>	<b>2.52</b>	<b>2.39</b>

## GENERAL INFORMATION

Our Company was incorporated as ‘Quadrant Cables Private Limited’ on September 18, 2015 at Chandigarh as 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 205.

### Registered Office of our Company

Village Basma Tehsil Banur  
Distt Mohali - 140 417, Punjab, India  
Ph. +91 1762 245509  
Email: [cs\\_qftl@quadrantfuturetek.com](mailto:cs_qftl@quadrantfuturetek.com)  
Website: [www.quadrantfuturetek.com](http://www.quadrantfuturetek.com)  
Corporate Identify Number: U74999PB2015PLC039758

### Address of the RoC

#### Registrar of Companies, Punjab and Chandigarh

1st Floor, Corporate Bhawan, Plot No. 4-B  
Sector 27-B, Chandigarh - 160 019, India  
Tel No: +91 172 263 9415 / 263 9416  
Email id: [roc.chandigarh@mca.gov.in](mailto:roc.chandigarh@mca.gov.in)  
Website: [www.mca.gov.in](http://www.mca.gov.in)

### Board of Directors of our Company:

The Board of Directors of our Company as on the date of filing of the Draft Red Herring Prospectus consists of:

Sr. No.	Name	Designation	DIN	Address
1.	Satish Gupta	Independent Chairman	06574539	M-60, Saket, New Delhi - 110 017, India
2.	Mohit Vohra	Managing Director (Promoter)	02534402	House No.- 3, Sector 31, Amarnagar, Faridabad - 121 003, Haryana, India
3.	Pramod Jain	Independent Director	00002190	716, C.A. Apartments, Paschim Vihar, Delhi - 110 063, India
4.	Girish Buttan	Independent Director	06988965	67-68, Gali-4, Guru Ram Dass Nagar, Laxmi Nagar, Delhi - 110 092, India
5.	Kanika Bhutani	Independent Director	08789609	House No. 1194, Sector - 23A, Faridabad - 121 005, Haryana, India
6.	Amit Dhawan	Whole Time Director (Promoter)	03031778	House No. 25, Sector 29, Faridabad - 121 003, Haryana, India.
7.	Amrit Singh Randhawa	Whole Time Director (Promoter)	01200522	Kothi No. 643, Phase - 6, Sector 55, SAS Nagar, Mohali - 160 055, Punjab, India
8.	Rupinder Singh	Whole Time Director (Promoter)	01066128	House No. 2679, Sector 69, S.A.S. Nagar (Mohali) - 160 062, Punjab, India
9.	Vishesh Abrol	Whole Time Director (Promoter)	01542359	Abrol House, Industrial Area, Kapurthala - 144 601, Punjab, India
10.	Vivek Abrol	Whole Time Director (Promoter)	01381395	Abrol House, Industrial Area, Kapurthala - 144 601, Punjab, India

Sr. No.	Name	Designation	DIN	Address
11.	Aikjot Singh	Non Executive Director (Promoter)	06579087	House No. 2679, Sector 69, S.A.S. Nagar (Mohali) - 160 062, Punjab, India
12.	Rajbir Singh Randhawa	Non Executive Director (Promoter)	01201025	Kothi No. 643, Phase - 6, Sector 55, SAS Nagar, Mohali - 160 055, Punjab, India

For further details in relation to our Directors, please refer to chapter titled “Our Management” on page 211 of the Draft Red Herring Prospectus.

#### **Company Secretary & Compliance Officer**

##### **Ankit Kumar**

Village Basma Tehsil Banur  
Distt Mohali - 140 417, Punjab, India  
Ph. +91 1762 245509  
Email: cs\_qftl@quadrantfuturetek.com

#### **Details of Key Intermediaries pertaining to this Issue and Our Company:**

##### **Lead Manager**

##### **Sundae Capital Advisors Private Limited**

404, 4th floor, Vaibhav Chambers  
Bandra Kurla Complex, Bandra (East)  
Mumbai - 400 051, Maharashtra, India  
Tel. No. +91 96 6785 9191 / +91 22 3501 4499  
Email: [quadrant.ipo@sundaecapital.com](mailto:quadrant.ipo@sundaecapital.com)  
Investor Grievance e-mail id: [grievances.mb@sundaecapital.com](mailto:grievances.mb@sundaecapital.com)  
Website: [www.sundaecapital.com](http://www.sundaecapital.com)  
SEBI Regn. No.: INM000012494  
Contact Person: Anchal Lohia / Rajiv Sharma

##### **Syndicate Member**

[•]

#### **Inter-se Allocation of Responsibilities**

Since, Sundae Capital Advisors Private Limited is the sole BRLM to the Issue, a statement of inter se allocation of responsibilities is not applicable.

#### **Investor Grievances**

Investors may contact the Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post- Issue related grievances including non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. for all Issue related queries and for redressal of complaints, investors may also write to the BRLM.

All Issue-related grievances, other than of Anchor Investors, may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary(ies) with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder’s DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for Retail Individual Investors who make the payment of Bid Amount through the UPI Mechanism), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary(ies) where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediaries in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue. The



Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications and grievances of ASBA Bidders.

All Issue-related grievances of the Anchor Investors may be addressed to the Registrar to the Issue, giving full details such as the name of the sole or First Bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the BRLM where the Anchor Investor Application Form was submitted by the Anchor Investor.

Further, the investors shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

For all Issue related queries and for redressal of complaints, investors may also write to the Lead Manager.

#### **Legal Counsel to our Company as to Indian Law**

##### **Vaish Associates**

1st, 9th, 11th Floor,  
Mohan Dev Building,  
13, Tolstoy Marg,  
New Delhi - 110 001, India  
Ph.: +91 11 4249 2525  
Email id: [vinay@vaishlaw.com](mailto:vinay@vaishlaw.com) / [mtully@vaishlaw.com](mailto:mtully@vaishlaw.com)  
Contact person: Vinay Vaish / Manish Tully  
Website: [www.vaishlaw.com](http://www.vaishlaw.com)

#### **Registrar to the Issue**

Link Intime India Private Limited  
C-101, 1st Floor, 247 Park  
L.B.S. Marg, Vikhroli (West)  
Mumbai - 400 083, Maharashtra, India  
Tel.: +91 81 0811 4949  
E-mail ID: [quadrant.ipo@linkintime.co.in](mailto:quadrant.ipo@linkintime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)  
SEBI Regn. No.: INR000004058  
Contact Person: Pradnya Karanjekar

#### **Bankers to the Issue**

##### **Escrow Collection Bank and Refund Bank**

[●]

##### **Public Issue Account Bank**

[●]

##### **Sponsor Bank**

[●]

#### **Designated Intermediaries**

#### **Self-Certified Syndicate Banks (SCSB's)**

The list of SCSBs is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> on the SEBI website, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated Branches of the SCSBs with which a Bidder (other than an Anchor Investor), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> on the SEBI website, and at such other websites as may be prescribed by SEBI from time to time.

### **Self-Certified Syndicate Banks and mobile applications enabled for Unified Payments Interface Mechanism**

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated April 5, 2022, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, read with other applicable UPI Circulars, UPI Bidders bidding through UPI Mechanism may apply through the SCSBs and mobile applications, using UPI handles, whose names appears on the SEBI website. A list of SCSBs and mobile applications, which, are live for applying in public issues using UPI mechanism is provided in the list available on the website of SEBI at [www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.

### **Registered Brokers**

Bidders (other than RIBs) can submit ASBA Forms in the Issue using the stockbroker network of the stock exchange, i.e. through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at <https://www.bseindia.com/> and [https://www.nseindia.com,](https://www.nseindia.com/) as updated from time to time.

### **Registrar and Share Transfer Agents**

The list of the RTAs eligible to accept ASBA Forms (other than RIBs) at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at <https://www.bseindia.com/Static/PublicIssues/RtaDp.aspx> and [https://www.nseindia.com/products-services/initial-publicofferings-asba-procedures,](https://www.nseindia.com/products-services/initial-publicofferings-asba-procedures) respectively, as updated from time to time.

### **Collecting Depository Participants**

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of the Stock Exchanges at <https://www.bseindia.com/Static/PublicIssues/RtaDp.aspx> and [https://www.nseindia.com/products-services/initial-public-offerings-asba-procedures,](https://www.nseindia.com/products-services/initial-public-offerings-asba-procedures) respectively, as updated from time to time.

### **Syndicate Self-Certified Syndicate Banks' Branches**

In relation to Bids (other than Bids by Anchor Investors and RIBs) submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>) and updated from time to time or any such other website as may be prescribed by SEBI from time to time.

### **Statutory Auditors**

#### **M/s SANMARKS and Associates**

C - 908-909, 9th Floor  
Vipul Plaza, Sector 81  
Faridabad, Haryana, India  
Phone: +91 98 9107 1122  
Email: [skagrawalbfd@yahoo.co.in](mailto:skagrawalbfd@yahoo.co.in)  
Peer Review Certificate No.: 015653 (valid till July 31, 2026)  
Firm Registration No.: 003343N  
Contact Person: CA Santosh Kumar Agrawal

### **Changes In Auditors During Last Three Financial Years**

Except as disclosed below, there has been no change in the Statutory Auditors of our Company during the last three years preceding the date of the Draft Red Herring Prospectus

<b>Particulars</b>	<b>Date of Change</b>	<b>Reason of Change</b>
<b>Aditya A. Jain &amp; Associates</b> House No. 1545, Sector - 18- D, Chandigarh - 160 018, India Phone: +91 172 272 4200 Email: <a href="mailto:adityajain1@hotmail.com">adityajain1@hotmail.com</a> Membership No.510797	August 05, 2022	Resignation due to conversion of company from private limited to public limited

Particulars	Date of Change	Reason of Change
<b>M/s Mediratta Saini &amp; Associates</b> House No. 1671, Sector 15, Panchkula - 134 112, Haryana, India <b>Phone:</b> +91 98 7266 4886 <b>Email:</b> <a href="mailto:ms.audits@yahoo.com">ms.audits@yahoo.com</a> <b>Firm Registration No.-</b> 026401N	September 03, 2022 June 30, 2023	Appointment in case of casual vacancy Resignation as the audit firm was not peer reviewed
<b>M/s Sanmarks and Associates</b> C - 908-909, 9th Floor Vipul Plaza, Sector 81 Faridabad, Haryana, India Phone: +91 98 9107 1122 Email: <a href="mailto:skagrawalbfd@yahoo.co.in">skagrawalbfd@yahoo.co.in</a> Peer Review Certificate No.: 015653 Firm Registration No.: 003343N	July 29, 2023	Appointment as peer review audit firm to fulfil the casual vacancy

### Bankers to the Company

#### HDFC Bank Limited

SCF 55-57, Phase VII,

Mohali - 160 055, Punjab, India

Phone: 9988996041 / 8283947710

**Contact Person:** Anubhav Saini / Pawan Mahal

**Email:** [anubhav.saini@hdfcbank.com](mailto:anubhav.saini@hdfcbank.com) / [pawan.mahal@hdfcbank.com](mailto:pawan.mahal@hdfcbank.com)

#### ICICI Bank Limited

Plot No. 143-A, Industrial Area Phase I

Chandigarh - 160 002, Punjab, India

Phone: 9888862693

**Contact Person:** Vaibhav Kalia

**Email:** [vaibhav.kalia@icicibank.com](mailto:vaibhav.kalia@icicibank.com)

### Filing of the Draft Red Herring Prospectus

A copy of the Draft Red Herring Prospectus was filed electronically with SEBI through the SEBI intermediary portal at <https://siportal.sebi.gov.in>, in accordance with the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, as specified in Regulation 25(8) of SEBI ICDR Regulations and circular (SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by SEBI. A copy of the Draft Red Herring Prospectus has also been filed with SEBI at:

#### Securities and Exchange Board of India

Corporation Finance Department

Division of Issues and Listing

SEBI Bhavan, Plot No. C4 A, 'G' Block

Bandra Kurla Complex, Bandra (East)

Mumbai - 400 051 Maharashtra, India

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act would be filed with the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be filed with the RoC at its office and through the electronic portal at <https://www.mca.gov.in/mcafoportal/login.do>.

#### The Registrar of Companies

##### Registrar of Companies, Punjab and Chandigarh

1st Floor, Corporate Bhawan, Plot No. 4-B

Sector 27-B, Chandigarh - 160 019, India

Tel No: +91 172 263 9415 / 263 9416

Email id: [roc.chandigarh@mca.gov.in](mailto:roc.chandigarh@mca.gov.in)

Website: [www.mca.gov.in](http://www.mca.gov.in)

## **Expert Opinion**

Except as disclosed below, our Company has not obtained any expert opinions:

Our Company has received a written consent dated June 02, 2024, from M/s SANMARKS and Associates, Chartered Accountants, to include their name as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in the Draft Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditor, and in respect of their (a) examination report dated June 02, 2024 on the Restated Financial Information, and (b) report dated June 02, 2024, on the statement of special tax benefits available to the Company. Such consent has not been withdrawn as on the date of the Draft Red Herring Prospectus. However, the term “expert” and “consent” shall not be construed to mean an “expert” and “consent” as defined under the U.S. Securities Act.

Our Company has received written consent dated May 31, 2024, from Sapient Services Private Limited, Chartered Engineer, to include their name as required under Section 26(5) of the Companies Act read with SEBI ICDR Regulations, in the Draft Red Herring Prospectus and as an “expert”, as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as an Independent Chartered Engineer, in relation to the report dated May 31, 2024, certifying, inter alia, the details of the installed and production capacity of our manufacturing facility.

Our Company has received written consent dated May 19, 2024, from CARE, to include their name as required under Section 26(5) of the Companies Act read with SEBI ICDR Regulations, in the Draft Red Herring Prospectus and as an “expert”, as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as an Independent Researcher certifying, inter alia, the details of the Industry Outlook of our Company.

## **IPO Grading**

No credit rating agency registered with SEBI has been appointed for grading the Issue.

## **Monitoring Agency**

As the size of the Issue exceeds ₹ 1,000.00 million, our Company will appoint a credit rating agency registered with SEBI as a monitoring agency to monitor the utilisation of the Net Proceeds, in accordance with Regulation 41 of the SEBI ICDR Regulations, prior to the filing of the Red Herring Prospectus with the RoC. For details in relation to the proposed utilisation of the Net Proceeds, see “Objects of the Issue” on page 100.

## **Appraising Entity**

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

## **Credit Rating**

As this is an issue of Equity Shares, there is no credit rating for the Issue.

## **Debenture Trustees**

As this is an issue of Equity Shares, the appointment of trustees is not required.

## **Green Shoe Option**

No green shoe option is contemplated under the Issue.

## **Book Building Process**

Book building, in the context of the Issue, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms. The Price Band and minimum Bid Lot will be decided by our Company, in consultation with the BRLM, and if not disclosed in the Red Herring Prospectus, will be advertised in all editions of [●] (a widely circulated English national daily newspaper), and all editions of [●]

(a widely circulated Hindi national daily newspaper) and Mohali edition of [●] (a widely circulated Punjabi national daily newspaper), being the regional language of Punjab where our Registered and Corporate Office is located), at least two Working Days prior to the Bid / Issue Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their respective websites. Pursuant to the Book Building Process, the Issue Price shall be determined by our Company, in consultation with the BRLM after the Bid / Issue Closing Date.

All investors, other than Anchor Investors, shall only participate in the Issue through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs and Sponsor bank, as the case may be. Anchor Investors are not permitted to participate in the Issue through the ASBA process. Retail Individual Investors shall participate through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs or using the UPI Mechanism.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bids during the Bid / Issue Period and withdraw their Bids until the Bid / Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Allocation to QIBs (other than Anchor Investors) and Non-Institutional Investors will be on a proportionate basis while allocation to Anchor Investors will be on a discretionary basis. Pursuant to SEBI circular no. (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, all individual investors applying in initial public offerings whose application amount is up to ₹ 0.50 million shall use UPI Mechanism. and individual investors Bidding under the Non-Institutional Portion Bidding for more than ₹ 0.20 million and up to ₹ 0.50 million, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers. For further details, see “Issue Procedure” on page 420.

Our Company will comply with the SEBI ICDR Regulations and any other directions issued by SEBI in relation to this Issue. In this regard, our Company have appointed the BRLM to manage this Issue and procure Bids for this Issue.

The Book Building Process is in accordance with guidelines, rules and regulations prescribed by SEBI and are subject to change from time to time. Bidders are advised to make their own judgement about investment through the aforesaid processes prior to submitting a Bid in the Issue.

Bidder should note the Issue is also subject to (i) final approval of the ROC after the Prospectus is filed with the ROC and (ii) obtaining final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment within three Working Days of the Bid / Issue Closing Date or such other time period as prescribed under applicable law.

Each Bidder, by submitting a Bid in the Issue, will be deemed to have acknowledge the above restrictions and the terms of the Issue.

For further details on method and process of Bidding, see “Issue Procedure” and “Issue Structure” on page 420 and 416, respectively.

**The process of Book Building under the SEBI ICDR Regulations and the Bidding Process are subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to submitting a Bid in the Issue.**

## **UNDERWRITING**

After the determination of the Issue Price and allocation of Equity Shares but prior to the filing of the Prospectus with the RoC, our Company intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. The extent of underwriting obligations and the Bids to be underwritten by BRLM shall be as per the Underwriting Agreement. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, as specified therein.

Pursuant to the terms of the Underwriting Agreement dated [●] entered into by Company, Underwriter, the obligations of the Underwriter are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

<b>Details of the Underwriter</b>	<b>No. of shares underwritten</b>	<b>Amount Underwritten (₹ [●] million)</b>	<b>% of Total Issue Size Underwritten</b>
[●]	[●]	[●]	[●]
<b>Total</b>		[●]	[●]

*(The Underwriting Agreement has not been executed as on the date of the Draft Red Herring Prospectus. This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC)*

The abovementioned amounts are provided for indicative purposes only and would be finalised after the pricing and actual allocation and subject to the provisions of Regulation 40(2) of the SEBI ICDR Regulations.

In the opinion of our Board of Directors (based on representations made to our Company by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s).

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to Investors procured by them in accordance with the Underwriting Agreement.

Subject to the applicable laws and pursuant to the terms of the Underwriting Agreement, the BRLM will be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations.

## CAPITAL STRUCTURE

The share capital of our Company, as of the date of the Draft Red Herring Prospectus, is set forth below.

(in ₹, except share data)			
Sr. No.	Particulars	Aggregate nominal value	Aggregate value at Issue Price
A	<b>Authorised Share Capital</b> 4,50,00,000 Equity Shares having Face Value of ₹ 10 each	45,00,00,000	-
B	<b>Issued, Subscribed and Paid up Share Capital before the Issue</b> 3,00,00,000 Equity Shares having Face Value of ₹ 10 each	30,00,00,000	-
C	<b>Present Issue<sup>(1)</sup></b> Issue of up to [●] Equity Shares having Face Value of ₹ 10 each	[●]	[●]
D	<b>Issued, Subscribed and Paid up Share Capital after the Issue</b> [●] Equity Shares having Face Value of ₹ 10 each *	[●]	[●]
E	<b>Securities Premium Account</b> Before the Issue (in ₹ million) After the Issue* (in ₹ million)		Nil [●]#

\* To be updated upon finalisation of the Issue Price and subject to the Basis of Allotment

# Before adjustment of expenses towards the Issue

(1) The Issue has been authorised by our Board pursuant to the resolution passed at its meeting dated March 15, 2023 and January 20, 2024 and has been authorised by our Shareholders pursuant to the shareholders' resolution dated March 01, 2024. For further information, see "The Issue" and "Other Regulatory and Statutory Disclosures" on pages 70 and 401, respectively.

### Changes in the authorised share capital of our Company

For details in relation to the changes in the authorised share capital of our Company in the last 10 years, see 'History and Certain Corporate Matters - Changes in Memorandum of Association' on page 206.

### Notes to the Capital Structure

#### 1. History of Equity Share Capital of our Company

The following table sets forth the history of the Equity Share capital of our Company:

Date of allotment	No of equity shares allotted	Face Value per Equity Share (₹)	Issue price per Equity Share (₹)	Form of consideration	Nature of allotment	Cumulative number of equity shares	Name of allottees
On Incorporation	20,00,000	10	10	Cash	Incorporation	20,00,000	Subscribers to Memorandum of Association <sup>i</sup>
March 01, 2016	20,00,000	10	10	Cash	Private Placement	40,00,000	Allotment of Equity Shares to Promoter and Promoter Group <sup>ii</sup>
June 06, 2016	10,00,000	10	10	Cash	Private Placement	50,00,000	Allotment of Equity Shares to Promoter and Promoter Group <sup>iii</sup>
August 10, 2016	10,00,000	10	10	Cash	Private Placement	60,00,000	Allotment of Equity Shares to Promoter and Promoter Group <sup>iv</sup>
November 05, 2016	10,00,000	10	10	Cash	Private Placement	70,00,000	Allotment of Equity Shares to Promoter and Promoter Group <sup>v</sup>

Date of allotment	No of equity shares allotted	Face Value per Equity Share (₹)	Issue price per Equity Share (₹)	Form of consideration	Nature of allotment	Cumulative number of equity shares	Name of allottees
January 30, 2017	10,00,000	10	10	Cash	Private Placement	80,00,000	Allotment of Equity Shares to Promoter and Promoter Group <sup>vi</sup>
April 14, 2017	20,00,000	10	10	Cash	Private Placement	1,00,00,000	Allotment of Equity Shares to Promoter and Promoter Group <sup>vii</sup>
April 15, 2024	2,00,00,000	10	10	Nil	Bonus	3,00,00,000	Issue of bonus shares in the ratio of 2:1 (i.e. two new Equity Share for every one Equity Share held) <sup>viii</sup>

**i Subscribers to the Memorandum of Association:**

Name of the Shareholder	Number of Shares
Amrit Singh Randhawa	4,50,000
Rajbir Singh Randhawa	50,000
Vivek Abrol	2,50,000
Vishesh Abrol	2,50,000
Rupinder Singh	4,00,000
Aikjot Singh	1,00,000
Mohit Vohra	2,50,000
Amit Dhawan	2,50,000

**ii Private placement made on March 01, 2016**

Name of Shareholder	Number of Shares
Amrit Singh Randhawa	3,50,000
Rajbir Singh Randhawa	1,50,000
Vivek Abrol	1,25,000
Vishesh Abrol	1,25,000
Mohan Krishan Abrol	1,50,000
Vipin Abrol	1,00,000
Rupinder Singh	4,00,000
Aikjot Singh	1,00,000
Mohit Vohra	2,50,000
Amit Dhawan	2,50,000

**iii Private placement made on June 06, 2016**

Name of Shareholder	Number of Shares
Amrit Singh Randhawa	2,00,000
Rajbir Singh Randhawa	50,000
Mohan Krishan Abrol	2,50,000
Rupinder Singh	2,00,000
Aikjot Singh	50,000
Mohit Vohra	1,25,000
Amit Dhawan	1,25,000

**iv Private placement made on August 10, 2016**

Name of Shareholder	Number of Shares
Amit Dhawan	1,25,000
Mohit Vohra	1,25,000
Aikjot Singh	50,000
Rupinder Singh	2,00,000
Vivek Abrol	1,25,000



<b>Name of Shareholder</b>	<b>Number of Shares</b>
Vishesh Abrol	1,25,000
Swinder Kaur	1,25,000
Navneet Kaur Randhawa	1,25,000

v Private placement made on November 05, 2016

<b>Name of Shareholder</b>	<b>Number of Shares</b>
Amit Dhawan	1,25,000
Mohit Vohra	1,25,000
Aikjot Singh	50,000
Rupinder Singh	2,00,000
Vivek Abrol	1,25,000
Vishesh Abrol	1,25,000
Amrit Singh Randhawa	1,25,000
Rajbir Singh Randhawa	1,25,000

vi Private placement made on January 30, 2017

<b>Name of Shareholder</b>	<b>Number of Shares</b>
Amit Dhawan	1,25,000
Mohit Vohra	1,25,000
Aikjot Singh	50,000
Rupinder Singh	2,00,000
Mohan Krishan Abrol	2,50,000
Rajbir Singh Randhawa	50,000
Swinder Kaur	1,60,000
Navneet Kaur Randhawa	40,000

vii Private placement made on April 14, 2017

<b>Name of Shareholder</b>	<b>Number of Shares</b>
Rupinder Singh	3,00,000
Amrit Singh Randhawa	2,25,000
Rajbir Singh Randhawa	1,75,000
Vivek Abrol	1,50,000
Vishesh Abrol	1,50,000
Aikjot Singh	1,00,000
Amit Dhawan	2,50,000
Mohit Vohra	2,50,000
Mohan Krishan Abrol	2,00,000
Swinder Kaur	65,000
Navneet Kaur Randhawa	35,000
Parminder Kaur	1,00,000

viii Bonus issue of Shares made on April 15, 2024

<b>Name of Shareholder</b>	<b>Number of Shares</b>
Amrit Singh Randhawa	27,00,000
Rajbir Singh Randhawa	12,00,000
Swinder Kaur	7,00,000
Navneet Kaur	4,00,000
Vivek Abrol	15,50,000
Vishesh Abrol	15,50,000
Mohan Krishan Abrol	17,00,000
Vipin Abrol	2,00,000
Rupinder Singh	38,00,000
Aikjot Singh	10,00,000
Parminder Kaur	2,00,000
Mohit Vohra	25,00,000

<b>Name of Shareholder</b>	<b>Number of Shares</b>
Amit Dhawan	25,00,000

*The bonus issue was authorised by the resolutions passed by our Board of Directors and Shareholders at their meeting held on January 20, 2024 and March 01, 2024, respectively and was undertaken by capitalizing the surplus amount of ₹ 200.00 million available in the retained earnings account. The bonus issuance was not undertaken out of the revaluation reserves or unrealized profit of the Company and hence eligible for Minimum Promoters' Contribution.*

## **2. History of Preference Share Capital of our Company**

Our Company has not issued any preference shares since incorporation.

## **3. Shares issued for consideration other than cash or by way of bonus issue or out of revaluation reserves**

Our Company has not issued Equity Shares out of revaluation reserves since its incorporation. Further, except as disclosed below, our Company has not issued Equity Shares through bonus issue or for consideration other than cash:

<b>Date of allotment</b>	<b>No. of Shares allotted</b>	<b>Face value per Share (in ₹)</b>	<b>Issue price per Share (in ₹)</b>	<b>Nature of allotment</b>	<b>Benefits accrued to our Company</b>
April 15, 2024	2,00,00,000	10	-	Issue of bonus shares in the ratio of 2:1 (i.e. two new Equity Share for every one Equity Share held)	Nil, except for expansion of capital base of our Company

## **4. Issue of Equity Shares pursuant to scheme of arrangement**

Our Company has not allotted any Equity Shares pursuant to any scheme of arrangement approved under Sections 230-234 of the Companies Act, 2013.

## **5. Issue of Equity Shares at a price lower than the Issue Price in the last one year**

Except for allotment of 2,00,00,000 Equity Shares made on April 15, 2024 as bonus equity shares and as disclosed in "Capital Structure - Notes to the Capital Structure" above, our Company has not issued any equity shares at a price which is lower than the Issue Price during a period of one year preceding the date of the Draft Red Herring Prospectus.

## 6. Shareholding Pattern of our Company

The table below presents the shareholding pattern of our Company as on the date of the Draft Red Herring Prospectus:

Category	Category of shareholders	No. of shareholders	No. of fully paid up Equity Shares held	No. of partly paid up Equity Shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholding as a %age of total no. of shares (calculated as per SCRR, 1957)	No. of voting rights held in each class of securities			No. of shares underlying outstanding convertible securities (including warrants)	Shareholding as % assuming full conversion of convertible securities (as a % of diluted share capital)	No. of locked in shares		No. of shares pledged		No. of Equity Shares held in dematerialised form	
								Class (Equity)	Class Y	Total			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)		
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = IV + V + VI	(VIII)	(IX)	(X)	(XI)	(XII)	(XIII)	(XIV)	(XV)	(XVI)	(XVII)	(XVIII)	(XIX)
(A)	Promoter & Promoter Group*	13	3,00,00,000	-	-	3,00,00,000	100.00	3,00,00,000	-	3,00,00,000	100.00	-	100.00	-	-	-	-	3,00,00,000
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)	Non promoter non public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>13</b>	<b>3,00,00,000</b>	<b>-</b>	<b>-</b>	<b>3,00,00,000</b>	<b>100.00</b>	<b>3,00,00,000</b>	<b>-</b>	<b>3,00,00,000</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,00,00,000</b>

7. **Details of equity shareholding of the major shareholders of our Company:**

- (a) As on the date of filing of the Draft Red Herring Prospectus, the total number of Shareholders of our Company is 13 (thirteen).
- (b) Set forth below is a list of shareholders holding 1% or more of the issued and paid-up equity share capital of our Company, as on the date of the Draft Red Herring Prospectus:

<b>Sr. No.</b>	<b>Name of the shareholder</b>	<b>No. of Equity Shares held</b>	<b>Percentage of the pre-Issue equity share capital *</b>
1	Rupinder Singh	57,00,000	19.00
2	Amrit Singh Randhawa	40,50,000	13.50
3	Mohit Vohra	37,50,000	12.50
4	Amit Dhawan	37,50,000	12.50
5	Mohan Krishan Abrol	25,50,000	8.50
6	Vivek Abrol	23,25,000	7.75
7	Vishesh Abrol	23,25,000	7.75
8	Rajbir Singh Randhawa	18,00,000	6.00
9	Aikjot Singh	15,00,000	5.00
10	Swinder Kaur	10,50,000	3.50
11	Navneet Kaur	6,00,000	2.00
12	Vipin Abrol	3,00,000	1.00
13	Parminder Kaur	3,00,000	1.00
<b>Total</b>		<b>3,00,00,000</b>	<b>100.00</b>

*\* Calculated on the basis of total Equity Shares issued as on date. There are no vested outstanding options or warrant, option or right to convert a debenture, loan or other instrument.*

- (c) Set forth below is a list of shareholders holding 1% or more of the issued and paid-up equity share capital of our Company, as of 10 days prior to the date of the Draft Red Herring Prospectus:

<b>Sr. No.</b>	<b>Name of the shareholder</b>	<b>No. of Equity Shares held</b>	<b>Percentage of the pre-Issue equity share capital *</b>
1	Rupinder Singh	57,00,000	19.00
2	Amrit Singh Randhawa	40,50,000	13.50
3	Mohit Vohra	37,50,000	12.50
4	Amit Dhawan	37,50,000	12.50
5	Mohan Krishan Abrol	25,50,000	8.50
6	Vivek Abrol	23,25,000	7.75
7	Vishesh Abrol	23,25,000	7.75
8	Rajbir Singh Randhawa	18,00,000	6.00
9	Aikjot Singh	15,00,000	5.00
10	Swinder Kaur	10,50,000	3.50
11	Navneet Kaur	6,00,000	2.00
12	Vipin Abrol	3,00,000	1.00
13	Parminder Kaur	3,00,000	1.00
<b>Total</b>		<b>3,00,00,000</b>	<b>100.00</b>

*\* Calculated on the basis of total Equity Shares issued as on date. There are no vested outstanding options or warrant, option or right to convert a debenture, loan or other instrument.*

- (d) Set forth below is a list of shareholders holding 1% or more of the issued and paid-up equity share capital of our Company, as of one year prior to the date of the Draft Red Herring Prospectus:

<b>Sr. No.</b>	<b>Name of the shareholder</b>	<b>No. of Equity Shares held</b>	<b>Percentage of the pre-Issue equity share capital *</b>
1	Rupinder Singh	19,00,000	19.00
2	Amrit Singh Randhawa	13,50,000	13.50

<b>Sr. No.</b>	<b>Name of the shareholder</b>	<b>No. of Equity Shares held</b>	<b>Percentage of the pre-Issue equity share capital *</b>
3	Mohit Vohra	12,50,000	12.50
4	Amit Dhawan	12,50,000	12.50
5	Mohan Krishan Abrol	8,50,000	8.50
6	Vivek Abrol	7,75,000	7.75
7	Vishesh Abrol	7,75,000	7.75
8	Rajbir Singh Randhawa	6,00,000	6.00
9	Aikjot Singh	5,00,000	5.00
10	Swinder Kaur	3,50,000	3.50
11	Navneet Kaur	2,00,000	2.00
12	Vipin Abrol	1,00,000	1.00
13	Parminder Kaur	1,00,000	1.00
	<b>Total</b>	<b>1,00,00,000</b>	<b>100.00</b>

\* Calculated on the basis of total Equity Shares issued as on date. There are no vested outstanding options or warrant, option or right to convert a debenture, loan or other instrument.

- (e) Set forth below is a list of shareholders holding 1% or more of the issued and paid-up equity share capital of our Company, as of two years prior to the date of the Draft Red Herring Prospectus:

<b>Sr. No.</b>	<b>Name of the shareholder</b>	<b>No. of Equity Shares held</b>	<b>Percentage of the pre-Issue equity share capital *</b>
1	Rupinder Singh	19,00,000	19.00
2	Amrit Singh Randhawa	13,50,000	13.50
3	Mohit Vohra	12,50,000	12.50
4	Amit Dhawan	12,50,000	12.50
5	Mohan Krishan Abrol	8,50,000	8.50
6	Vivek Abrol	7,75,000	7.75
7	Vishesh Abrol	7,75,000	7.75
8	Rajbir Singh Randhawa	6,00,000	6.00
9	Aikjot Singh	5,00,000	5.00
10	Swinder Kaur	3,50,000	3.50
11	Navneet Kaur	2,00,000	2.00
12	Vipin Abrol	1,00,000	1.00
13	Parminder Kaur	1,00,000	1.00
	<b>Total</b>	<b>1,00,00,000</b>	<b>100.00</b>

\* Calculated on the basis of total Equity Shares issued as on date. There are no vested outstanding options or warrant, option or right to convert a debenture, loan or other instrument.

8. Except as disclosed below, none of our Director or Key Managerial Personnel hold any Equity Shares in our Company:

<b>Sr. No.</b>	<b>Name of the shareholder</b>	<b>No. of Equity Shares held</b>	<b>Percentage of the pre-Issue equity share capital *</b>
1	Rupinder Singh	57,00,000	19.00
2	Amrit Singh Randhawa	40,50,000	13.50
3	Mohit Vohra	37,50,000	12.50
4	Amit Dhawan	37,50,000	12.50
5	Vivek Abrol	23,25,000	7.75
6	Vishesh Abrol	23,25,000	7.75
7	Rajbir Singh Randhawa	18,00,000	6.00
8	Aikjot Singh	15,00,000	5.00
	<b>Total</b>	<b>2,52,00,000</b>	<b>84.00</b>

## 9. Employees Stock Option Scheme

Pursuant to the resolutions of our Board of Directors dated January 20, 2024 and our shareholders resolution dated March 01, 2024, our Company has instituted Quadrant Future Tek Limited Stock Incentive Plan, 2024 (hereinafter “QFTL SIP 2024”). The QFTL SIP 2024 is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

The following table sets forth the particulars of the QFTL SIP 2024, including options granted as on the date of the Draft Red Herring Prospectus, as certified by MASD& Co. LLP, Chartered Accountants, through a certificate dated June 02, 2024:

Particulars	FY 2024-25								
Total options outstanding as at the beginning of the period	Nil								
Total options granted	455,000								
Exercise price of options in ₹ (as on the date of grant)	10.00								
Options forfeited / lapsed / cancelled	Nil								
Variation of terms of options	Nil								
Money realized by exercise of options (in ₹)	Nil								
Total number of options outstanding in force	455,000								
Total options vested (excluding the options that have been exercised)	Nil								
Options exercised (since implementation of the Stock Incentive Plan)	Nil								
The total number of Equity Shares arising as a result of exercise of granted options (since implementation of the Stock Incentive Plan)	Nil								
Employee wise details of options granted to:									
(a) Key managerial personnel	Nil								
(b) Any other employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Name of employee</th> <th style="text-align: center;">No. of options granted</th> </tr> </thead> <tbody> <tr> <td>Surendranath Bopparaju</td> <td style="text-align: right;">250,000</td> </tr> <tr> <td>Raghavendra Pasupuleti</td> <td style="text-align: right;">100,000</td> </tr> <tr> <td>Suresh Kumar Bopparaju</td> <td style="text-align: right;">75,000</td> </tr> </tbody> </table>	Name of employee	No. of options granted	Surendranath Bopparaju	250,000	Raghavendra Pasupuleti	100,000	Suresh Kumar Bopparaju	75,000
Name of employee	No. of options granted								
Surendranath Bopparaju	250,000								
Raghavendra Pasupuleti	100,000								
Suresh Kumar Bopparaju	75,000								
(c) Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil								
Diluted earnings per share pursuant to the issue of Equity Shares on exercise of options in accordance with IND AS 33 'Earnings Per Share'	Since the Stock Incentive Plan has been implemented w.e.f. March 01, 2024, there is no impact on Earning Per Share of the Company for the prior period(s) disclosed in Draft red Herring Prospectus								
Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference, if any, between employee compensation cost so computed and the employee compensation calculated on the basis of fair value of the stock options and the impact of this difference, on the profits of the Company and on the earnings per share of the Company	The Company shall calculate the employee compensation cost using Fair Value method.								
Description of the pricing formula and method and significant assumptions used to estimate the fair value of options granted during the year including, weighted average	As mentioned below in Note No. 1								

information, namely, risk-free interest rate, expected life, expected volatility, expected dividends, and the price of the underlying share in the market at the time of grant of option

Impact on the profits and on the Earnings Per Share of the last three years if the accounting policies specified in the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 had been followed, in respect of options granted in the last three Years

Since the Stock Incentive Plan has been implemented w.e.f. March 01, 2024, there is no impact on Earning Per Share of the Company for the prior period(s) disclosed in Draft red Herring Prospectus

Intention of key managerial personnel and whole-time directors who are holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Issue

NA

Intention to sell Equity Shares arising out of the ESOP Scheme or allotted under an ESOP Scheme within three months after the listing of Equity Shares by directors, senior managerial personnel and employees having Equity Shares arising out of the ESOP Scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)

NA

Note No. 1: Description of the pricing formula and method and significant assumptions used to estimate fair value of option granted during the Financial Year 2024-25.

Particulars	Details for grant made on April 15, 2024	
	Vesting of first tranche on July 31, 2026	Vesting of final tranche on July 31, 2027
Fair Value of Equity Shares as on the date of Grant	276.53	276.53
Exercise Price (In ₹)	10.00	10.00
Volatility* (In %)	18.86%	18.06%
Weighted average Risk-free Rate (In %)	7.07%	7.08%
Weighted average Expected Life (Time to Maturity) (In Years)	4.80	5.80
Dividend yield (In %)	Nil	Nil
Weighted average fair value (In ₹)	269.41	269.90

#### 10. History of the Equity Share capital held by our Promoter

As on the date of the Draft Red Herring Prospectus, our Promoters hold 2,52,00,000 Equity Shares constituting 84.00% of the pre- Issue paid-up Equity Share capital of our Company. Further, our Promoter Group shareholders hold 48,00,000 Equity Shares constituting 16.00% of the pre-Issue paid-up Equity Share capital of our Company. The total shares held by our Promoters and Promoter Group is 3,00,00,000 Equity Shares constituting 100.00% of the pre-Issue paid-up Equity Share capital of our Company. The details regarding our Promoters' shareholding is set out below.

Set forth in the table below along with details of the Equity Shares held by our Promoters and our members of the Promoter Group:

Sr. No.	Name of shareholder	Pre-Issue Equity Share capital		Post-Issue Equity Share capital	
		No. of Equity Shares	% of total shareholding	No. of Equity Shares	% of total shareholding
<b>Promoters</b>					
1	Rupinder Singh	57,00,000	19.00	57,00,000	[●]
2	Amrit Singh Randhawa	40,50,000	13.50	40,50,000	[●]
3	Mohit Vohra	37,50,000	12.50	37,50,000	[●]
4	Amit Dhawan	37,50,000	12.50	37,50,000	[●]
5	Vivek Abrol	23,25,000	7.75	23,25,000	[●]
6	Vishesh Abrol	23,25,000	7.75	23,25,000	[●]
7	Rajbir Singh Randhawa	18,00,000	6.00	18,00,000	[●]
8	Aikjot Singh	15,00,000	5.00	15,00,000	[●]
<b>Promoter Group</b>					
9	Mohan Krishan Abrol	25,50,000	8.50	25,50,000	[●]
10	Swinder Kaur	10,50,000	3.50	10,50,000	[●]
11	Navneet Kaur	6,00,000	2.00	6,00,000	[●]
12	Vipin Abrol	3,00,000	1.00	3,00,000	[●]
13	Parminder Kaur	3,00,000	1.00	3,00,000	[●]
<b>Total</b>		<b>3,00,00,000</b>	<b>100.00</b>	<b>3,00,00,000</b>	<b>[●]</b>

(a) **Build up of our Promoters' shareholding in our Company**

The following table sets forth details of the build-up of the shareholding of our Promoters since incorporation of our Company:

Date of Allotment	Nature of Transaction	Nature of consideration	No. of Equity Shares allotted / transferred	Face value per equity share (₹)	Issue / Transfer Price per equity share (₹)	Percentage of pre-Issue capital (%)	Percentage of post-Issue capital (%)
<b>Aikjot Singh</b>							
On incorporation	Subscriber to the Memorandum of Association	Cash	1,00,000	10	10	0.33%	[●]
March 01, 2016	Further Issue	Cash	1,00,000	10	10	0.33%	[●]
June 06, 2016	Further Issue	Cash	50,000	10	10	0.17%	[●]
August 10, 2016	Further Issue	Cash	50,000	10	10	0.17%	[●]
November 05, 2016	Further Issue	Cash	50,000	10	10	0.17%	[●]
January 30, 2017	Further Issue	Cash	50,000	10	10	0.17%	[●]
April 14, 2017	Further Issue	Cash	1,00,000	10	10	0.33%	[●]
April 15, 2024	Bonus Issue	Bonus	10,00,000	10	-	3.33%	[●]
<b>Total</b>			<b>15,00,000</b>			<b>5.00%</b>	<b>[●]</b>
<b>Amit Dhawan</b>							
On incorporation	Subscriber to the Memorandum of Association	Cash	2,50,000	10	10	0.83%	[●]
March 01, 2016	Further Issue	Cash	2,50,000	10	10	0.83%	[●]
June 06, 2016	Further Issue	Cash	1,25,000	10	10	0.42%	[●]
August 10, 2016	Further Issue	Cash	1,25,000	10	10	0.42%	[●]



Date of Allotment	Nature of Transaction	Nature of consideration	No. of Equity Shares allotted / transferred	Face value per equity share (₹)	Issue / Transfer Price per equity share (₹)	Percentage of pre-Issue capital (%)	Percentage of post-Issue capital (%)
November 05, 2016	Further Issue	Cash	1,25,000	10	10	0.42%	[●]
January 30, 2017	Further Issue	Cash	1,25,000	10	10	0.42%	[●]
April 14, 2017	Further Issue	Cash	2,50,000	10	10	0.83%	[●]
April 15, 2024	Bonus Issue	Bonus	25,00,000	10	-	8.33%	[●]
<b>Total</b>			<b>37,50,000</b>			<b>12.50%</b>	<b>[●]</b>
<b>Amrit Singh Randhawa</b>							
On incorporation	Subscriber to the Memorandum of Association	Cash	4,50,000	10	10	1.50%	[●]
March 01, 2016	Further Issue	Cash	3,50,000	10	10	1.17%	[●]
June 06, 2016	Further Issue	Cash	2,00,000	10	10	0.67%	[●]
November 05, 2016	Further Issue	Cash	1,25,000	10	10	0.42%	[●]
April 14, 2017	Further Issue	Cash	2,25,000	10	10	0.75%	[●]
April 15, 2024	Bonus Issue	Bonus	27,00,000	10	-	9.00%	[●]
<b>Total</b>			<b>40,50,000</b>			<b>13.50%</b>	<b>[●]</b>
<b>Mohit Vohra</b>							
On incorporation	Subscriber to the Memorandum of Association	Cash	2,50,000	10	10	0.83%	[●]
March 01, 2016	Further Issue	Cash	2,50,000	10	10	0.83%	[●]
June 06, 2016	Further Issue	Cash	1,25,000	10	10	0.42%	[●]
August 10, 2016	Further Issue	Cash	1,25,000	10	10	0.42%	[●]
November 05, 2016	Further Issue	Cash	1,25,000	10	10	0.42%	[●]
January 30, 2017	Further Issue	Cash	1,25,000	10	10	0.42%	[●]
April 14, 2017	Further Issue	Cash	2,50,000	10	10	0.83%	[●]
April 15, 2024	Bonus Issue	Bonus	25,00,000	10	-	8.33%	[●]
<b>Total</b>			<b>37,50,000</b>			<b>12.50%</b>	<b>[●]</b>
<b>Rajbir Singh Randhawa</b>							
On incorporation	Subscriber to the Memorandum of Association	Cash	50,000	10	10	0.17%	[●]
March 01, 2016	Further Issue	Cash	1,50,000	10	10	0.50%	[●]
June 06, 2016	Further Issue	Cash	50,000	10	10	0.17%	[●]
November 05, 2016	Further Issue	Cash	1,25,000	10	10	0.42%	[●]
January 30, 2017	Further Issue	Cash	50,000	10	10	0.17%	[●]
April 14, 2017	Further Issue	Cash	1,75,000	10	10	0.58%	[●]
April 15, 2024	Bonus Issue	Bonus	12,00,000	10	-	4.00%	[●]

Date of Allotment	Nature of Transaction	Nature of consideration	No. of Equity Shares allotted / transferred	Face value per equity share (₹)	Issue / Transfer Price per equity share (₹)	Percentage of pre-Issue capital (%)	Percentage of post-Issue capital (%)
<b>Total</b>			<b>18,00,000</b>			<b>6.00%</b>	<b>[●]</b>
<b>Rupinder Singh</b>							
On incorporation	Subscriber to the Memorandum of Association	Cash	4,00,000	10	10	1.33%	[●]
March 01, 2016	Further Issue	Cash	4,00,000	10	10	1.33%	[●]
June 06, 2016	Further Issue	Cash	2,00,000	10	10	0.67%	[●]
August 10, 2016	Further Issue	Cash	2,00,000	10	10	0.67%	[●]
November 05, 2016	Further Issue	Cash	2,00,000	10	10	0.67%	[●]
January 30, 2017	Further Issue	Cash	2,00,000	10	10	0.67%	[●]
April 14, 2017	Further Issue	Cash	3,00,000	10	10	1.00%	[●]
April 15, 2024	Bonus Issue	Bonus	38,00,000	10	-	12.67%	[●]
<b>Total</b>			<b>57,00,000</b>			<b>19.00%</b>	<b>[●]</b>
<b>Vishesh Abrol</b>							
On incorporation	Subscriber to the Memorandum of Association	Cash	2,50,000	10	10	0.83%	[●]
March 01, 2016	Further Issue	Cash	1,25,000	10	10	0.42%	[●]
August 10, 2016	Further Issue	Cash	1,25,000	10	10	0.42%	[●]
November 05, 2016	Further Issue	Cash	1,25,000	10	10	0.42%	[●]
April 14, 2017	Further Issue	Cash	1,50,000	10	10	0.50%	[●]
April 15, 2024	Bonus Issue	Bonus	15,50,000	10	-	5.17%	[●]
<b>Total</b>			<b>23,25,000</b>			<b>7.75%</b>	<b>[●]</b>
<b>Vivek Abrol</b>							
On incorporation	Subscriber to the Memorandum of Association	Cash	2,50,000	10	10	0.83%	[●]
March 01, 2016	Further Issue	Cash	1,25,000	10	10	0.42%	[●]
August 10, 2016	Further Issue	Cash	1,25,000	10	10	0.42%	[●]
November 05, 2016	Further Issue	Cash	1,25,000	10	10	0.42%	[●]
April 14, 2017	Further Issue	Cash	1,50,000	10	10	0.50%	[●]
April 15, 2024	Bonus Issue	Bonus	15,50,000	10	-	5.17%	[●]
<b>Total</b>			<b>23,25,000</b>			<b>7.75%</b>	<b>[●]</b>

All the Equity Shares held by our Promoter were fully paid-up on the respective dates of acquisition of such Equity Shares.

As of the date of the Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters and Promoter Group are pledged or are otherwise encumbered.

(b) **Details of minimum Promoters' contribution locked in for eighteen months or any other period as may be prescribed under applicable law**

Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Issue Equity Share capital of our Company held by our Promoters shall be considered as minimum promoters' contribution and locked-in for a period of eighteen months or any other period as may be prescribed under applicable law, from the date of Allotment ("Promoter's Contribution"). Our Promoter's shareholding in excess of 20% shall be locked in for a period of six months from the Allotment. As on the date of the Draft Red Herring Prospectus, our Promoters hold 2,52,00,000 Equity Shares, which constitute 84.00% of our Company's issued, subscribed and paid-up Equity Share capital prior to the Issue, all of which are eligible for Promoters' Contribution.

Since the amount proposed to be utilised for capital expenditure, including loan proposed to be re-paid, which was availed for meeting the requirement of capital expenditure towards design and development of Train Collision Avoidance System, aggregates to ₹ 250.00 million, which is [●] % of the Gross Proceeds of the Issue, the requirement of lock-in of minimum Promoters' contribution for thirty six months is not applicable to us.

Our Promoters have given consent to include such number of Equity Shares held by them, in aggregate, as may constitute 20% of the fully diluted post-Issue Equity Share capital of our Company as Promoter's Contribution. Our Promoters have agreed not to dispose, sell, transfer, charge, pledge or otherwise encumber in any manner the Promoters' Contribution from the date of the Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations. Details of Promoters' Contribution are as provided below:

Name of the Promoter	Date of allotment/ acquisition of the Equity Shares	Nature of transaction	No. of Equity Shares	Face Value	Issue/ acquisition price per Equity	No. of Equity Shares Locked in	Percentage of the pre-Issue paid up capital (%)	Percent age of the post-Issue paid-up capital (%)	Date up to which the Equity Shares are subject to lock-in
Aikjot Singh	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Amit Dhawan	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Amrit Singh Randhawa	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Mohit Vohra	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Rajbir Singh Randhawa	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Rupinder Singh	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Vishesh Abrol	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Vivek Abrol	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

The Equity Shares that are being locked-in for computation of Promoters' Contribution are not and will not be in-eligible under Regulation 15 of the SEBI ICDR Regulations. For details of the build-up of the share capital held by our Promoter, see "Capital Structure - History of the Equity Share capital held by our Promoter" on page 92.

In this connection, we confirm that the Equity Shares considered as Promoter Contribution:

- (i) have not been acquired during the immediately preceding three years from the date of the Draft Red Herring Prospectus for consideration other than cash, involving any revaluation of assets or capitalisation of intangible assets;
- (ii) did not result from a bonus issue of Equity Shares during the immediately preceding three years from the date of the Draft Red Herring Prospectus, by utilisation of revaluation reserves or unrealised profits of the Company, or from bonus issue against Equity Shares which are otherwise ineligible for Promoter Contribution;
- (iii) are not acquired or subscribed to during the immediately preceding year from the date of the Draft Red Herring Prospectus at a price lower than the price at which the Equity Shares were offered to the public in the Issue; and
- (iv) are not subject to any pledge or any other encumbrance.

All Equity Shares held by our Promoter are held in dematerialized form.

Further, our Company has not been formed by conversion of a partnership firm or a limited liability partnership firm into a company and hence no Equity Shares have been issued in the one year immediately preceding the date of the Draft Red Herring Prospectus pursuant to conversion from a partnership firm or a limited liability partnership firm.

**(c) Details of share capital locked in for six months or any other period as may be prescribed under applicable law**

In terms of the SEBI ICDR Regulations, except for the Promoters' Contribution which shall be locked in as above the entire pre-Issue Equity Share capital of our Company (including those Equity Shares held by our Promoters in excess of Promoter's Contribution), shall, unless otherwise permitted under the SEBI ICDR Regulations, be locked in for a period of six months from the date of Allotment or any other period as may be prescribed under applicable law. Since the amount proposed to be utilised for capital expenditure, including loan proposed to be re-paid, which was availed for meeting the requirement of capital expenditure towards design and development of Train Collision Avoidance System, aggregates to ₹ 250.00 million, which is [●]% of the Gross Proceeds of the Issue, the requirement of lock-in for twelve months is not applicable to us.

In terms of Regulation 17(c) of the SEBI ICDR Regulations, Equity Shares held by a venture capital fund or alternative investment fund of category I or category II or a foreign venture capital investor shall not be locked-in for a period of six months from the date of Allotment, provided that such Equity Shares shall be locked-in for a period of at least one year from the date of purchase by the venture capital fund or alternative investment fund or foreign venture capital investor. As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoters which are locked-in, may be transferred to Promoters or members of the Promoter Group or to any new Promoters, subject to continuation of lock-in in the hands of the transferees for the remaining period and compliance with provisions of the SEBI SAST Regulations, as applicable and such transferee shall not be eligible to transfer them till the lock-in period stipulated in SEBI ICDR Regulations has expired. The Equity Shares held by persons other than our Promoters and locked-in for a period of six months from the date of Allotment in the Issue or any other period as may be prescribed under applicable law, may be transferred to any other person holding Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of the transferee for the remaining period and compliance with the provisions of the SEBI SAST Regulations.

In terms of Regulation 21 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked-in as per Regulation 16 of the SEBI ICDR Regulations, may be pledged only with scheduled commercial banks or public financial institutions or systemically important non-banking finance companies or deposit taking housing finance companies as collateral security for loans granted by such entity, provided that: (i) in case of Equity Shares locked-in for eighteen months, such Equity Shares may be pledged only if

the loan has been granted to our Company, for the purpose of financing one or more of the objects of the Issue, and pledge of the Equity Shares is a term of sanction of such loans; and (ii) in case of Equity Shares locked-in for a period of one year or any other period as may be prescribed under applicable law, the pledge of the Equity Shares is one of the terms of the sanctioned loan. Provided that the lock-in of Equity Shares shall continue for the remaining period with the transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated in these regulations has expired.

**(d) Lock-in of the Equity Shares to be Allotted, if any, to the Anchor Investors**

50% of the Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 90 days from the date of Allotment and the remaining Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

**(e) Sales or purchases of Equity Shares or other specified securities of our Company by our Promoter, the members of our Promoter Group and/or our Directors and their relatives during the six months immediately preceding the date of the Draft Red Herring Prospectus.**

Except for the issue and allotment of equity shares as bonus issue by the Company on April 15, 2024 (for details, see “Capital Structure - History of the Equity Share capital held by our Promoter” on page 92), none of our Promoter, members of our Promoter Group, and / or our Directors and their relatives have sold or purchased or acquired any Equity Shares or other specified securities of our Company during the six months immediately preceding the date of the Draft Red Herring Prospectus.

11. There have been no financing arrangements whereby our Promoters, members of our Promoter Group, our Directors and their relatives, have financed the purchase by any other person of securities of our Company, other than the normal course of business, during a period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus.
12. Except as disclosed under “History and Certain Corporate Matters - Dispute amongst the Promoter and Promoter Group and the Settlement Agreement dated February 01, 2023 (“Settlement Agreement”) and Amendment to the Settlement Agreement dated March 01, 2024 (“Amendment to the Settlement Agreement”)” on page 208, there are no rights to the shareholders of our Company to appoint directors or any other rights, as applicable since the incorporation of the Company. Further, such right of appointment of directors on the Board of the Company is an inter-se right amongst directors representing the Promoter and Promoter Group.
13. Except for the (i) allotment of Equity Shares pursuant to the Issue and (ii) grant and / or allotment of Equity Shares upon exercise of options vested pursuant to the Stock Incentive Plan, there will be no further issue of securities whether by way of a split or consolidation of the denomination of Equity Shares, or by way of further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly, for Equity Shares), whether on a preferential basis, or by way of issue of bonus Equity Shares, or through a rights issue or further public issue of Equity Shares, or otherwise, until the Equity Shares have been listed on the Stock Exchanges or all application moneys have been refunded to the Anchor Investors, or the application moneys are unblocked in the ASBA Accounts on account of non-listing, undersubscription etc., as the case may be. Further, other than as set out hereinabove, our Company presently does not intend or propose or is under negotiation or consideration to alter its capital structure in such manner until a period of six months from the Bid / Issue Opening Date.
14. As on the date of the Draft Red Herring Prospectus, all Equity Shares held by our Promoters are held in dematerialized form.
15. All transactions in Equity Shares by our Promoters and members of our Promoter Group between the date of filing of the Draft Red Herring Prospectus and the date of closing of the Issue shall be reported to the Stock Exchanges within 24 hours of such transactions and details of such transaction shall also be included in the Price Band Advertisement.
16. Our Company, any of our Directors and the BRLM have not entered into any buy back arrangements for purchase of Equity Shares from any person.

17. The Equity Shares issued pursuant to the Issue shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of the Draft Red Herring Prospectus.
18. None of our Promoters or members of our Promoter Group will participate in the Issue nor received any proceeds from the Issue.
19. No person connected with the Issue, including, but not limited to, the BRLM, the members of the Syndicate, our Company, our Promoters, our Directors, the members of our Promoter Group or our Group Companies shall offer any incentive, whether direct or indirect, in any manner whatsoever, whether in cash or kind or service or otherwise, to any Bidder for making a Bid, except for fees or commission for services rendered in relation to the Issue.
20. As on the date of the Draft Red Herring Prospectus, the BRLM and their respective associates (as defined in the SEBI Merchant Bankers Regulations) do not hold any Equity Shares of our Company. The BRLM and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.
21. Neither the (i) BRLM or any associate of the BRLM (other than mutual funds sponsored entities which are associates of the BRLM or insurance companies promoted by entities which are associates of the BRLM or AIFs sponsored by the entities which are associates of the BRLM or FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associates of the BRLM); nor (ii) any person related to our Promoter or the members of our Promoter Group can apply under the Anchor Investor Portion.
22. Except for the options granted pursuant to the QFTL SIP 2024 as disclosed in this section, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into, or which would entitle any person any option to receive Equity Shares as on the date of the Draft Red Herring Prospectus.
23. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

## SECTION IV: PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The Issue comprises of fresh Issue of Equity Shares by our Company.

#### Objects of the Issue

Our Company proposes to utilise the Net Proceeds from the Issue towards the following objects:

1. Funding long-term working capital requirements of our Company;
2. Capital expenditure for development for Electronic Interlocking System;
3. Prepayment or repayment of all or a portion of outstanding working capital term loan availed by our Company; and
4. General corporate purposes.

(collectively, referred to herein as 'Objects')

In addition, our Company expects to receive the benefits of listing of Equity Shares on the Stock Exchanges including enhancing our Company's visibility and brand image among our existing and potential customers and creating a public market for our Company's Equity Shares in India.

The main objects and objects incidental and ancillary to the main objects, as set out in our Company's Memorandum of Association, enable our Company to undertake our existing business activities and the activities proposed to be funded from the Net Proceeds.

#### Net Proceeds

The details of the proceeds from the Issue are set forth in the table below:

Particulars	Amount (₹ in millions)
Gross Proceeds from the Issue	2,750.00
(Less) Issue related expenses in relation to the Issue *	[•]
<b>Net Proceeds</b>	<b>[•]</b>

\* To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.

#### Requirement of funds and utilisation of Net Proceeds

The Net Proceeds are proposed to be used in accordance with the details provided in the following table:

(₹ in millions)		
Sr. No.	Particulars	Estimated utilisation from Net Proceeds
1.	Funding long-term working capital requirements of our Company	1,750.00
2.	Capital expenditure for development for Electronic Interlocking System	250.00
3.	Prepayment or repayment of all or a portion of outstanding working capital term loan availed by our Company	250.00
4.	General Corporate Purpose *	[•]
	<b>Net Proceeds</b>	<b>[•]</b>

\* To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.

## Proposed schedule of implementation and deployment of Net Proceeds

The following table sets forth the details of the schedule of the expected deployment of the Net Proceeds:

Sr. No.	Particulars	Amount to be funded from the Net Proceeds	Estimated deployment	
			FY 2024-25	FY 2025-26
1.	Funding long-term working capital requirements of our Company	1,750.00	250.00	1,500.00
2.	Capital expenditure for development for Electronic Interlocking System	250.00	100.00	150.00
3.	Prepayment or repayment of all or a portion of outstanding working capital term loan availed by our Company	250.00	250.00	Nil
4.	General Corporate Purpose *	[●]	[●]	[●]
<b>Total</b>		[●]	[●]	[●]

\* To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our Company's current business plan, management estimates, prevailing market conditions and other commercial and technical factors. However, such fund requirements and deployment of funds have not been appraised by any bank, or financial institution. See 'Risk Factor 16 - Our funding requirements and proposed deployment of the Net Proceeds of the Issue have not been appraised by a bank or a financial institution and if there are any delays or cost overruns, our business, financial condition and results of operations may be adversely affected. Further, any variation in the utilization of our Net Proceeds as disclosed in this Draft Red Herring Prospectus would be subject to certain compliance requirements, including prior Shareholders' approval' on page 42. Our Company may have to revise its funding requirements and deployment on account of a variety of factors such as financial and market conditions, macro-economic factors, change in government policy, changes in business and strategy, competition, and other external factors such as changes in the business environment and interest or exchange rate fluctuations, which may not be within the control of our Company's management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our Company's management, subject to compliance with applicable laws.

In the event that the estimated utilisation of the Net Proceeds in a scheduled fiscal year is not completely met, such unutilised amounts shall be utilised (in part or full) in the next fiscal year, as may be determined by our Company, in accordance with applicable laws. We may, however, utilize the proceeds prior to the specific periods mentioned in the schedule of deployment, in accordance with the requirements of our Company. Subject to applicable laws, in the event of any increase in the actual utilization of funds earmarked for the purposes set forth above, such additional funds for a particular activity will be met by way of funding means available to us, including from internal accruals and any additional equity and/or debt arrangements. Further, if the actual utilisation towards any of the Objects is lower than the proposed deployment such balance will be used towards general corporate purposes, provided that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Gross Proceeds in accordance with Regulation 7(2) of the SEBI ICDR Regulations.

### Means of finance

Our Company proposes to fund the requirements of the entire Objects of the Issue from the Net Proceeds. Accordingly, there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue and existing identifiable internal accruals, as required under Regulation 7(1)(e) of the SEBI ICDR Regulations. In case of a shortfall in the Net Proceeds or any increase in the actual utilisation of funds earmarked for the Objects, our Company may explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders.

### Details of objects of the Issue

Our Audit Committee and the Board of Directors at their respective meetings held on June 02, 2024 approved the proposed Objects and the respective amounts proposed to be utilized from the Net Proceeds for each Object.



## 1. Funding long-term working capital requirements of our Company

We are engaged in the business of (i) manufacture of speciality cables for rolling stock sector and defence industry and (ii) Train Control and Signalling Systems, presently under the KAVACH system. The Company offers Electron Beam Irradiated Cables for the industrial & applications where fire and safety, light weight and long term performance are of utmost importance. We have a wide product portfolio which includes railways rolling stock cables, naval defence, marine cables. We are expanding our portfolio of speciality cables by introducing solar PV cables and automotive cables having utility in EVs. With favourable government policies and an enabling environment, India continues to expand its renewable energy expansion plans. Specialty cables under renewable power are largely applied in setting up solar energy plants and solar energy transmission. Further, the automotive industry in India is booming due to rising disposable income, growing population, surging urbanization, and increasing middle class. Considering the growing push toward green mobility, there is a surging demand for electric vehicles. Accordingly, the Indian government has introduced several policies to accelerate the development of the electric vehicle industry. For instance, a target to switch from new sales of ICE (petrol and diesel) cars to 100% plug-in electric vehicles (EVs) by CY30 (CareEdge Report).

E-Beam cables provide unique solutions for solar and EV industry as these cables have improved mechanical properties, abrasion and thermal resistance, flame propagation resistance and deformation resistance properties without producing heat, comparative light weight and an increased life as compared to chemically cross linked cables.

Expansion of our E-beam cable business operations to cater to these new industries require our Company to have a higher working capital requirement as the demand for e-beam cables in these sectors are increasing.

Further, based on our registration to develop indigenized KAVACH (Indian Railway ATP) and successful Type testing, we have been accorded proto-type approval by Indian Railways / RDSO and further technical clearance for deployment of our systems 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 ₹ 168.60 million. For the said deployment of KAVACH equipment, our Company has nearly completed the entire civil work required and is in the process of deploying stationary, RIU and onboard Kavach systems. Upon successful completion of the project execution, warrant period shall be two years and thereafter AMC period shall be one year separately for onboard and trackside systems.

Once the same is deployed and successfully commissioned, our Company will bid for new projects for implementation of KAVACH project by Indian Railways for which we will require additional funds as working capital for manufacture and supply of hardware and software and relative infrastructure as part of the tender.

Further, on May 01, 2024, our Company has entered into a Memorandum of Understanding 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 realign and broaden the above targeted scope as per the opportunities within other countries and their Railway System. This Memorandum of Understanding shall remain in force unless terminated by either of the parties in accordance with terms hereof. RailTel shall lead engagement and discussion with key stakeholders within Indian Railways and other Country’s Railways and to participate, market and implement KAVACH technology jointly with Quadrant in Indian Railways and in other countries. Our Company is *inter-alia* responsible for technology maintenance and upgradation as per the specifications of RDSO for entire life cycle of the project, meet RDSO specifications to be eligible for participation in upcoming tenders of KAVACH on Indian Railways, provide technical expertise for the project execution alongwith provision of expert manpower and required technology solutions and to participate in KAVACH tenders of Indian Railways or other countries jointly with RailTel.

Our Company’s overall working capital requirement depends on multiple factors including the current orders, expected order granted and the resultant requirement of margin money for bank guarantees / retention money retained by the clients in terms of the tenders awarding such orders. For our cable business, we require working capital for the raw material and inventory held by us and the credit cycle for realisation of receivables. For new projects for implementation of KAVACH by Indian Railways for which we will require additional funds as working capital for manufacture and supply of hardware and software and also civil work for creation of

infrastructure to run KAVACH system as part of the tender. Typically, such projects have a milestone-based payment structure and therefore there are intermittent cash inflows, as the project progresses. Most of the cash inflows, however, are expected to be skewed towards the second half of the project implementation period. Thus, the cash inflows and cash outflows in any of our expected KAVACH projects are not balanced and accordingly lead to a requirement of working capital.

The nature of bank guarantee provided by us or retention money deducted and retained by the customer is as under:

1. We are required to provide performance bank guarantees to our customers under Indian Railways and PSUs in defence sector upon receipt of the purchase order, which is based on a specific value of the order, and which is valid until completion of the period as provided in the tender based on which order awarded.
2. Such performance bank guarantees are valid for a certain performance period which is as per the terms of the particular order, and is generally for two to four years from the delivery of the E-beam cables.
3. Further, some contracts have provision for deduction of certain amount of the total order value as retention money which is released to us as per the terms of the particular order, and is generally for two to four years from the delivery of the E-beam cables. Once the terms of order are fulfilled, the retention money is returned by the customer to us.

Please see below table for the revenue from operations for sale of E-beam cables to Indian Railways and Naval (Defence) manufacturing units:

Nature of customers	(₹ in millions)							
	December 31, 2023		March 31, 2023		March 31, 2022		March 31, 2021	
	Sales	%age*	Sales	%age*	Sales	%age*	Sales	%age*
<b>Wires and Cables (Railways)</b>								
Indian Railways (through Zonal railways / their divisions / production units)	485.12	48.33%	737.56	48.27%	562.47	53.95%	198.20	27.22%
<b>Wires and Cables (Defence)</b>								
Public Sector Undertakings	251.75	25.08%	369.16	24.16%	30.45	2.92%	3.06	0.42%

\* As %age to total revenue from operations.

Please see below table for performance bank guarantee outstanding and / or retention money deducted by the customer:

Particulars	(₹ in millions)			
	As at			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Bank guarantee issued	40.44	29.36	9.74	1.90
Retention money (grouped under "Non Current Assets - Financial Assets - Trade Receivables" in the Restated Financial Information)	27.48	12.22	-	-

We fund a majority of our working capital requirements in the ordinary course of business from banks and internal accruals. As of May 31, 2024, the aggregate amount sanctioned by HDFC Bank to our Company under the fund based working capital facilities amounted to ₹ 230.00 million, working capital term loan of ₹ 300.00 million for meeting capital expenditure towards creation of Train Collision Avoidance System, working capital term loan of ₹ 65.00 million, Guaranteed Emergency Credit Line (1.0 and Extension Scheme) for ₹ 81.36 million and non fund based Bank Guarantee limit of 100 million. Further, on May 31, 2024, we have sanctioned working capital limit of another ₹ 200.00 million from ICICI Bank Limited, subject to maximum permissible bank finance limit of ₹ 280.00 million. In addition to the same, we have availed unsecured loans from certain of our directors and shareholders for an amount aggregating to ₹ 148.00 million as on May 31, 2024. For details of the working capital facilities availed by us, see "Financial Indebtedness" on page 363.

The additional funding requirements for the new business initiatives shall be met out of the portion of the Net Proceeds allocated for general corporate purposes and/or through our internal accruals or debt financing or any combination thereof.

### Basis of estimation of incremental working capital requirement of our Company

#### (a) Existing working capital

With the unique solutions which E-Beam cables provide for solar and EV industry, we plan to cater to the requirement of these industries also. The kind of cables to be manufactured for these industries are generally standard and do not have varying applications like in railways and defence sector. Hence the production can be easily enhanced for the same. Historically, the turnover of our Company had comprised of speciality cables only except to the extent of revenue from operations aggregating to ₹ 14.25 millions from Train Control and Signalling Division during the financial year ended March 31, 2023, as under:

Particulars	(₹ in million)			
	For nine months ended December 31, 2023	Fiscal ended March 31, 2023	Fiscal ended March 31, 2022	Fiscal ended March 31, 2021
Revenue from operations (total)	1,003.71	1,528.04	1,042.58	728.28
Less: Revenue from operations (under Train Controls and Signalling Division)	-	14.25	-	-
Revenue from operations (speciality cables division)	1,003.71	1,513.79	1,042.58	728.28

The following are the details of the working capital of our Company based on the estimated IndAS converged financial statements for Fiscal 2024 and IndAS converged financial statements based on audited financials for Fiscals 2023, 2022 and 2021 respectively:

Particulars	(₹ in million)			
	Fiscal ended March 31, 2024 (IndAS converged financials) (Estimated)	Fiscal ended March 31, 2023 (IndAS converged financials based on audited)	Fiscal ended March 31, 2022 (IndAS converged financials based on audited)	Fiscal ended March 31, 2021 (IndAS converged financials based on audited)
<b>Current assets (non cash)</b>				
Inventories	204.16	186.53	243.34	152.71
Trade receivables	323.06	232.58	268.11	173.94
Other financial assets	25.16	3.07	2.60	5.17
Other current assets	156.26	49.15	89.71	10.40
<b>Total Current Assets (A)</b>	<b>708.64</b>	<b>471.34</b>	<b>603.76</b>	<b>342.22</b>
<b>Current Liabilities (excluding working capital limits and current maturities of long term borrowings)</b>				
Trade payables	71.24	63.99	138.40	11.82
Other financial liabilities	-	15.77	10.50	14.32
Other current liabilities	111.45	12.85	3.95	7.69
Current tax liabilities (Net)	-	51.75	6.40	-
<b>Total Current Liabilities (B)</b>	<b>182.69</b>	<b>144.35</b>	<b>159.25</b>	<b>33.83</b>
<b>Working Capital (C = A – B)</b>	<b>525.95</b>	<b>326.99</b>	<b>444.51</b>	<b>308.39</b>
<b>Means of finance</b>				
Short term borrowings (reduced by cash / bank balance)	250.60	194.11	213.8	204.82

Particulars	Fiscal ended March 31, 2024 (IndAS converged financials) (Estimated)	Fiscal ended March 31, 2023 (IndAS converged financials based on audited)	Fiscal ended March 31, 2022 (IndAS converged financials based on audited)	Fiscal ended March 31, 2021 (IndAS converged financials based on audited)
Internal accruals / net worth	275.35	132.88	230.71	103.57

**(b) Future working capital**

Out of the proceeds of the Net Issue, we propose to utilise ₹ 250.00 million in Fiscal 2025 and the balance ₹ 1,500.00 million in Fiscal 2026 respectively towards our Company's additional working capital requirements. Any additional working capital requirement of our Company shall be met through internal accruals.

The estimates of the working capital requirements for the Financial Year ended March 31, 2025 and March 31, 2026 have been divided into two business segments namely (i) Speciality Cables Division and (ii) Train Controls and Signalling Division, prepared based on the management estimates of financial performance of the Company. The estimates have been prepared using set of assumptions that include assumptions about future events and management's action that are not necessarily expected to occur.

In addition to the Net Proceeds, our Company expects that the funding pattern for working capital requirements of our Company for Fiscal 2025 and 2026 will comprise of working capital facilities from banks, Unsecured loans availed from Promoter / Promoter Group, unless otherwise repaid in accordance with the terms agreed to by the Company and internal accruals.

On the basis of existing and estimated working capital requirement of our Company on an audited standalone basis, and assumptions for such working capital requirements, our Board pursuant to the resolution passed in its meeting held on June 02, 2024 has approved the estimated working capital requirements for Financial Year ended March 31, 2025 and March 31, 2026 and the proposed funding of such working capital requirements as set forth below:

	(₹ in million)	
Working Capital	Estimated as at March 31, 2025	Estimated as at March 31, 2026
<b>Current assets (non cash)</b>		
Inventories	291.61	961.18
Trade receivables	513.15	1,821.53
Other financial assets	32.74	89.01
Other current assets	196.44	534.08
<b>Total Current assets (non cash) (A)</b>	<b>1,033.94</b>	<b>3,405.81</b>
<b>Current Liabilities (excluding working capital limits and current maturities of long term borrowings)</b>		
Trade payables	78.02	125.07
Other financial liabilities	24.27	63.53
Other current liabilities	8.01	20.25
Current tax liabilities (Net) *	65.48	178.03
<b>Total Current Liabilities (excluding working capital limits and current maturities of long term borrowings) (B)</b>	<b>175.78</b>	<b>386.87</b>
<b>Working Capital (C = A – B)</b>	<b>858.15</b>	<b>3,018.95</b>
<b>Means of finance</b>		
Short term borrowings (reduced by cash / bank balance)	280.00	280.00
Internal accruals	334.53	1,093.47
<b>Working Capital gap</b>	<b>243.62</b>	<b>1,645.47</b>
<b>Amount proposed to be utilised from Net Proceeds</b>	<b>250.00</b>	<b>1,500.00</b>

\* Since tax liability is assessed at corporate level, the same has not been reflected as part of consolidated working for the working capital and not at specific divisional level.

Note: Pursuant to the certificate dated June 02, 2024, M/s SANMARKS and Associated, Statutory Auditors of the Company, have compiled and confirmed the working capital estimates, as approved by the Board pursuant to the resolution passed by the Company in its separate Board Meeting and Audit Committee meeting held on June 02, 2024.

The split of working capital requirement between (i) Speciality Cables Division and (ii) Train Controls and Signalling Division of our Company is as under:

(i) Speciality Cables Division

(₹ in million)		
Working Capital	Estimated as at March 31, 2025	Estimated as at March 31, 2026
<b>Current assets (non cash)</b>		
Inventories	222.57	258.00
Trade receivables	381.64	440.71
Other financial assets	27.26	31.48
Other current assets	163.56	188.88
<b>Total Current assets (non cash) (A)</b>	<b>795.03</b>	<b>919.07</b>
<b>Current Liabilities (excluding working capital limits and current maturities of long term borrowings)</b>		
Trade payables	74.19	86.00
Other financial liabilities	19.73	23.02
Other current liabilities	6.76	7.18
Current tax liabilities (Net)	*	*
<b>Total Current Liabilities (excluding working capital limits and current maturities of long term borrowings) (B)</b>	<b>100.68</b>	<b>116.19</b>
<b>Working Capital (C = A – B)</b>	<b>694.35</b>	<b>802.87</b>

\* Since tax liability is assessed at corporate level, the same has not been reflected as part of the Speciality Cables Division.

Note: Pursuant to the certificate dated June 02, 2024, M/s SANMARKS and Associated, Statutory Auditors of the Company, have compiled and confirmed the working capital estimates, as approved by the Board pursuant to the resolution passed by the Company in its separate Board Meeting and Audit Committee meeting held on June 02, 2024.

Assumptions for our estimated working (in days)

The table below contains the details of the holding levels (in number of days or relevant matrix as applicable) considered and is derived from the audited financial statements for the period ended December 31, 203 and Fiscal 2023 and 2022 and the assumptions based on which the working plan estimates for Fiscal 2025 and 2026 has been made and approved by our Board of Directors:

Particulars #	March 31, 2026 (Estimated)	March 31, 2025 (Estimated)	Fiscal ended March 31, 2024 (IndAS converged financials) (Estimated)	Fiscal ended March 31, 2023 (IndAS converged financials based on audited)	Fiscal ended March 31, 2022 (IndAS converged financials based on audited)
<b>Current Assets (non cash)</b>					
Inventories	60	60	37	54	84
Trade receivables	70	70	68	61	77
Other financial assets	5	5	16	9	12
Other current assets	30	30	16	9	12

Particulars #	March 31, 2026 (Estimated)	March 31, 2025 (Estimated)	Fiscal ended March 31, 2024 (IndAS converged financials) (Estimated)	Fiscal ended March 31, 2023 (IndAS converged financials based on audited)	Fiscal ended March 31, 2022 (IndAS converged financials based on audited)
<b>Current Liabilities (excluding working capital limits and current maturities of long term borrowings)</b>					
Trade payables	20	20	14	28	32
Other financial liabilities	5	5	18	32	49
Other current liabilities	20	20	214	25	32
Current tax liabilities (Net)	*	*	*	*	*

\* Since tax liability is assessed at corporate level, the same has not been reflected as part of the Speciality Cables Division.

# The average of open and closing balances have been considered for calculation of the above holding period.

Note: Pursuant to the certificate dated June 02, 2024, M/s SANMARKS and Associated, Statutory Auditors of the Company, have compiled and confirmed the working capital estimates, as approved by the Board pursuant to the resolution passed by the Company in its separate Board Meeting and Audit Committee meeting held on June 02, 2024.

#### Key justification for holding levels

Key assumptions for working capital estimates made by our Company (based on number of days for the estimated financial performance of the Company in the Speciality Cables Division):

Sr. No.	Particulars	Assumptions
<b>Current Assets</b>		
1	Inventories	Due to the proposed increase in the business to be generated from cables in solar and EV segment, it is proposed that the inventory holding period will be higher for the Company in future commensurate with the level of inventory in 2023. The Company has considered inventory holding of 60 days for the Fiscal 2025 and Fiscal 2026 (estimated) of the cost of goods sold. The inventory was lower in March 2024 as a result of completion of pending orders and lower value of orders pending for delivery.
2	Trade receivables	The trade receivables are considered outstanding for 70 days for the Fiscal 2025 and 2026 (estimated) of revenue from operations which is similar to the historical levels.
3	Other financial assets	Other financial assets comprises of deposit, advance to employees, interest payable an earnest money. The same is estimated at 5 days of the revenue from operations for the Fiscal 2025 and Fiscal 2026 (estimated) and is expected to be commensurate with the increased business operations.
4	Other current assets	Other assets mainly include GST recoverable, advance to suppliers and goods in transit. The same is expected to increase and estimated at 30 days of the revenue from operations for the Fiscal 2025 and Fiscal 2026 (estimated)
<b>Current Liabilities</b>		
1	Trade payables	The Company's trade payable days for the speciality cable division is considered at 20 days of total cost of goods sold for the Fiscal 2025 and Fiscal 2026 (estimated) which a lower than the previous year. Most of the purchase of metal is being made at short term or minimal credit. Other raw material input cost viz. <u>packing material and consumables, which have a longer payment period.</u>
2	Other financial liabilities	Other financial liabilities include outstanding amount for employee benefit expenses, accrued interest and advance from customers. The same is considered at 5 days of total cost of goods sold and employee benefit expenses for the Fiscal 2025 and Fiscal 2026 (estimated).

Sr. No.	Particulars	Assumptions
3	Other current liabilities	Other current liabilities is considered at 20 days of other expenses for the Fiscal 2025 and Fiscal 2026 (estimated).

The Company has sufficient installed capacity available for undertaking the manufacturing of E-beam cables for expanding our portfolio of speciality cables by introducing solar PV cables and automotive cables having utility in EVs and no installation of new facilities will be required.

*(ii) Train Controls and Signalling Division*

Our Company has not undertaken any business under Train Controls and Signalling Division in the past. Hence the estimates of the working capital requirements for the Financial Year ended March 31, 2025 and March 31, 2026 have been prepared based on the management estimates of future financial performance with indicative reference of the working capital cycle of the Company in terms of the existing business with the Indian Railways, with appropriate adjustments, if any deemed fit for the Train Controls and Signalling Division.

The estimates have been prepared using set of assumptions that include assumptions about future events and management's action that are not necessarily expected to occur. Our Board and Audit Committee vide their separate meetings, held on June 02, 2024 approved the estimated working capital requirements for Financial Year ended March 31, 2025 and March 31, 2026 and the proposed funding of such working capital requirements as set forth below:

	(₹ in million)	
Working Capital	Estimated as at March 31, 2025	Estimated as at March 31, 2026
<b>Current assets (non cash)</b>		
Inventories	69.04	703.18
Trade receivables	131.51	1,380.82
Other financial assets	5.48	57.53
Other current assets	32.88	345.21
<b>Total Current assets (non cash) (A)</b>	<b>238.90</b>	<b>2,486.75</b>
<b>Current Liabilities (excluding working capital limits and current maturities of long term borrowings)</b>		
Trade payables	3.84	39.07
Other financial liabilities	4.54	40.51
Other current liabilities	1.25	13.07
Current tax liabilities (Net)	*	*
<b>Total Current Liabilities (excluding working capital limits and current maturities of long term borrowings) (B)</b>	<b>9.62</b>	<b>92.65</b>
<b>Working Capital (C = A – B)</b>	<b>229.28</b>	<b>2,394.10</b>

\* Since tax liability is assessed at corporate level, the same has not been reflected as part of the Train Controls and Signalling Division.

Note: Pursuant to the certificate dated June 02, 2024, M/s SANMARKS and Associated, Statutory Auditors of the Company, have compiled and confirmed the working capital estimates, as approved by the Board pursuant to the resolution passed by the Company in its separate Board Meeting and Audit Committee meeting held on June 02, 2024.

*Assumptions for our estimated working (in days)*

The table below contains the details of the assumptions based on which the working plan estimates for Fiscal 2025 and 2026 has been made and approved by our Board of Directors:

Assumptions	March 31, 2026 (Estimated)	March 31, 2025 (Estimated)
<b>Current Assets (non cash)</b>		
Inventories	90	90
Trade receivables	120	120

Other financial assets	5	5
Other current assets	30	30
<b>Current Liabilities (excluding working capital limits and current maturities of long term borrowings)</b>		
Trade payables	5	5
Other financial liabilities	5	5
Other current liabilities	20	20
Current tax liabilities (Net)	*	*

\* Since tax liability is assessed at corporate level, the same has not been reflected as part of the Train Controls and Signalling Division.

Note: Pursuant to the certificate dated June 02, 2024, M/s SANMARKS and Associated, Statutory Auditors of the Company, have compiled and confirmed the working capital estimates, as approved by the Board pursuant to the resolution passed by the Company in its separate Board Meeting and Audit Committee meeting held on June 02, 2024.

Note: As of March 31, 2024, the Train Collision Avoidance System (KAVACH equipment) developed by our Company has received proto-type approval by Indian Railways / RDSO and further technical clearance for deployment of our systems 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. Accordingly, as of Fiscal 2024 and previous fiscal, the data with respect to holding periods cannot be ascertained for this division.

#### Key justification for holding levels

Key assumptions for working capital estimates made by our Company (based on number of days for the estimated financial performance of the Company in the Train Controls and Signalling Division):

Sr. No.	Particulars	Assumptions
<b>Current Assets</b>		
1	Inventories	Inventory holding period for Fiscal 2025 and 2026 is estimated to be 90 days of the cost of goods sold. For the production of KAVACH equipment, various hardware parts are required to be imported by the Company including semi conductors and chips. Being import of goods, the Company is required to pay in advance to the supplier. Also, the delivery time of the goods and other clearances for bringing the goods to our factory will take considerable time. Hence the estimated inventory holding period is high.
2	Trade receivables	Trade receivables period for Fiscal 2025 and 2026 is estimated to be 120 days of the revenue from operations. KAVACH is the project of Indian Railways, wherein post implementation, testing and clearance of the equipment takes time. Further, the Company has entered into an MOU with Railtel Corporation of India Limited, details of which are given under “Our Business” on page 169. In terms of this MOU, be responsible for technology maintenance and upgradation as per the specifications of RDSO for entire life cycle of the project for the projects which are awarded to Railtel. In such cases, realisation of our payments will also be subject to clearance of the payment of Railtel by Indian Railways.
3	Other financial assets	Other financial assets shall comprise of deposit and advance to employees. The same is estimated at 5 days of the revenue from operations for the Fiscal 2025 and Fiscal 2026 (estimated) and is expected to be commensurate with the increased business operations.
4	Other current assets	Other assets mainly include GST recoverable, advance to suppliers and goods in transit. The same is expected to increase and estimated at 30 days of the revenue from operations for the Fiscal 2025 and Fiscal 2026 (estimated)
<b>Current Liabilities</b>		
1	Trade payables	The Company’s trade payable days is considered at 5 days of total cost of goods sold for the Fiscal 2025 and Fiscal 2026 (estimated) as the majority of the raw material or components required for KAVACH equipment are imported which may require advance payment.
2	Other financial liabilities	Other financial liabilities include outstanding amount for employee benefit expenses and advance from customers. The same is considered at 5 days of total



Sr. No.	Particulars	Assumptions
		cost of goods sold and employee benefit expenses for the Fiscal 2025 and Fiscal 2026 (estimated).
3	Other current liabilities	Other current liabilities are considered at 20 days of other expenses for the Fiscal 2025 and Fiscal 2026 (estimated).

Further, our actual working capital requirements may eventually vary from the aforementioned estimated working capital requirements. The aforementioned estimates for our working capital requirements for Fiscal 2025 and Fiscal 2026, are based on the actual working capital requirements based on the estimated financial statements for Fiscal 2024 and IndAS converged financials for Fiscal 2023 and Fiscal 2022 and are also provided after taking into consideration various factors, including, market opportunities in India and overseas, our expected order awarded, our sanctioned fund-based limits of working capital facilities and non-fund based limits, including bank guarantees, for working capital, uncertainty in relation to the enhancement of our existing fund based and non-fund based credit limits and/ or in terms which are favourable to us and uncertainty pertaining to the exact timing of the launch of the Issue (on account of market conditions). Further, if required, the Board may decide to accelerate the utilisation of working capital, if so required based on the business growth.

Our Statutory Auditors have provided no assurance or services related to any prospective financial information in the Draft Red Herring Prospectus.

## 2. Capital expenditure for development for Electronic Interlocking System

The train control and signalling division primarily consists of three parts, namely, Automatic Train Protection, Dispatch Centralised System and Centralised Monitoring System. In Indian Railways, the implementation of these systems is part of ongoing efforts to modernize and improve safety in railway operations. Both ATP and Electronic Interlocking systems complement each other in operations and contribute to safer and more efficient train operations by reducing the risks associated with manual signalling and route management. These technologies are particularly important in a network as extensive and busy as the Indian Railways, where safety and efficiency are paramount. With automatic signalling, efficiency in the train management and seamless movement are facilitated.

The Government of India aims to promote domestic development, and manufacturing by promoting indigenous development in the field of railway infrastructure and allied systems. With these measures, 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. Under Atma Nirbhar Bharat, the Government also plans to introduce parameters for better quality of output to meet international standards so that Indian products can compete in the global market, see “Our Business - Our Strategies - Make in India and focus on indigenisation” on page 180, for further details.

Presently our Company has developed solution for Train Collision Avoidance System. With the receipt of technical clearance by RDSO to our Company for field trial, we plan to extend our business operations to new avenues under the railway safety measures to be implemented by Ministry of Railways, starting with Electronic Interlocking System, which is the next stage embedded technology for Automatic Train Protection systems.

**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. EI is a failsafe, control and command system that typically has a span of control for one railway station. The EI System controls the wayside signalling equipment through a set of relays.

We intend to utilise ₹ 250.00 million from the Net Proceeds towards investment in product development opportunities. The funds shall be used to complete the development of indigenous developed EI System, software and hardware, salaries of additional manpower to be hired for expansion of the team for Electronic Inter-locking development, development of prototypes and funding for the railway field trials. The said expenses are proposed to be incurred over a period of eighteen months. Such EI System will include areas such as compatible SIL4 hardware and software platforms, SIL4 protocols & applications, configuration & data preparation tools, simulation tool and other related railways applications required for implementation of railway applications, whether they are SIL4 Platforms (with their OS and protocols) or complete ERTMS or Interlocking systems.

Our indigenous capabilities with experienced team at our inhouse Railway Signalling & Embedded System Design centre at Bengaluru and Hyderabad allow us to design, develop, engineer and manufacture prototypes in-house with a focus on safety integration, performance and reliability of the system. We are a vertically integrated company equipped with inhouse product development centre which allows us to design, develop and integrate our software with the standard hardware to be deployed with Indian Railways.

Historically also we had indigenously developed Train Collision Avoidance System (KAVACH) which has been approved by RDSO for deployment of our systems 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. Till October 18, 2023, we had spent ₹ 594.41 million towards development of Train Collision Avoidance System which was capitalised on such date. The above mentioned expenses for product development includes inter alia expenses on manpower (which includes procurement of engineers, product managers, consultants for designing, SIL-4 compatible software and hardware and testing new products, etc.), material costs (which includes expenses incurred for support hardware infrastructure and hardware used in deployment of Train Collision Avoidance System, etc.) which are required for product development purposes and other overhead costs. The summary of the expenditure incurred by our Company towards creation of intangible asset comprising Train Collision Avoidance System Software during the period ended December 31, 2023, and Fiscal ended 2023, 2022 and 2021 is as under:

Particulars	(₹ in million)			
	For nine months ended December 31, 2023 *	Fiscal ended March 31, 2023	Fiscal ended March 31, 2022	Fiscal ended March 31, 2021
Intangible asset / Capital Work in Progress (Train Collision Avoidance System Software)	563.22	484.49	310.24	38.91

\* On October 18, 2023, the Company has received approval from RDSO to conduct Type Testing of KAVACH equipment developed by the Company. Based on the said approval, the Company proceeded with the lab test of the KAVACH equipment developed by it, signifying final step towards approval of the combined product (hardware and software) developed and deemed approval for the software developed by the Company for TCAS. On the basis of such approval received from RDSO, the product development phase for TCAS software is deemed to be completed and fit for commercial use, subject to other approvals for complete KAVACH equipment by RDSO. Accordingly, the expenses made after October 18, 2023 towards such TCAS software and KAVACH equipment has been accounted for as revenue expenditure in the profit and Loss Account and all the expenses incurred prior to 18.10.2023 has been capitalized along with the opening capital WIP as 'Intangible Asset'

Further, as on April 30, 2024 we had 24 employees in the Railway Signalling & Embedded System Design centre, which is approximately 9.02% of our overall employee strength, and we intend to add more capable and experienced employees in the product development team, in order for us to make better products and solutions.

However, our development and deployment of EI System is contingent on various internal and external factors, such as success of our Company to develop the EI System meeting requirements of RDSO and their final approval of the product, our business plans, ability to compete effectively, employee attrition, changes in the technology landscape for implementation of EI System and government policies. For instance, Indian Railways may delay implementation of EI System on its tracks which may likely impact our business prospects to generate revenue from the EI System developed by us. Further, we may be required to incur additional expenses towards price escalation during the product development phase, increase in salaries, etc which may have to be funded through internal accruals of our Company or means other than the Net Proceeds. See “Risk Factors - 14: We have incurred a significant amount as capital expenditure during the last three Fiscal Years for development of platform for train control systems. Our investments in technology, especially our research and development activities, may not yield the intended results in a timely manner or at all, which may adversely affect our financial condition and results of operations. Further, we may require financing for our business operations and planned capital expenditure and the failure to obtain additional financing on terms commercially acceptable to us may adversely affect our ability to grow and our future profitability. Further, the amount proposed to be utilised for investment in product development in Fiscals 2025 and 2026 is based on management estimates” on page 40.

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

Our Company presently has financing arrangements, modified from time to time, with HDFC Bank Limited and ICICI Bank Limited. The financing arrangements entered into by our Company include, inter alia, term loans and working capital facilities, including non fund based limits. For a summary of these debt financing arrangements including the terms and conditions, see section “Financial Indebtedness” on page 363. As at December 31, 2023, the amount outstanding under our fund based and non-fund based working capital and term loan facilities was ₹ 600.42 million.

The current breakdown of outstanding borrowing as per Restated Financial Information is as under:

(₹ in million)				
Particulars	For nine months ended December 31, 2023	Fiscal ended March 31, 2023	Fiscal ended March 31, 2022	Fiscal ended March 31, 2021
Non current borrowings (I)				
- Borrowings from Banks	264.09	330.54	387.60	92.89
- Unsecured loans from Promoter / Promoter Group	158.25	158.25	170.75	85.75
Subtotal (I)	422.34	488.79	558.35	178.65
Current borrowings, including current maturities of non current borrowings (II)	336.33	251.16	248.46	230.66
<b>Total borrowings (III = I + II)</b>	<b>758.67</b>	<b>739.96</b>	<b>806.81</b>	<b>409.31</b>

The breakdown of debt servicing cost is as under:

(₹ in million)				
Particulars	For nine months ended December 31, 2023	Fiscal ended March 31, 2023	Fiscal ended March 31, 2022	Fiscal ended March 31, 2021
Total debt service comprising of finance cost during the period and current maturities of long term borrowings paid during the period (I)	85.83	63.75	59.48	62.29
Profit before tax (II)	206.99	199.32	29.49	58.69
Add: Depreciation and amortisation expenses (III)	56.02	37.08	31.96	30.65
Less: Other income (IV)				
Operating EBIDTA available for debt service (V = II + III + IV)	291.78	265.49	95.09	113.02
Debt service coverage ratio (V / III)	2.55 *	3.08	1.39	2.28

\* Not annualised

Our Company proposes to utilise an estimated amount of up to ₹ 250.00 million from the Net Proceeds towards full or partial repayment or pre-payment of the working capital term loan availed by our Company from HDFC Bank Limited which was utilised for the purpose of development of Train Collision Avoidance System by our Company. Based on our registration to develop indigenized KAVACH (Indian Railway ATP) and successful Type testing, we have been accorded proto-type approval by Indian Railways / RDSO and further technical clearance for deployment of our systems 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. Now the product development being complete, our Company proposes to repay the working capital term loan facility (sanctioned amount of ₹ 300.00 million) of HDFC Bank for an amount of ₹ 250.00 million. We believe that such repayment / pre-payment will help reduce the outstanding indebtedness and debt servicing costs, assist us in maintaining a favourable debt-equity ratio and enable utilization of the internal accruals for further investment in the business growth and expansion. In addition,

we believe that this would improve the ability to raise further resources in the future to fund the potential business development opportunities.

The prepayment of said working capital term loan facility do not attract any prepayment penalty in terms of the sanction letter. However, if the prepayment of the said indebtedness may attract prepayment charges in future due to change in the terms of the borrowing, payment of any such additional interest, prepayment penalty or premium, if any, and other related costs shall be made by us out of the internal accruals.

If at the time of allotment, any of the below mentioned loans are repaid or refinanced or drawn down or further disbursements under the existing facilities availed by our Company, then our Company may utilise the Net Proceeds for prepayment of any such refinanced facilities or disbursements obtained by our Company. In light of the above, at the time of filing the Draft Red Herring Prospectus, the table below shall be suitably updated to reflect the revised amounts or loans as the case may be which have been availed by us.

For the purposes of the Issue, our Company has intimated and also obtained NOC dated February 27, 2024 from HDFC Bank Limited, as is required under the relevant facility documentation for undertaking activities in relation to this Issue and for the deployment of the Net Proceeds towards repayment of the loan to HDFC Bank Limited. Further, our Company has also received no objection from ICICI Bank Limited on April 09, 2024 with regard to the proposed fund raise and Objects of the Issue.

The following table provides details, as at May 31, 2024, of term loans availed by our Company from HDFC Bank and proposed to be pre-paid in full or in portion, up to an amount aggregating to ₹ 250.00 million from the Net Proceeds:

<b>Name of the lender</b>	: HDFC Bank Limited
<b>Date of sanction letter</b>	: Sanction letter dated March 30, 2021 and Supplementary Letter of Hypothecation dated July 30, 2021
<b>Nature of the loan availed</b>	: Working Capital Term Loan
<b>Purpose of the loan and utilisation of loan</b>	: Making payment towards the cost incurred by the Company to specific vendor in Spain for assisting in design and development of Train Collision Avoidance System.
<b>Tenure</b>	: 84 months
<b>Amount sanctioned (in ₹ million)</b>	: 300.00
<b>Outstanding amount as on May 31, 2024 (in ₹ million)</b>	: 266.90
<b>Interest rate as on May 31, 2024 (% p.a.)</b>	: 9.25%
<b>Repayment date / Schedule</b>	: Equated Monthly instalment of ₹ 6.03 million
<b>Pre-payment conditions / penalty</b>	: Nil

\* In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations, our Statutory Auditors SANMARKS & Associates, Chartered Accountants, statutory auditors of our Company have confirmed that the above borrowings availed by our Company have been utilised for the purpose for which they were availed pursuant to certificate dated June 02, 2024

#### 4. General Corporate Purpose

We propose to utilise up to ₹ [●] million of the Net Proceeds towards general corporate purposes and the business requirements of our Company as approved by the Board, from time to time, subject to such utilisation for general corporate purposes not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations.

The general corporate purposes for which our Company proposes to utilise the Net Proceeds include, without limitation, meeting ongoing general corporate contingencies, meeting our business requirements, funding growth opportunities, including funding strategic initiatives, capital expenditure, payment of commission and / or fees to consultants, and any other purpose, as may be approved by our Board or a duly constituted committee thereof from time to time, subject to compliance with applicable law, including provisions of the Companies Act. In the event our Company is unable to utilise the Net Proceeds towards any of the Objects of the Issue for any of the reasons as aforementioned, our Company may utilise such Net Proceeds towards general corporate purposes, provided that the aggregate amount deployed towards general corporate purposes shall not exceed 25% of the Gross Proceeds.

The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount available under this head and the business requirements of our Company, from time to time. Our Company's management shall have flexibility in utilising surplus amounts, if any. In the event that we are unable to utilise the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilise such unutilised amount(s) in the subsequent Fiscals.

### Issue related expenses

The total expenses of the Issue are estimated to be approximately ₹ [●] million. The expenses of this Issue include, among others, listing fees, underwriting fees, selling commission, fees payable to the BRLM, fees payable to legal counsel, Registrar to the Issue, Banker to the Issue, processing fee to the SCSBs for processing Bid cum Application Forms, brokerage and selling commission payable to members of the Syndicate, Registered Brokers, Collecting RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

The break-up of the estimated Issue expenses is set forth below:

Activity	Estimated Expense * (₹ in million)	As a % of total estimated Issue related expenses	As a % of Issue size
BRLM fees and commission (including underwriting commission)	[●]	[●]	[●]
Brokerage, selling commission, bidding charges, processing fees for the Members of the Syndicate, Registered Brokers, SCSBs, RTAs and CDPs **	[●]	[●]	[●]
Fees payable to Registrar to the Issue	[●]	[●]	[●]
Fees payable to other advisors to the Issue:			
• Fees payable to SANMARKS & Associates, Chartered Accountants, in their capacity as the Statutory Auditor, in respect of the Restated Financial Information and the Statement of Possible Special Tax Benefits and the certificates issued by them in connection with the Issue	[●]	[●]	[●]
• Fees payable to Sapient Services Private Limited, Independent Chartered Engineer, in relation to the issuance of the capacity utilisation certificate prepared and issued in connection with the Issue	[●]	[●]	[●]
• Fees payable to MASD & Co. LLP, Independent Chartered Accountant, in relation to the issuance of various certificates issued by them in connection with the Issue	[●]	[●]	[●]
• Fees payable to CARE Analytics and Advisory Private Limited, in relation to the commissioning and issue of their report on the Industry in which the Company operates	[●]	[●]	[●]
Others			
• Listing fees, SEBI Fees, upload fees, NSE and BSE processing fees, book building software fees and other regulatory expenses	[●]	[●]	[●]
• Printing and Stationery expenses	[●]	[●]	[●]
• Advertising and Marketing expenses	[●]	[●]	[●]
• Fees payable to Legal Advisors to the Issue	[●]	[●]	[●]
• Miscellaneous	[●]	[●]	[●]
<b>Total estimated Issue expenses</b>	<b>[●]</b>	<b>[●]</b>	<b>[●]</b>

\* Issue expenses include GST, where applicable. Issue expenses will be incorporated at the time of filing of the Prospectus. Issue expenses are estimates and are subject to change.

*\*\* Selling commission payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders which are directly procured and uploaded by the SCSBs, would be as follows:*

<i>Portion for Retail Individual Bidders<sup>^</sup></i>	<i>[●]% of the Amount Allotted (plus applicable taxes)</i>
<i>Portion for Non-Institutional Bidders<sup>^</sup></i>	<i>[●]% of the Amount Allotted (plus applicable taxes)</i>

*<sup>^</sup> Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price*

*No processing fees shall be payable by the Company to the SCSBs on the applications directly procured by them. The selling commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the bid book of BSE or NSE.*

*Processing fees payable to the SCSBs on the portion for Retail Individual Bidder and Non-Institutional Bidders which are procured by the members of the Syndicate / sub-Syndicate / Registered Broker / RTAs / CDPs and submitted to SCSB for blocking would be as follows:*

<i>Portion for Retail Individual Bidders<sup>^</sup></i>	<i>₹ [●] per valid Bid cum Application Form (plus applicable taxes)*</i>
<i>Portion for Non-Institutional Bidders<sup>^</sup></i>	<i>₹ [●] per valid Bid cum Application Form (plus applicable taxes)*</i>

*\* For each valid application*

*Selling commission on the portion for Retail Individual Bidders (using the UPI mechanism), and Non-Institutional Bidders which are procured by Syndicate Member (including their Sub Syndicate Members), RTAs and CDPs or for using 3-in-1 type accounts linked online trading, demat and bank account provided by some of the brokers which are members of Syndicate (including their Sub-Syndicate Members) would be as follows:*

<i>Portion for Retail Individual Bidders<sup>^</sup></i>	<i>[●]% of the Amount Allotted (plus applicable taxes)</i>
<i>Portion for Non-Institutional Bidders<sup>^</sup></i>	<i>[●]% of the Amount Allotted (plus applicable taxes)</i>

*<sup>^</sup> Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price*

*The selling commission payable to the Syndicate/ Sub-Syndicate Members will be determined on the basis of the application form number/ series, provided that the application is also bid by the respective Syndicate/ Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number/ series of a Syndicate/ Sub-Syndicate Member, is bid by an SCSB, the selling commission will be payable to the SCSB and not the Syndicate/ Sub-Syndicate Member.*

*The payment of selling commission payable to the sub-brokers / agents of Sub-Syndicate Members are to be handled directly by the respective Sub-Syndicate Member.*

*The selling commission payable to the RTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the bid book of BSE or NSE.*

*Uploading charges/processing fee of ₹ [●] per valid applications (plus applicable taxes) are applicable only in case of Bid uploaded by the members of the Syndicate, RTAs and CDPs: (a) for applications made by Retail Individual Bidders using 3-in-1 type accounts; and (b) for Non-Institutional Bids using Syndicate ASBA mechanism / using 3-in-1 type accounts.*

*Uploading Charges/Processing Charges for applications made by Retail Individual Bidders and Non-Institutional Bidders (for an amount of more than ₹ 200,000 and up to ₹ 500,000) using the UPI Mechanism would be as under:*

*Payable to members of the Syndicate/ RTAs/CDPs: ₹ [●] (plus applicable taxes) per valid application*

*The Bidding / uploading charges payable to the Syndicate/ Sub-Syndicate Members, RTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the bid book of BSE or NSE.*

*For Registered Brokers, Selling commission / Bidding charges payable to the registered brokers on the portion for Retail Individual Bidders and Non-Institutional Bidders which are directly procured by the Registered Brokers and submitted to SCSB for processing would be as follows:*

<i>Portion for Retail Individual Bidders<sup>^</sup></i>	<i>₹ [●] per valid Bid cum Application Form (plus applicable taxes)*</i>
<i>Portion for Non-Institutional Bidders<sup>^</sup></i>	<i>₹ [●] per valid Bid cum Application Form (plus applicable taxes)*</i>

*\* For each valid application.*

*The Processing fees for applications made by Retail Individual Bidders or Individual investors bidding under the Non-Institutional Portion for an amount of more than ₹ 200,000 and up to ₹ 500,000 using the UPI Mechanism would be as follows:*

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[●] ₹ [●] per valid Bid cum Application Form\* (plus applicable taxes)

*The Sponsor Banks shall be responsible for making payments to the third parties such as remitter bank, NCPI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws.*

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*\* For each valid application.*

*All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Cash Escrow and Sponsor Bank Agreement.*

*Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 01, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories). Accordingly, Syndicate / sub-Syndicate Member shall not be able to Bid the Application Form above ₹ 0.50 million and the same Bid cum Application Form need to be submitted to SCSB for blocking of the fund and uploading on the Stock Exchange bidding platform. To identify bids submitted by Syndicate / sub-Syndicate Member to SCSB a special Bid-cum-application form with a heading / watermark "Syndicate ASBA" may be used by Syndicate / sub-Syndicate Member along with SM code and broker code mentioned on the Bid-cum Application Form to be eligible for brokerage on allotment. However, such special forms, if used for RIB and NIB bids up to ₹ 0.50 million will not be eligible for brokerage.*

*The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and such payment of processing fees to the SCSBs shall be made in compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.*

### **Deployment of funds**

As of the date of the Draft Red Herring Prospectus, we have not incurred any amount to be utilised out of Net Proceeds towards the Objects of the Issue.

### **Interim use of the Net Proceeds**

Our Company, in accordance with the applicable law, policies established by our Board from time to time and in order to attain the Objects set out above, will have flexibility to deploy the Net Proceeds. Pending utilisation of the Net Proceeds for the purposes described in this section, our Company may temporarily invest the Net Proceeds in deposits in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as may be approved by our Board. In accordance with Section 27 of the Companies Act, our Company confirms that, other than as specified in this section for the purposes of the Objects, it shall not use the Net Proceeds for buying, trading or otherwise dealing in equity securities or any equity linked securities.

### **Appraising entity**

None of the Objects for which the Net Proceeds will be utilised have been appraised by any agency.

### **Bridge financing facilities**

Our Company has not raised any bridge loans from any bank or financial institution as of the date of the Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

### **Monitoring of utilisation of funds**

In accordance with Regulation 41 of the SEBI ICDR Regulations, our Company shall appoint a Monitoring Agency for monitoring the utilisation of Gross Proceeds prior to the filing of the Red Herring Prospectus with the RoC, as the Issue size exceeds ₹ 1,000 million.

Our Audit Committee and the Monitoring Agency will monitor the utilisation of the Gross Proceeds and the Monitoring Agency shall submit the report required under Regulation 41(2) of the SEBI ICDR Regulation, on a quarterly basis, until such time as the Gross Proceeds have been utilised in full. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose the utilisation of the Gross Proceeds, including interim use under a separate head in its balance sheet for such periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Gross Proceeds have been utilized. Our Company will also, in its balance sheet for the applicable periods, provide details, if any, in relation to all such Gross Proceeds that have not been utilized, if any, of such currently unutilized Gross Proceeds.

Pursuant to Regulation 32(3) and Part C of Schedule II of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Gross Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than those stated in the Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Gross Proceeds remain unutilized. Such disclosure shall be made only until such time that all the Gross Proceeds have been utilized in full. The statement shall be certified by our Statutory Auditors. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the Gross Proceeds of the Issue from the Objects as stated above; and (ii) details of category wise variations in the actual utilisation of the Gross Proceeds of the Issue from the Objects as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

### **Variation in Objects**

In accordance with Sections 13(8) and 27 of the Companies Act, and Regulation 59 and Schedule XX of the SEBI ICDR Regulations, any material deviation in the Objects of the Issue will require our Company to obtain the approval of the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution ("Postal Ballot Notice") shall specify the prescribed details and be published in accordance with the Companies Act. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Punjabi, the vernacular language of the jurisdiction where our Registered Office is situated. Pursuant to the Companies Act, our Promoters will be required to provide an exit opportunity to the Shareholders who do not agree to such material deviation of the Objects, subject to the provisions of the Companies Act and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with the Companies Act and provisions of Schedule XX of the SEBI ICDR Regulations.

### **Other confirmations**

No part of the Gross Proceeds will be utilized by our Company as consideration to our Promoters, members of our Promoter Group, our Directors, or Key Managerial Personnel, Senior Management or Group Companies. Our Company has not entered into or is not planning to enter into any arrangement / agreements with our Directors, our Promoters, the members of our Promoter Group, the Key Managerial Personnel or Senior Management in relation to the utilization of the Gross Proceeds of the Issue. Our Company has not entered into nor has planned to enter into any arrangement / agreements with our Directors, our Key Managerial Personnel, our Senior Management or our Group Companies in relation to the utilisation of the Gross Proceeds.



## BASIS FOR THE ISSUE PRICE

The Price Band and Issue Price will be determined by our Company, in consultation with the BRLM, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of the quantitative and qualitative factors described below. The face value of the Equity Shares is ₹ 10 each and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Investors should also refer to “Our Business”, “Risk Factors”, “Restated Financial Information” and “Management Discussion and Analysis of Financial Position and Results of Operations” on pages 169, 31, 244 and 369, respectively, to have an informed view before making an investment decision.

### Qualitative factors

Some of the qualitative factors and strengths which form the basis for computing the Issue Price are:

- 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
- We have in-house design and product development capabilities powering our 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 irradiated cables in renewable energy and electric vehicles and supply of such irradiated cables to OEMs with high global market penetration
- Experienced Promoters and senior management team

For further details, see “Our Business - Our Strengths” on page 174.

### Quantitative factors

Certain information presented below, relating to us, is based on the Restated Financial Information. For details, see “Restated Financial Information” on page 244.

Some of the quantitative factors which may form the basis for calculating the Issue Price are as follows:

#### 1. Basic and diluted earnings per share (“EPS”)

Fiscal / Period	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2023	4.61	4.61	3
March 31, 2022	0.63	0.63	2
March 31, 2021	1.61	1.61	1
Weighted Average	2.78	2.78	
For the nine months period ended December 31, 2023 *	4.78	4.78	

\* Not annualised

(1) Earnings per Equity Share (Basic) = Restated profit for the period / year attributable to the equity holders of our Company / Weighted average number of equity shares outstanding during the period / year. The weighted average number of Equity Shares outstanding during the year is adjusted for bonus issue.

(2) Earnings per Equity Share (Diluted) = Restated profit for the period / year attributable to equity holders of our Company / Weighted average number of equity shares outstanding during the period / year considered for deriving basic earnings per share and the weighted average number of Equity Shares which could have been issued for potential dilution of Equity Shares. The weighted average number of Equity Shares outstanding during the year is adjusted for bonus issue.

(3) Basic EPS and Diluted EPS calculations are in accordance with Indian Accounting Standard 33 ‘Earnings per Share’.

(4) Pursuant to the Shareholders resolution passed at the EGM held on March 01, 2024, our Company has issued bonus shares in the ratio of two Equity Shares for every one existing Equity Share held in the meeting of the Board of Directors held on April 15, 2024. Accordingly, the earnings per Equity Share has been adjusted for the aforementioned bonus issue.

**2. Price / Earning (“P/E”) ratio in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share of face value of ₹ 10 each:**

Particulars	P/E at the lower end of the Price Band	P/E at the upper end of the Price Band
Based on Basic EPS as per Restated Financial Information for year ended March 31, 2023	[●]	[●]
Based on Diluted EPS as per Restated Financial Information for year ended March 31, 2023	[●]	[●]

\* will be updated after finalization of price band

**3. Industry P/E ratio**

Particulars	P/E Ratio
Highest	56.69
Lowest	37.28
Average	47.76

Notes:

(1) The industry high and low has been considered from the industry peer set provided later in this section. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section.

(2) The industry P/E ratio mentioned above is for the financial year ended March 31, 2023. P/E Ratio has been computed based on the closing market price of equity shares on NSE on May 31, 2024 divided by the Diluted EPS for the year ended March 31, 2023.

(3) All the financial information for listed industry peers mentioned above is sourced from the audited financial statements of the relevant companies for Fiscal 2023, as available on the websites of the Stock Exchanges.

**4. Average Return on Net Worth**

Fiscal / Period	Return on Net Worth (%)	Weight
March 31, 2023	46.96%	3
March 31, 2022	12.14%	2
March 31, 2021	35.14%	1
Weighted Average	33.38%	
For the nine months period ended December 31, 2023 *	32.76%	

\* Not annualised

Notes:

(1) Return on Net Worth (%) = Restated net profit / (loss) after tax attributable to equity shareholders of our Company / restated net worth for Equity Shareholders of our Company.

(2) Net Worth is computed as the sum of the aggregate of paid up equity share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account.

(3) The weighted average return on net worth is a product of return on net worth and respective assigned weight dividing the resultant by total aggregate weight. Weights applied have been determined by the management of our Company.

(4) The figures disclosed above are derived from the Restated Financial Information of our Company.

**5. Net Asset Value per Equity Share of face value of ₹ 10 each**

Net Asset value Per Equity Share	(in ₹)
As at December 31, 2023	14.59
As at March 31, 2023	9.81
After the Issue	
- At the Floor Price	[●]
- At the Cap Price	[●]
- At the Issue Price	[●]

Notes:

(1) Net Asset Value per Equity Share is calculated as net worth attributable to equity shareholders as at the end of Fiscal period / year divided by the weighted average number of Equity Shares used in calculating basic earning per share. "Net Worth attributable to the owners of our Company" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the Restated Financial Information, but does not include reserves created out of revaluation of assets, capital reserve, write-back of depreciation and amalgamation as per the SEBI ICDR Regulations as at December 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021. Further, the calculation of Net Asset Value per Equity Share has been adjusted retrospectively for the increase in the number of Equity Shares as a result of bonus issue.

## 6. Comparison with Listed Industry Peers

There are no listed companies that exclusively undertake the manufacturing of E-beam cables and also Train Controls and Signalling business. Hence, basis factors such as the scale of the business, exposure to the railways and defence sector (as defence contributes a significant portion of revenue from operations for our Company for the financial year ended March 31, 2023) and also solution on Automatic Train Control systems of Indian Railways, a proxy set of listed peers of Kernex Micro Systems Limited, HBL Power Systems Limited, Apar Industries Limited and Polycab India Limited (the "Industry Peers") have been identified for our Company. The said comparison shall be limited to the business activities which are being undertaken by the Industry Peer and may not reflect the fair comparison of valuation.

Name of the Company	Face Value (₹)	Share Price (₹)	Revenue from operations (₹ in million)	EPS (Basic) (₹)	EPS (Diluted) (₹)	P/E	Return on Net Worth (%)	Net worth (₹ in million)	Net Asset Value per Equity Share (₹)
Quadrant Future Tek Limited *	10	[●]	1,528.04	4.61	4.61	[●]#	46.96	294.21	9.81
Listed Peers **									
Kernex Micro Systems Limited ^	10	410.65	106.85	-8.83	-8.83	NA	NA	-	-
HBL Power Systems Limited	1	496.45	22,333.56	10.07	10.07	49.30	21.52%	12,205.41	44.03
Apar Industries Limited	10	7,907.65	161,529.80	212.10	212.10	37.28	21.29%	38,764.40	965.05
Polycab India Limited	10	6741.65	180,394.44	118.93	118.49	56.69	22.02%	81,871.34	545.76

\* Financial information of the Company has been derived from Restated Financial Information as at or for the financial year ended March 31, 2023. Further, the calculation of basic and diluted EPS and Net Asset Value per Equity Share is adjusted for the increases in the number of Equity Shares as a result of bonus issue made by the Company on April 15, 2024.

\*\* Sources for listed peers information included above

# Subject to the finalisation of the Basis of Allotment.

^ Kernexy Micro Systems Limited has not declared their financial results for the financial year ended March 31, 2024 and therefore the disclosure is made based on the nine months period ended December 31, 2023

Notes

1. Net Asset Value per Equity Share is calculated as net worth attributable to equity shareholders as at the end of Fiscal period / year divided by the weighted average number of Equity Shares used in calculating basic earnings per share.

2. All the financial information for listed industry peers mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from the annual reports / annual results as available of the respective company for the year ended March 31, 2024 submitted to Stock Exchanges.

3. P/E Ratio has been computed based on the closing market price of equity shares on NSE on May 31, 2024 divided by the Diluted EPS for the year ended March 31, 2024.

4. Return on Net Worth is computed as restated net profit / (loss) after tax attributable to equity holders of our Company divided by restated Net Worth for Equity Shareholders of our Company

Set forth below is a comparison of our KPIs with our peer group companies listed in India.

## 7. Key Performance Indicators

The table below sets forth the details of KPIs that our Company considers have a bearing for arriving at the basis for Issue Price. The key financial and operational metrics set forth above, have been approved and verified by the Audit Committee pursuant to its resolution dated June 02, 2024. **Further, the Audit Committee has on June 02, 2024 taken on record that other than the key financial and operational metrics set out below, our Company has not disclosed any other key performance indicators during the three years preceding the Draft Red Herring Prospectus with its investors.** The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help it in analyzing the growth of various verticals in comparison to our Company's listed peers, and other relevant and material KPIs of the business of our Company that have a bearing for arriving at the Basis for the Issue Price have been disclosed below. Additionally, the KPIs have been certified by way of certificate dated June 02, 2024 issued by MASD & Co. LLP, Independent Chartered Accountants, who hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. The certificate dated June 02, 2024 issued by MASD & Co. LLP, Chartered Accountants, has been included in "Material Contracts and Documents for Inspection - Material Documents" on page 453.

The Bidders can refer to the below-mentioned KPIs, being a combination of financial and operational KPIs, to make an assessment of our Company's performances and make an informed decision.

A list of our KPIs for Fiscal 2023, 2022 and 2021 is set out below:

Particulars	Nine months period ended December 31, 2023	As at / for the financial year ended		
		March 31, 2023	March 31, 2022	March 31, 2021
		(₹ in millions)		
Revenue from operations	1003.71	1528.04	1042.58	728.28
Total revenue	1004.13	1529.45	1042.91	728.93
EBITDA	291.46	265.45	95.08	112.92
EBITDA margin (%)	29.04%	17.37%	9.12%	15.50%
Operating EBITDA	291.04	264.08	94.75	112.27
Operating EBITDA (%)	29.00%	17.28%	9.09%	15.42%
Profit after tax	144.19	139.04	19.43	48.12
PAT margin (%)	14.37%	9.10%	1.86%	6.61%
Return on Equity (ROE)(%)	39.41%	61.76%	13.25%	42.58%
Debt to Equity Ratio	1.73	2.52	5.17	2.99
Interest Coverage Ratio	8.19	7.85	1.88	3.48
Return on Capital Employed (ROEC)(%)	24.93%	27.19%	8.43%	24.11%
Current Ratio	1.17	1.19	1.45	1.25
Net Capital Turnover Ratio	13.20	11.85	8.29	12.07

a) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.

b) EBITDA refers to earnings before interest, taxes, depreciation, amortisation, gain or loss from discontinued operations & exceptional items.

c) EBITDA Margin refers to EBITDA during a given period as a percentage of revenue from operations during that period.

d) Operating EBITDA refers to EBITDA less other income ie only revenue from operations.

e) Operating EBITDA Margin refers to operating EBITDA during a given period as a percentage of revenue from operations during that period.

f) Net Profit Ratio/Margin quantifies our efficiency in generating profits from our revenue and is calculated by dividing our net profit after taxes but before other comprehensive income by our revenue from operations.

g) Return on equity (RoE) is equal to profit after tax for the year divided by the total equity during that period and is expressed as a percentage.

h) Debt to equity ratio is calculated by dividing the debt (excluding lease liabilities) by total equity (which includes issued capital and all other equity reserves).

i) Interest Coverage Ratio measures our ability to make interest payments from available earnings and is calculated by dividing EBIT by finance cost.

j) RoCE (Return on Capital Employed) (%) is calculated as EBIT divided by total equity plus non-current debt plus current debt.

k) Current Ratio is a liquidity ratio that measures our ability to pay short-term obligations (those which are due within one year) and is calculated by dividing the current assets by current liabilities.

l) Net Capital Turnover Ratio quantifies our effectiveness in utilizing our working capital and is calculated by dividing our revenue from operations by average working capital (i.e., current assets less current liabilities).

### Explanation for KPI metrics

KPI	Explanations
Revenue from Operations (₹million)	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business.
Total Revenue	Total Revenue is used to track the total revenue generated by the business including other income.
EBITDA (₹ million)	EBITDA provides information regarding the operational efficiency of the business.
EBITDA Margin (%)	EBITDA Margin is an indicator of the operational profitability and financial performance of our business.
Profit After Tax (₹ million)	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin	PAT Margin is an indicator of the overall profitability and financial performance of our business.
RoE (%)	RoE provides how efficiently our Company generates profits from shareholders' funds.
Debt To Equity Ratio	Debt-to-equity (D/E) ratio is used to evaluate a company's financial leverage.
Interest Coverage Ratio	The interest coverage ratio is a debt and profitability ratio used to determine how easily a company can pay interest on its outstanding debt.
Return on Capital employed (RoCE) (%)	It is calculated as profit before tax plus finance costs divided by total equity plus non-current borrowings plus current borrowings.
Current Ratio	It tells management how business can maximize the current assets on its balance sheet to satisfy its current debt and other payables.
Net Capital Turnover Ratio	This metric enables us to track the how effectively company is utilizing its working capital to generate revenue.

The above KPIs of our Company have also been disclosed, along with other key financial and operating metrics, in "Our Business" and "Management Discussion and Analysis of Financial Condition and Results of Operations" on pages 169 and 369. All such KPIs have been defined consistently and precisely in "Definitions and Abbreviations - Conventional and General Terms and Abbreviations" on page 11.

Our Company shall continue to disclose the KPIs disclosed hereinabove in this section on a periodic basis, at least once in a year (or for any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares, or until the utilization of Issue Proceeds, whichever is later, on the Stock Exchanges pursuant to the Issue, or for such other period as may be required under the SEBI ICDR Regulations.

### Comparison of financial KPIs of our Company and our listed peers

KPIs	(₹ in millions)									
	Quadrant Future Tek Limited		Kernex Micro Systems Limited		HBL Power Systems Limited		Apar Industries Limited		Polycab India Limited	
	Dec'23 (9 Months)^	Fiscal 2023	Dec'23 (9 Months)	Fiscal 2023	Fiscal 2024	Fiscal 2023	Fiscal 2024	Fiscal 2023	Fiscal 2024	Fiscal 2023
Revenue from operations <sup>(1)</sup>	1003.71	1528.04	106.85	40.40	22,333.56	13,686.78	1,61,529.80	1,43,363.00	1,80,394.44	1,41,077.78
Growth in revenue from operations (%) <sup>(2)</sup>	NA	46.6%	252.69%	-39.27%	63.18%	10.72%	12.67%	53.88%	27.87%	15.60%

KPIs	Quadrant Future Tek Limited		Kernex Micro Systems Limited		HBL Power Systems Limited		Apar Industries Limited		Polycab India Limited	
	Dec'23 (9 Months)^	Fiscal 2023	Dec'23 (9 Months)	Fiscal 2023	Fiscal 2024	Fiscal 2023	Fiscal 2024	Fiscal 2023	Fiscal 2024	Fiscal 2023
	Gross Profit <sup>(3)</sup>	463.18	425.70	115.52	12.18	10,836.25	5,372.45	36,130.10	32,600.80	52,334.90
Gross Profit Margin (%) <sup>(4)</sup>	46.1%	27.9%	108.1%	30.1%	48.5%	39.3%	22.4%	22.7%	29.0%	26.5%
EBITDA <sup>(5)</sup>	291.78	265.49	-71.80	-163.35	4,413.69	1,691.21	16,081.40	12,644.00	27,126.80	19,761.77
EBITDA (%) <sup>(6)</sup>	29.1%	17.4%	-67.2%	-404.4%	19.8%	12.4%	10.0%	8.8%	15.0%	14.0%
PAT <sup>(7)</sup>	144.19	139.04	-140.39	-200.20	2,626.56	970.92	8,251.10	6,377.20	18,029.17	12,830.86
PAT Margin (%) <sup>(8)</sup>	14.4%	9.1%	-131.4%	-495.6%	11.8%	7.1%	5.1%	4.4%	10.0%	9.1%
ROE (%) <sup>(9)</sup>	39.4%	61.8%	0.0%	-24.4%	21.5%	10.2%	21.3%	32.3%	22.0%	21.0%
ROCE (%) <sup>(10)</sup>	24.9%	27.2%	0.0%	-20.2%	31.3%	13.0%	34.9%	33.8%	29.8%	25.7%

^ Being financial ratios for nine months period ended December 31, 2023, the same are not comparable.

Notes:

1. Revenue from Operations means the revenue from operations as appearing in the Restated Financial Information.
2. Growth in revenue from operations (%) is calculated as a percentage of revenue from operations of the relevant period / year minus revenue from operations of the preceding period / year, divided by revenue from operations of the preceding period / year.
3. Gross Profit is calculated as revenue from operations less cost of materials consumed, changes in inventories of finished goods and work-in-progress.
4. Gross Profit Margin refers to the percentage margin derived by dividing Gross Profit by Revenue from Operations.
5. EBITDA is calculated as restated profit / (loss) for the period / year, plus finance costs, total taxes, and depreciation and amortisation expense.
6. EBITDA Margin (%) is calculated as EBITDA divided by Revenue from Operations.
7. Profit after Tax means restated profit / (loss) for the year as appearing in the Restated Financial Information.
8. Profit after Tax Margin refers to the percentage margin derived by dividing Profit after Tax by Revenue from Operations.
9. Return on equity (RoE) is equal to profit after tax for the year divided by the total equity during that period and is expressed as a percentage.
10. Return on Capital Employed is calculated as earnings before interest and taxes divided by Capital Employed.
  - Earnings before interest and tax is calculated as restated profit / (loss) for the period / year plus total tax expense / (credit) plus finance costs.
  - Capital Employed is calculated as total equity plus borrowings (current & non current).

### Weighted average cost of acquisition

#### The price per share of our Company based on the primary / new issue of shares (equity / convertible securities)

Except for issue and allotment of Equity Share as bonus on April 15, 2024 to the existing shareholders, which do not have any impact on the percentage holding of the shareholders since issued on proportionate basis, our Company has not issued any primary / new shares (equity / convertible securities) during the 18 (eighteen) months preceding the date of the Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid up share capital of our Company (calculated based on the pre-Issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

#### The price per share of our Company based on secondary sale / acquisitions of shares (equity / convertible securities)

There have been no secondary sale / acquisitions of Equity Shares or any convertible securities ("Security(ies)"), where the Promoter, members of the Promoter Group or Shareholder(s) having the right to nominate director(s) in the board of directors of our Company are a party to the transaction (excluding gifts), during the 18 (eighteen) months preceding the date of the Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of our Company (calculated based on the pre-Issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

### Weighted average cost of acquisition, floor price and cap price

Type of transactions	WACA (in ₹)	Floor Price (₹ [●])	Cap Price (₹ [●])
Weighted average cost of acquisition for last 18 (eighteen) months preceding the date of the Draft Red Herring Prospectus, where such	NA ^	NA ^	NA ^

Type of transactions	WACA (in ₹)	Floor Price (₹ [●])	Cap Price (₹ [●])
issuance is equal to or more than 5% of the fully diluted paid up share capital of our Company (calculated based on the pre-Issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days			
Weighted average cost of acquisition where the Promoter, members of the Promoter Group or Shareholder(s) having the right to nominate director(s) in the board of directors of our Company are a party to the transaction (excluding gifts), during the 18 (eighteen) months preceding the date of the Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of our Company (calculated based on the pre-Issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.	NA ^	NA ^	NA ^

^ There were no primary issuance / secondary sales / acquisition of shares (equity / convertible securities) transactions in last 18 (eighteen) months prior to the date of the Draft Red Herring Prospectus.

The Issue Price of ₹ [●] has been determined by our Company, in consultation with the BRLM, on the basis of the demand from investors for the Equity Shares through the Book Building Process. Our Company, in consultation with the BRLM, are justified of the Issue Price in view of the above qualitative and quantitative parameters. Investors should read the above-mentioned information along with “Risk Factors”, “Our Business”, “Management Discussion and Analysis of Financial Condition and Revenue from Operations” and “Financial Information” on pages 31, 169, 369 and 244, respectively, to have a more informed view.

The trading price of the Equity Shares could decline due to the factors mentioned in the section titled “Risk Factors” on page 31 and any other factors that may arise in the future and you may lose all or part of your investments.

## STATEMENT OF SPECIAL TAX BENEFITS

Date: June 02, 2024

To,

The Board of Directors  
Quadrant Future Tek Limited  
Village Basma, Tehsil Banur  
Dist. Mohali Punjab-140417

Dear Sir(s):

**Sub: Proposed initial public offering of equity shares of ₹ 10 each (the “Equity Shares”) of Quadrant Future Tek Limited (the “Company” and such offering, the “Issue”)**

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We report that the enclosed statement in Annexure A, states the possible special tax benefits available to the Company and to its shareholders under the applicable tax laws presently in force in India including the Income Act, 1961 (‘Act’), as amended by the Finance Act, 2024 i.e. applicable for FY 2024-25 and AY 2025-26, and other direct tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the Quadrant Future Tek Limited of the Company or its shareholders to derive the stated special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed annexure are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. We are neither suggesting nor advising the investor to invest money based on this statement.

We do not express any opinion or provide any assurance as to whether:

- i) the Company or its shareholders will continue to obtain these benefits in future; or
- ii) the conditions prescribed for availing the benefits have been/would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

The benefits discussed in the enclosed statement are not exhaustive nor are they conclusive. The contents stated in the annexure are based on the information, explanations and representations obtained from the Company.

We hereby give consent to include this statement of tax benefits in the Draft Red Herring Prospectus, Red Herring Prospectus, the Prospectus and submission of this certificate as may be necessary, to the Stock Exchange/ SEBI/ any regulatory authority and/or for the records to be maintained by the Book Running Lead Manager in connection with the Issue and in accordance with applicable law.



Terms capitalized and not defined herein shall have the same meaning as ascribed to them in the Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus.

**Yours sincerely,**

**For SANMARKS & ASSOCIATES  
Chartered Accountants  
ICAI Firm Registration Number:003343N**

**Sd/-  
Santosh Kumar Agrawal  
Partner  
Membership Number: 091127**

Place of Signature: Basma  
Date: June 02, 2024

## Annexure-A

### **ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS**

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholder under the Income Tax Act 1961 (read with the rules, circulars and notifications issued in connection thereto), as amended by the Finance Act, 2024 presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

#### **A. SPECIAL TAX BENEFITS TO THE COMPANY UNDER THE INCOME TAX ACT, 1961 (THE “ACT”)**

The Company is not entitled to any Special tax benefits under the Income Tax Act, 1961 except below

- 1) Total income as per section 115JB (9 of Schedule MAT)

#### **B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS UNDER THE INCOME TAX ACT, 1961 (THE “ACT”)**

The Shareholders of the company are not entitled to any Special tax benefits under the Act.

Notes:

1. *We have not considered the general tax benefits available to the Company, or shareholders of the Company.*
2. *The above is as per the Tax Laws as on date.*
3. *The above Statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of Equity Shares.*
4. *This Statement does not discuss any tax consequences in any country outside India of an investment in the Equity Shares. The subscribers of the Equity Shares in the country other than India are urged to consult their own professional advisers regarding possible income –tax consequences that apply to them.*
5. *No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.*

## SECTION V: ABOUT THE COMPANY

### INDUSTRY OVERVIEW

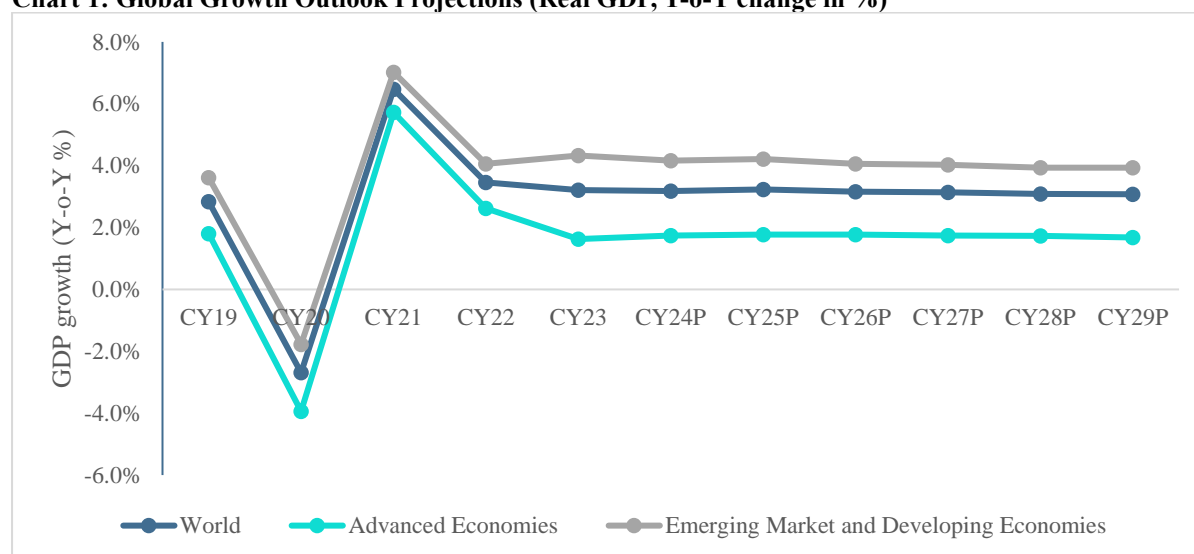
Unless otherwise indicated, the industry and market data contained in this Draft Red Herring Prospectus is derived from the CareEdge Report, which has been prepared exclusively for the purpose of understanding the industry in connection with the Issue and commissioned and paid for by our Company, pursuant to the engagement letter dated October 06, 2023. The CareEdge Report will be on the website of our Company at the following web-link: [www.quadrantfuturetek.com](http://www.quadrantfuturetek.com) from the date of filing the Red Herring Prospectus until the Bid / Issue Closing Date. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CareEdge Report and included herein with respect to any particular year, refers to such information for the relevant calendar year.

#### 1. Economy Outlook

##### a. Global Economy

Global growth, which stood at 3.2% in CY23, is anticipated to maintain this rate throughout CY24 and CY25. The CY24 forecast has been adjusted upwards by 0.1 percentage point compared to the January 2024 World Economic Outlook (WEO) Update, and by 0.3 percentage point compared to the October 2023 WEO. Despite this, the expansion remains historically low, attributed to factors including sustained high borrowing costs, reduced fiscal support, lingering effects of the COVID-19 pandemic and Russia's Ukraine invasion, sluggish productivity growth, and heightened geo-economics fragmentation.

**Chart 1: Global Growth Outlook Projections (Real GDP, Y-o-Y change in %)**



Notes: P-Projection; Source: IMF – World Economic Outlook, April 2024

**Table 1: GDP growth trend comparison - India v/s Other Economies (Real GDP, Y-o-Y change in %)**

	Real GDP (Y-o-Y change in %)									
	CY20	CY21	CY22	CY23	CY24P	CY25P	CY26P	CY27P	CY28P	CY29P
India	-5.8	9.7	7.0	7.8	6.8	6.5	6.5	6.5	6.5	6.5
China	2.2	8.5	3.0	5.2	4.6	4.1	3.8	3.6	3.4	3.3
Indonesia	-2.1	3.7	5.3	5.0	5.0	5.1	5.1	5.1	5.1	5.1
Saudi Arabia	-3.6	5.1	7.5	-0.8	2.6	6.0	4.0	3.5	3.0	3.5
Brazil	-3.3	4.8	3.0	2.9	2.2	2.1	2.1	2.0	2.0	2.0

	Real GDP (Y-o-Y change in %)									
	CY20	CY21	CY22	CY23	CY24 P	CY25 P	CY26 P	CY27 P	CY28 P	CY29 P
Euro Area	-6.1	5.9	3.4	0.4	0.8	1.5	1.4	1.3	1.3	1.2
United States	-2.2	5.8	1.9	2.5	2.7	1.9	2.0	2.1	2.1	2.1

P- Projections; Source: IMF- World Economic Outlook Database (April 2024)

### Advanced Economies Group

Advanced economies are expected to experience a gradual increase in growth, climbing from 1.6 % in CY23 to 1.7% in CY24 and further to 1.8% in CY25. The projection for CY24 has been adjusted upwards by 0.2 percentage points compared to the January CY24 WEO Update, while the forecast for CY25 remains unchanged. This adjustment primarily reflects a revision in US growth, compensating for a slight downward revision in the euro area for CY25.

The **United States** is expected to see growth rise to 2.7% in CY24, followed by a slight slowdown to 1.9% in CY25. This deceleration is attributed to gradual fiscal tightening and labor market softening, which dampen aggregate demand. The CY24 projection has been revised upward by 0.6 percentage points since the January CY24 WEO Update. This revision primarily reflects carryover effects from stronger-than-expected growth in the fourth quarter of CY23, with some of this momentum expected to continue into CY24.

The **Euro Area's** growth is anticipated to rebound from its sluggish rate of 0.4% in CY23, mainly influenced by significant exposure to the conflict in Ukraine. Projections indicate an increase to 0.8% in CY24 and further to 1.5% in CY25. This recovery is driven by stronger household consumption, as the impact of elevated energy prices diminishes and declining inflation bolsters real income growth. Despite a downward revision of 0.3 percentage points for Germany in both CY24 and CY25 due to persistent weak consumer sentiment, this adjustment is largely balanced by upgrades for several smaller economies, including Belgium and Portugal.

### Emerging Market and Developing Economies Group

Emerging markets and developing economies are forecasted to maintain stable growth at 4.2% in both CY24 and CY25. While there's a slowdown expected in emerging and developing Asia, this is counterbalanced by increasing growth in economies across the Middle East, Central Asia, and sub-Saharan Africa. Low-income developing countries are anticipated to experience a gradual growth uptick, starting at 4.0% in CY23 and climbing to 4.7% in CY24 and 5.2% in CY25, as certain constraints on near-term growth begin to ease.

The economic forecast for emerging and developing Asia reveals a modest deceleration in growth, with projections indicating a decline from 5.6% in CY23 to 5.2% in CY24 and 4.9% in CY25. **China's** trajectory reflects a slowdown, transitioning from 5.2% in CY23 to 4.6% in CY24 and 4.1% in CY25 due to fading post-pandemic stimuli and ongoing property sector challenges. In contrast, **India's** growth remains robust, with anticipated rates of 6.8% in CY24 and 6.5% in CY25, bolstered by resilient domestic demand and a burgeoning working-age populace.

The **Indonesian** economy is expected to register growth of 5.0% in CY24 and 5.1% in CY25 with strong domestic demand, a healthy export performance, policy measures, and normalization in commodity prices. In CY22, **Saudi Arabia's** growth slowed to -0.8% in CY23 attributed to lower oil production. CY24 is predicted to see a revamp in the growth rates to 2.6% on account of Vision 2030 reforms that helped advance the country's economic diversification agenda, including through reduced reliance on oil. Going forward, GDP is expected to grow at 6.0% and 4.0% in CY25 and CY26, respectively. On the other hand, **Brazil's** growth is projected to ease to 2.2% in CY24, driven by fiscal consolidation, the lingering impact of tight monetary policies, and reduced contributions from the agricultural sector.

Despite the turmoil in the last 2-3 years, India bears good tidings to become a USD 5 trillion economy by CY27. According to the IMF dataset on Gross Domestic Product (GDP) at current prices, the nominal GDP has been estimated to be at USD 3.6 trillion for CY23 and is projected to reach USD 5.3 trillion by CY27 and USD 6.4 trillion by CY29. India's expected GDP growth rate for coming years is almost double compared to the world economy.

Besides, India stands out as the fastest-growing economy among the major economies. The country is expected to grow at more than 6.5% in the period of CY24-CY29, outshining China's growth rate. By CY27, the Indian

economy is estimated to emerge as the third-largest economy globally, hopping over Japan and Germany. Currently, it is the third-largest economy globally in terms of Purchasing Power Parity (PPP) with a ~7.6% share in the global economy, with China [~18.7%] on the top followed by the United States [~15.6%]. Purchasing Power Parity is an economic performance indicator denoting the relative price of an average basket of goods and services that a household needs for livelihood in each country.

Despite COVID-19's impact, the high inflationary environment and interest rates globally, and the geopolitical tensions in Europe, India has been a major contributor to world economic growth. India is increasingly becoming an open economy as well through growing foreign trade. Despite global inflation and uncertainties, the Indian economy continues to show resilience. This resilience is mainly supported stable financial sector backed by well-capitalized banks and the export of services in the trade balance. With this, the growth of the Indian economy is expected to fare better than other economies majorly on account of strong investment activity bolstered by the government's capex push and buoyant private consumption, particularly among higher-income earners.

## **b. Indian Economic Outlook**

### **i. GDP Growth and Outlook**

#### **Resilience to External Shocks remains Critical for Near-Term Outlook**

India's real GDP grew by 7.0% in FY23 and stood at ~Rs. 161 trillion despite the pandemic in previous years and geopolitical Russia-Ukraine spillovers. In Q1FY24, the economic growth accelerated to 8.2%. The manufacturing sector maintained an encouraging pace of growth, given the favorable demand conditions and lower input prices. The growth was supplemented by a supportive base alongside robust services and construction activities. This momentum remained in the range in Q2FY24 with GDP growth at 8.1%, mainly supported by an acceleration in investments. However, private consumption growth was muted due to weak rural demand and some moderation in urban demand amid elevated inflationary pressures in Q2FY24.

India's GDP at constant prices surged to Rs. 43.72 trillion in Q3FY24 from Rs. 40.35 trillion in Q3FY23, marking an 8.4% growth rate. This upswing was fuelled by robust performances in construction, mining & quarrying, and manufacturing sectors and investment drove the GDP growth, while both private and government consumption remained subdued. In 9MFY24, GDP surged by 8.2% to Rs. 126 trillion compared to 7.3% in the previous year largely due to an increase in investments and growth in domestic demand (investment growth increased 10.6% y-o-y while private consumption was 3.5% higher).

Real GDP in the year FY24 is estimated to grow at 7.6% at Rs. 172.90 trillion as per the second advance estimate of the Ministry of Statistics and Programme Implementation. It is expected that domestic demand, especially investment, to be the main driver of growth in India, amid sustained levels of business and consumer confidence.

#### **GDP Growth Outlook**

- Driven by resilience in urban demand and the front loading of the government's capital expenditure, the H1FY24 witnessed strong growth. Thereafter Q3 was propelled by strong performances in sectors like construction, mining & quarrying, and manufacturing.
- The recent announcements of various relief measures such as LPG price reduction and extension of Pradhan Mantri Garib Kalyan Anna Yojna (PMGKAY) are expected to provide some cushion and so far, investment demand has remained robust. However, there could be some moderation in H2FY24 as both the government and private sector may restrain their capital spending ahead of the general elections. Despite some expected moderation in the H2FY24, India's overall GDP growth for FY24 is expected to remain on a firm footing. In terms of fiscal deficit for the year, the Finance Ministry has estimated it to be at 5.1% of GDP.
- Strong credit growth, resilient financial markets, and the government's continual push for capital spending and infrastructure are likely to create a compatible environment for investments. In the Interim Budget 2024-25, significant emphasis is placed on infrastructure development with an increased capital expenditure outlay of Rs. 11,11,111 crores, amounting to 3.4% of the GDP.
- External demand is likely to remain subdued with a slowdown in global activities, thereby indicating adverse implications for exports. Additionally, heightened inflationary pressures and resultant policy tightening may pose a risk to the growth potential.

Before the Interim Budget, in December 2023, the RBI in its bi-monthly monetary policy meeting estimated a real GDP growth of 7% y-o-y for FY24 comparatively lower than MoSPI's estimate of 7.6%.

**Table 2: RBI's GDP Growth Outlook (Y-o-Y %)**

FY25P (complete year)	Q4FY24P	Q1FY25P	Q2FY25P	Q3FY25P	Q4FY25P
7.0%	6.5%	7.2%	6.8%	7.0%	6.9%

Note: P-Projected; Source: Reserve Bank of India

## ii. Gross Value Added (GVA)

Gross Value Added (GVA) is the measure of the value of goods and services produced in an economy. GVA gives a picture of the supply side whereas GDP represents consumption.

### Industry and Services sector leading the recovery charge

- The gap between GDP and GVA growth turned positive in FY22 (after a gap of two years) due to robust tax collections. Of the three major sector heads, the service sector has been the fastest-growing sector in the last 5 years.
- The **agriculture sector** was holding growth momentum till FY18. In FY19, the acreage for the rabi crop was marginally lower than the previous year which affected the agricultural performance. Whereas FY20 witnessed growth on account of improved production. During the pandemic-impacted period of FY21, the agriculture sector was largely insulated as timely and proactive exemptions from COVID-induced lockdowns to the sector facilitated uninterrupted harvesting of rabi crops and sowing of kharif crops. However, supply chain disruptions impacted the flow of agricultural goods leading to high food inflation and adverse initial impact on some major agricultural exports. However, performance remained steady in FY22.

In FY23, the agriculture sector performed well despite weather-related disruptions, such as uneven monsoon and unseasonal rainfall, impacting yields of some major crops, and clocked a growth of 4% y-o-y, garnering Rs. 22.3 trillion.

In Q1FY24, this sector expanded at a slower pace of 3.5% y-o-y growth compared to y-o-y growth a quarter ago. This further stumbled to 1.2% in Q2FY24. Further, it experienced a contraction of 0.8% in Q3, leading to expectations of a modest 0.7% rise for the full year, contrasting sharply with the 4.7% growth recorded in FY23. In the Interim Budget 2024-25, the government plans to boost private and public investment in post-harvest activities and expand the application of Nano-DAP across agro-climatic zones. Strategies for self-reliance in oilseeds and dairy development are to be formulated, alongside ramping up the Pradhan Mantri Matsya Sampada Yojana and establishing Integrated Aquaparks. Allocation for PM-Formalisation of Micro Food Processing Enterprises scheme has increased from Rs. 639 in FY24 to Rs. 880 crores in FY25.

Going forward, rising bank credit to the sector and increased exports will be the drivers for the agriculture sector. However, deficient rainfall may have an impact on the reservoir level, weighing on the prospects of Kharif sowing. Considering these factors, the agriculture sector is estimated to attain Rs. 22.7 trillion and mark 1.8% y-o-y growth for the complete FY24.

- The **industrial sector** witnessed a CAGR of 4.7% for the period FY16 to FY19. From March 2020 onwards, the nationwide lockdown due to the pandemic significantly impacted industrial activities. In FY20 and FY21, this sector felt turbulence due to the pandemic and recorded a decline of 1.4% and 0.9%, respectively, on a y-o-y basis. With the opening up of the economy and resumption of industrial activities, it registered 11.6% y-o-y growth in FY22, albeit on a lower base.

The industrial output in FY23 grew by 4.4% with an estimated value of Rs. 45.2 trillion owing to a rebound in manufacturing activities and healthy growth in the construction sector.

The industrial sector grew by 5.5% in Q1FY24, while Q2FY24 growth was up by 13.2% owing to positive business optimism and strong growth in new orders supported manufacturing output. The industrial growth was mainly supported by sustained momentum in the manufacturing and construction sectors. Within manufacturing, industries such as pharma, motor vehicles, metals, petroleum, and pharma witnessed higher

production growth during the quarter. The construction sector (13% growth in Q2FY24) benefited from poor rainfall during August and September and higher implementation of infrastructure projects. This was reflected in robust cement and steel production and power demand in Q2FY24. Overall, H1FY24 picked up by 9.3% with manufacturing and construction activities witnessing significant acceleration. In Q3FY24, growth rate slowed down to 10.4%.

India's industrial sector is experiencing strong growth, driven by significant expansion in manufacturing, mining, and construction. This growth is supported by positive business sentiment, declining commodity prices, beneficial government policies like production-linked incentive schemes, and efforts to boost infrastructure development. These factors collectively contribute to the sustained buoyancy in industrial growth due to which the industrial growth is estimated at 7.9% on a y-o-y basis registering the value of Rs. 48.9 trillion in FY24.

- The **Services sector** recorded a CAGR of 7.1% for the period FY16 to FY20, which was led by trade, hotels, transport, communication, and services related to broadcasting, finance, real estate, and professional services. This sector was the hardest hit by the pandemic and registered an 8.2% y-o-y decline in FY21. The easing of restrictions aided a fast rebound in this sector, with 8.8% y-o-y growth witnessed in FY22.

Overall, in FY23, benefitting from the pent-up demand, the service sector was valued at Rs. 20.6 trillion and registered growth of 9.5% y-o-y.

In Q1FY24, the services sector growth jumped to 10.3%. Within services, there was a broad-based improvement in growth across different sub-sectors. However, the sharpest jump was seen in financial, real estate, and professional services. Trade, hotels, and transport sub-sectors expanded at a healthy pace gaining from strength in discretionary demand. The service sector growth in Q2FY24 moderated to 5.8% partly due to the normalization of the base effect and some possible dilution in discretionary demand. Considering these factors, the service sector marked an 8% growth in H1FY24. In Q3FY24 growth slowed to 6.7% compared to 9.7% last year in the same quarter.

With this performance, steady growth in various service sector indicators like air passenger traffic, port cargo traffic, GST collections, and retail credit are expected to support the services sector. With this, the growth of the service sector is estimated at Rs. 86.2 trillion registering 7.7% growth in FY24 overall.

**Table 3: Sectoral Growth (Y-o-Y % Growth) - at Constant Prices**

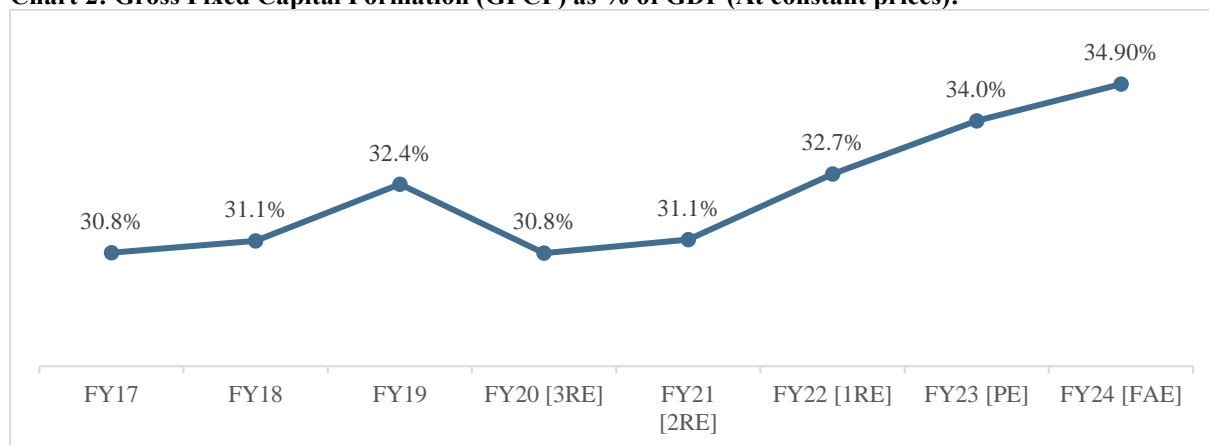
At constant Prices	FY19	FY20	FY21	FY22 (FRE)	FY23 (PE)	FY24 (FAE)
<b>Agriculture, Forestry &amp; Fishing</b>	<b>2.1</b>	<b>6.2</b>	<b>4.1</b>	<b>3.5</b>	<b>4.0</b>	<b>1.8</b>
<b>Industry</b>	<b>5.3</b>	<b>-1.4</b>	<b>-0.9</b>	<b>11.6</b>	<b>4.4</b>	<b>7.9</b>
Mining & Quarrying	-0.9	-3.0	-8.6	7.1	4.6	8.1
Manufacturing	5.4	-3.0	2.9	11.1	1.3	6.5
Electricity, Gas, Water Supply & Other Utility Services	7.9	2.3	-4.3	9.9	9.0	8.3
Construction	6.5	1.6	-5.7	14.8	10.0	10.7
<b>Services</b>	<b>7.2</b>	<b>6.4</b>	<b>-8.2</b>	<b>8.8</b>	<b>9.5</b>	<b>7.7</b>
Trade, Hotels, Transport, Communication & Broadcasting	7.2	6.0	-19.7	13.8	14.0	6.3
Financial, Real Estate & Professional Services	7.0	6.8	2.1	4.7	7.2	8.9
Public Administration, Defence, and Other Services	7.5	6.6	-7.6	9.7	7.2	7.7
<b>GVA at Basic Price</b>	<b>5.8</b>	<b>3.9</b>	<b>-4.2</b>	<b>8.8</b>	<b>7.0</b>	<b>6.9</b>

Note: FRE – First Revised Estimates, PE – Provisional Estimate, FAE – First Advance Estimate; Source: MOSPI

### iii. Investment Trend in Infrastructure

Gross Fixed Capital Formation (GFCF), which is a measure of the net increase in physical assets, witnessed an improvement in FY22. As a proportion of GDP, it is estimated to be at 32.7%, which is the second-highest level in 7 years (since FY15). In FY23, the ratio of investment (GFCF) to GDP climbed up to its highest in the last decade at 34%. Continuing in its growth trend, this ratio is expected to reach 34.9% in FY24.

**Chart 2: Gross Fixed Capital Formation (GFCF) as % of GDP (At constant prices):**



Note: 3RE – Third Revised Estimate, 2RE – Second Revised Estimates, 1RE – First Revised Estimates, PE – Provisional Estimate, FAE-First Advance Estimate; Source: MOSPI

Overall, the support of public investment in infrastructure is likely to gain traction due to initiatives such as Atmanirbhar Bharat, Make in India, and the Production-linked Incentive (PLI) scheme announced across various sectors.

#### iv. Industrial Growth

##### Improved Core and Capital Goods Sectors helped IIP Growth Momentum

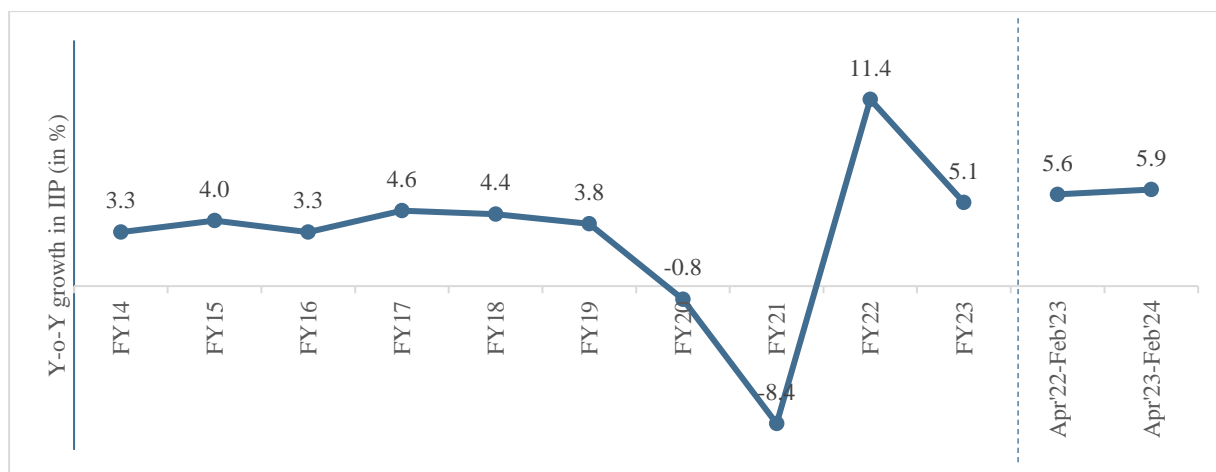
The Index of Industrial Production (IIP) is an index to track manufacturing activity in an economy. On a cumulative basis, IIP grew by 11.4% y-o-y in FY22 post declining by 0.8% y-o-y and 8.4% y-o-y, respectively, in FY20 and FY21. This high growth was mainly backed by a low base of FY21. FY22 IIP was higher when compared with the pre-pandemic level of FY20, indicating that economic recovery was underway.

During FY23, the industrial output recorded a growth of 5.1% y-o-y supported by a favorable base and a rebound in economic activities. In the period April 2023 – February 2024, industrial output grew by 5.9% compared to the 5.6% growth in the corresponding period last year. For the month of February 2024, the IIP growth slowed down to 5.7% compared to the last year's 6%, primarily on account of a normalization of the base.

So far in the current fiscal, while the infrastructure-related sectors have been doing well, slowing global growth and unrest in the Middle East have posed a challenge for industrial activity. Though the continued moderation in inflationary pressure offers some comfort, pain points in the form of elevated prices of select food items continue to persist.

**Chart 3: Y-o-Y growth in IIP (in %)**





Source: MOSPI

#### v. Consumer Price Index

India's consumer price index (CPI), which tracks retail price inflation, stood at an average of 5.5% in FY22 which was within RBI's targeted tolerance band of 6%. However, consumer inflation started to upswing from October 2021 onwards and reached a tolerance level of 6% in January 2022. Following this, CPI reached 6.9% in March 2022.

CPI remained elevated at an average of 6.7% in FY23, above the RBI's tolerance level. However, there was some respite toward the end of the fiscal wherein the retail inflation stood at 5.7% in March 2023, tracing back to the RBI's tolerance band. Apart from a favorable base effect, the relief in retail inflation came from a moderation in food inflation.

In FY24, the CPI moderated for two consecutive months to 4.7% in April 2023 and 4.3% in May 2023. This trend snapped in June 2023 with CPI rising to 4.9%. In July 2023, the CPI had reached its highest point at 7.4%, this was largely due to an increase in food prices. The notable surge in vegetable prices and other food categories such as cereals, pulses, spices, and milk have driven this increase. In August 2023, the food inflation witnessed some moderation owing to the government's active intervention. This was further moderated for a second consecutive month in September 2023 to 5%, led by a sharp correction in vegetable prices and lower LPG prices. Helped by deflation in the fuel and light category, the retail inflation in October 2023 softened at 4.9%. This trend reversed in November 2023 due to a spike in certain vegetable prices as well as sticky inflation in non-perishable food items such as cereals, pulses, and spices and the CPI rose to 5.6%. In the month of December 2023, elevated food prices and an unfavorable base drove headline inflation to a four-month peak of 5.7%. However, in the months of January and February, food prices softened and inflation was reported at 5.1% for both months. March witnessed further softening of prices registering 4.9% growth. For the full Financial year 2024, inflation moderated to 5.4% which is within the boundaries set of 2% to 6% by the RBI.

While the consistent decrease in core inflation due to falling commodity prices and diminishing demand-side pressures is encouraging, the ongoing high food inflation due to rising mercury levels could pose a significant risk worth monitoring. Despite these concerns, the favourable base effect throughout Q4FY24 the expected easing of food price pressures, and Government's support could help mitigate inflation risks.

**Chart 4: Retail Price Inflation in terms of index and Y-o-Y Growth in % (Base: 2011-12=100)**

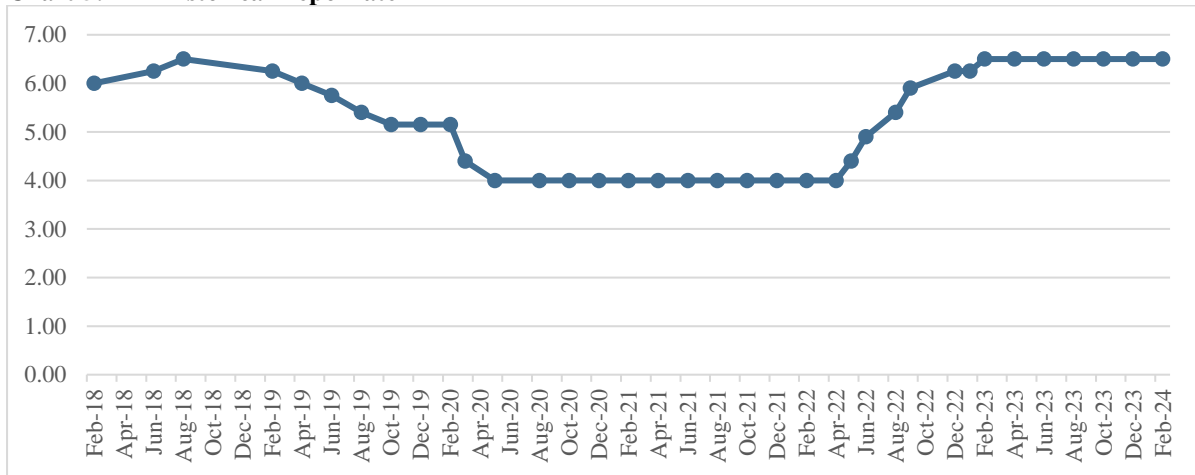


Source: MOSPI

The CPI is primarily factored in by RBI while preparing their bi-monthly monetary policy. At the bi-monthly meeting held in December 2023, RBI projected inflation at 5.4% for FY24 with inflation during Q3FY24 at 5.6%, Q4FY24 at 5.2%, while for FY25 it is pegged at 4.5%, and in Q1FY25 at 5.0%, Q2FY25 at 4.0%, Q3FY25 at 4.6% and Q4FY25 at 4.7%.

The RBI has increased the repo rates with the rise in inflation in the past year from 4% in April 2022 to 6.5% in January 2023. Considering the current inflation situation, RBI has kept the repo rate unchanged at 6.5% in the last five meetings of the Monetary Policy Committee.

**Chart 5: RBI historical Repo Rate**



Source: RBI

In a meeting held in February 2024, RBI also maintained the liquidity adjustment facility (LAF) corridor by adjusting the standing deposit facility (SDF) rate of 6.25% as the floor and the marginal standing facility (MSF) at the upper end of the band at 6.75%.

Further, the central bank continued to remain focused on the withdrawal of its accommodative stance. With domestic economic activities gaining traction, RBI has shifted gears to prioritize controlling inflation. While RBI has paused on the policy rate front, it has also strongly reiterated its commitment to bringing down inflation close to its medium-term target of 4%. Given the uncertain global environment and lingering risks to inflation, the Central Bank has kept the window open for further monetary policy tightening in the future, if required.

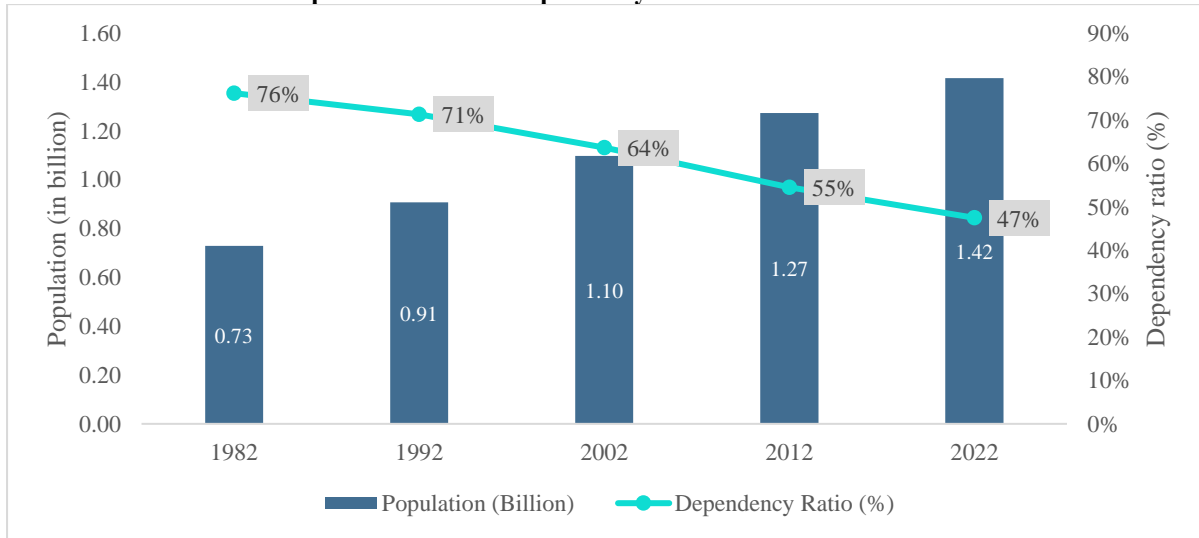
**vi. Overview of Key Demographic Parameters**

- **Population growth and Urbanization**

The trajectory of economic growth of India and private consumption is driven by socio-economic factors such as demographics and urbanization. According to the World Bank, India’s population in 2022 surpassed 1.42 billion slightly higher than China’s population of 1.41 billion, and became the most populous country in the world.

Age Dependency Ratio is the ratio of dependents to the working age population, i.e., 15 to 64 years, wherein dependents are population younger than 15 and older than 64. This ratio has been on a declining trend. It was as high as 76% in 1982, which has reduced to 47% in 2022. Declining dependency means the country has an improving share of the working-age population generating income, which is a good sign for the economy.

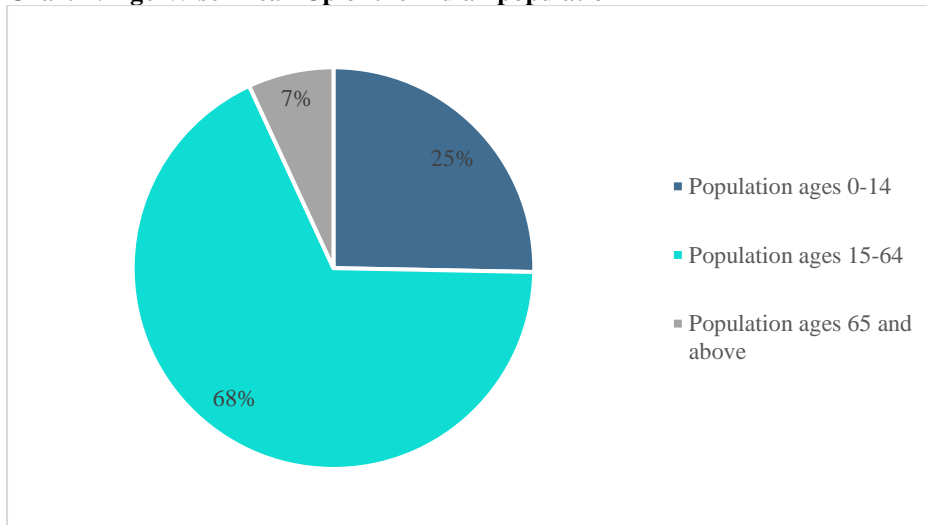
**Chart 6: Trend of India Population vis-à-vis dependency ratio**



Source: World Bank Database

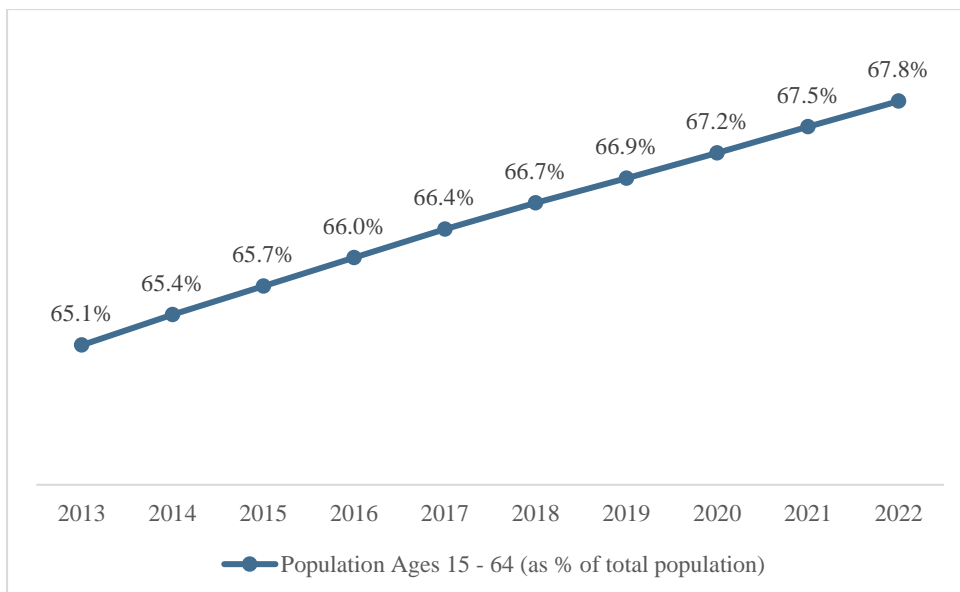
With an average age of 29, India has one of the youngest populations globally. With vast resources of young citizens entering the workforce every year, it is expected to create a ‘demographic dividend’. India is home to a fifth of the world’s youth demographic and this population advantage will play a critical role in economic growth.

**Chart 7: Age-Wise Break Up of the Indian population**



Source: World Bank Database

**Chart 8: Yearly Trend - Young Population as % of Total Population**

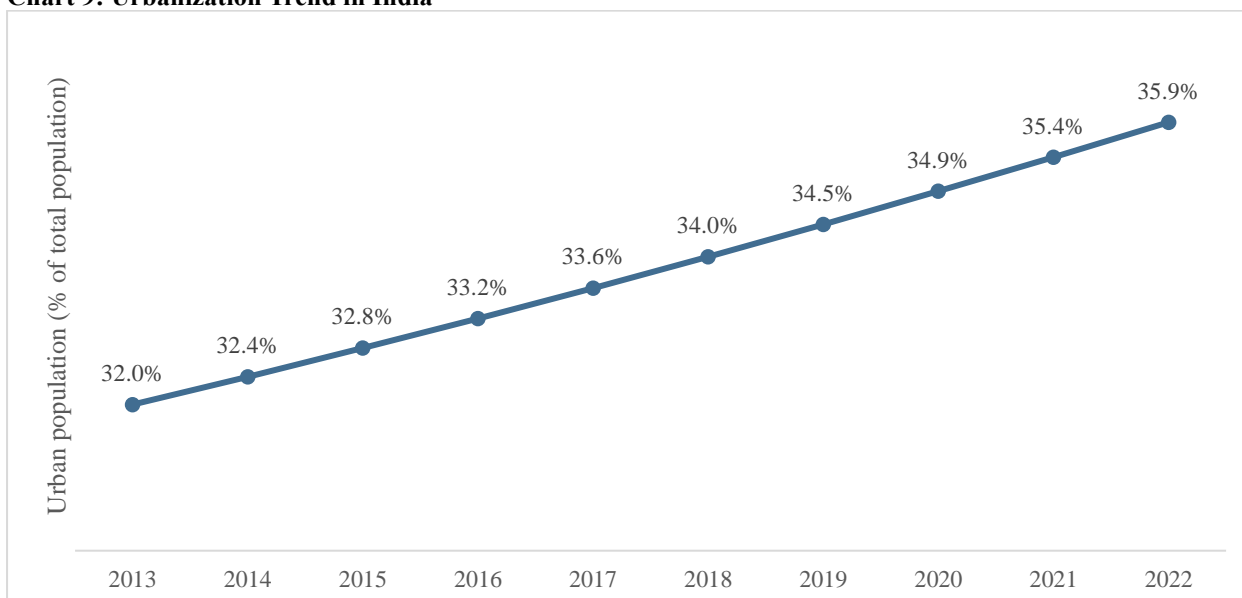


Source: World Bank database

- **Urbanization**

The urban population is significantly growing in India. The urban population in India is estimated to have increased from 403 million (31.6% of total population) in 2012 to 508 million (35.9% of total population) in the year 2022. People living in Tier-2 and Tier-3 cities have greater purchasing power.

**Chart 9: Urbanization Trend in India**



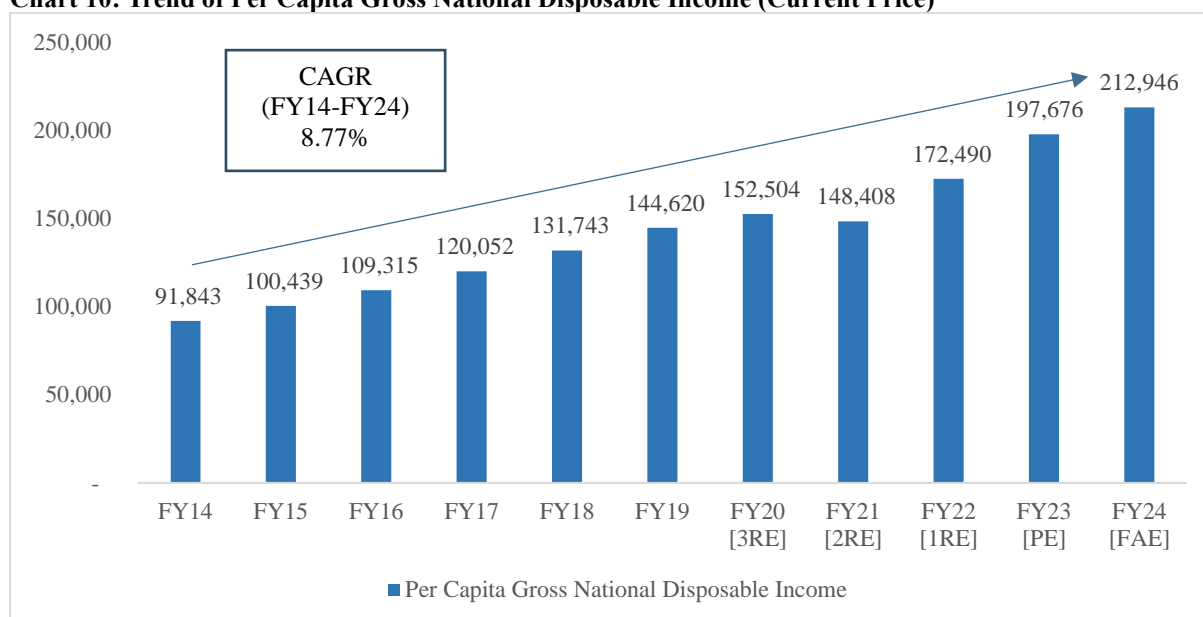
Source: World Bank Database

- **Increasing Per Capita Disposable Income**

Gross National Disposable Income (GNDI) is a measure of the income available to the nation for final consumption and gross savings. Between the period FY14 to FY24, per capita GNDI at current prices registered a CAGR of 8.77%. More disposable income drives more consumption, thereby driving economic growth.

The chart below depicts the trend of per capita GNDI in the past decade:

**Chart 10: Trend of Per Capita Gross National Disposable Income (Current Price)**

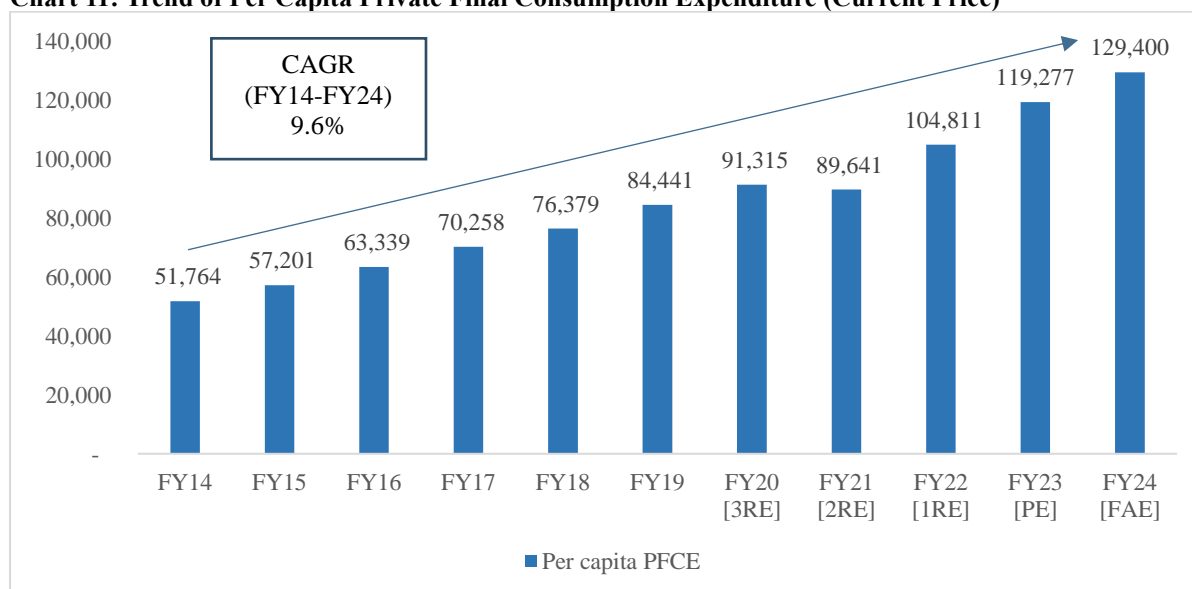


Note: 3RE – Third Revised Estimate, 2RE – Second Revised Estimates, 1RE – First Revised Estimates, PE – Provisional Estimate; Source: MOSPI

• **Increase in Consumer Spending**

With the increase in disposable income, there has been a gradual change in consumer spending behavior as well. Private Final Consumption Expenditure (PFCE) which is a measure of consumer spending has also showcased significant growth in the past decade at a CAGR of 9.6%. The following chart depicts the trend of per capita PFCE at current prices:

**Chart 11: Trend of Per Capita Private Final Consumption Expenditure (Current Price)**



Source: MOSPI

**vii. Concluding Remarks**

The major headwinds to global economic growth are escalating geopolitical tensions, volatile global commodity prices, and a shortage of key inputs. Despite the global economic growth uncertainties, the Indian economy is relatively better placed in terms of GDP growth compared to other emerging economies. According to IMF’s forecast, it is expected to be 6.8% in CY24 compared to the world GDP growth projection of 3.2%. The bright

spots for the economy are continued healthy domestic demand, support from the government towards capital expenditure, moderating inflation, investments in technology, and improving business confidence.

Likewise, several high-frequency growth indicators including the purchasing managers index, auto sales, bank credit, and GST collections have shown improvement in FY23. Moreover, normalizing the employment situation after the opening up of the economy is expected to improve and provide support to consumption expenditure.

The India Meteorological Department (IMD) has made a significant forecast, predicting "above normal" rainfall for the upcoming monsoon season, marking the first time in a decade that such an optimistic outlook has been declared at the initial stage. This forecast, coupled with an anticipated eight-year-high rainfall, offers promising prospects for the agrarian economy and inflation. The weakening of El Nino to a neutral stage in the early monsoon season, followed by the likely development of La Nina conditions in the later part, adds to the positive outlook. El Nino typically leads to suppressed rainfall during the Indian monsoon, whereas La Nina tends to enhance rainfall activity. IMD's more optimistic prediction is expected to bolster agricultural growth and incomes, while also potentially alleviating stubborn food inflation pressures.

At the same time, public investment is expected to exhibit healthy growth as the government has allocated a strong capital expenditure of about Rs. 11.11 lakh crores for FY25. The private sector's intent to invest is also showing improvement as per the data announced on new project investments. However, volatile commodity prices and economic uncertainties emanating from global turbulence may slow down the improvement in private CapEx and investment cycle.

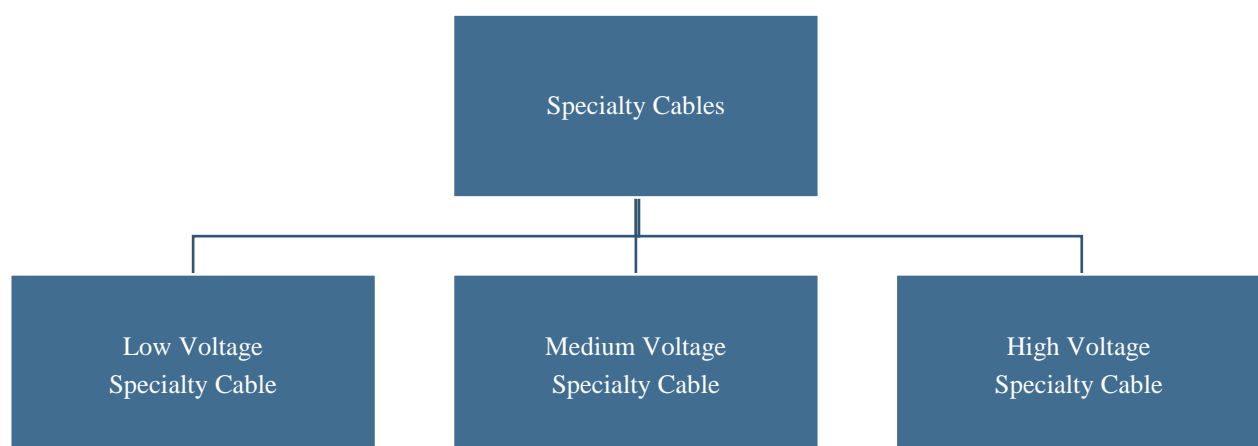
## 2. Indian Specialty Power Cables Industry

### a. Overview

Cable is a conductor used for transmitting electric power or telecommunication signals from one place to another. A regular power cable can be used for standard applications which are compatible with most equipment and setups. Sometimes, these regular power cables cannot quite fit the requirements of special applications. Engineers and Designers often need to meet the specific requirements which are well suited by specialty power cables. Specialty cables have unique properties and special structures which are specifically designed for more industrial applications like railways, defence, automobiles etc.

Evidently, with technology expanding rapidly worldwide, connectivity is a priority. Also, there is a growing demand for a wide range of cables given the increasing traffic on communication and power networks. Such rising network traffic needs specialty cables with cutting-edge coatings and cabling materials, resistant to radiation, chemicals, abrasion, high temperature, vibration, and shock.

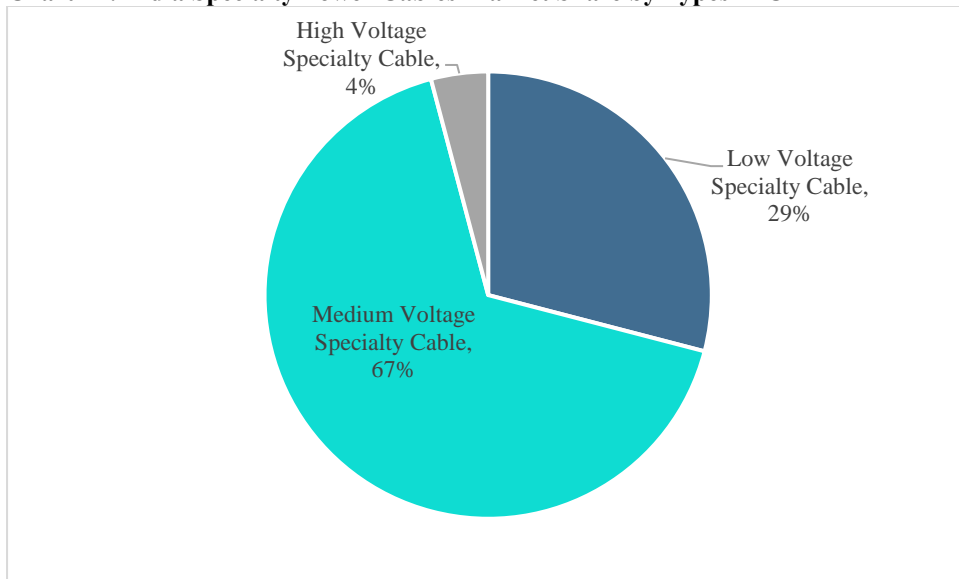
Based on voltages, specialty cables can be classified into three categories. The same is depicted in figure below:



- **Low Voltage Specialty Cable** - Low Voltage Specialty Cable refers to power cables with voltage levels below 6kV, used in low-voltage power distribution systems or industrial installations.
- **Medium Voltage Specialty Cable** - Medium Voltage Specialty Cable refers to power cables of rated voltage between 6kV and 30kV, usually used to transmit medium voltage power. Medium voltage cables usually consist of one or more copper or aluminium conductors, insulation, sheathing, and other accessories. Medium voltage cables have vast applications, covering many fields such as urban power distribution, rural power grids, mining power systems, and rail transit systems.
- **High Voltage Specialty Cable** - High Voltage Specialty Cable refers to power cables with a rated voltage greater than 30kV. High-voltage cables are mainly used for burial, which can resist high-intensity pressure on the ground and prevent damage caused by other external forces.

In terms of market share, with wide application field, medium voltage speciality cable held a major share of about 67% in CY22, followed by low voltage speciality cable (29%) and high voltage speciality cable (4%).

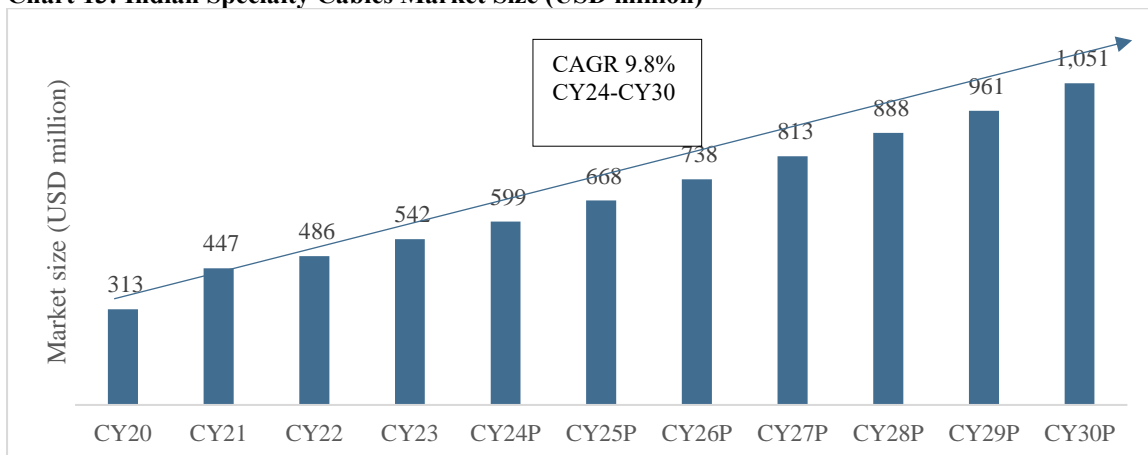
**Chart 12: India Specialty Power Cables Market Share by Types in CY22**



Source: Maia Research; CareEdge Research

The domestic market size of specialty cables was valued at USD 542 million in CY23 which is expected to reach USD 599 million in CY24. For the projected period CY24-CY30, the market is forecasted to register a CAGR of 9.8%. This is attributed to infrastructural developments in the country. Accordingly, 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.

**Chart 13: Indian Specialty Cables Market Size (USD million)**



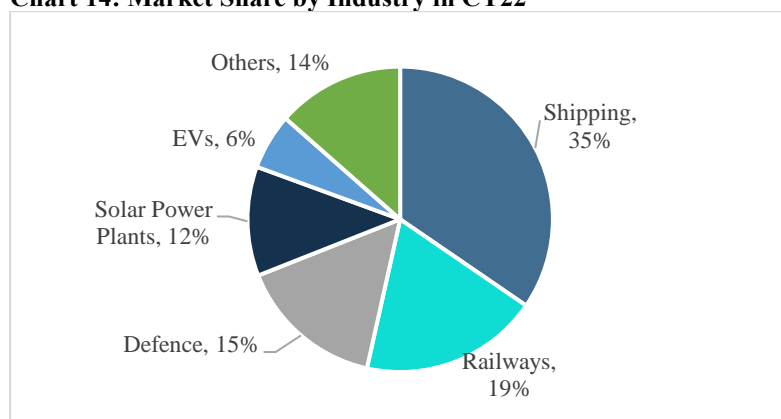
Source: Maia Research; CareEdge Research

Specialty cables are used across an extensive range of applications like railway, defence, shipping, electric vehicle, solar and others. Growing inclination towards the expansion and developments in these segments bodes well for specialty cables industry. Moreover, increasing investment in metro railways and smart grid projects, increasing awareness about the potential of renewable power and significant increase in adoption of renewable energy are also estimated to propel growth of specialty power cable market.

### b. Market Analysis by Industry Application

Specialty cables have applications in areas where safety concerns are imperative, critical circuits are required, and special capabilities are needed in engineering and configuration. In this regard, shipbuilding, railways, defence, renewable energy, and electric vehicles are some of the key segments where specialty cables are used. The market share in terms of application in CY22 included a major share from the shipping industry (35%), followed by railways (19%), defence (15%), solar (12%), electric vehicles (EVs) (6%), and remaining segments (14%).

**Chart 14: Market Share by Industry in CY22**



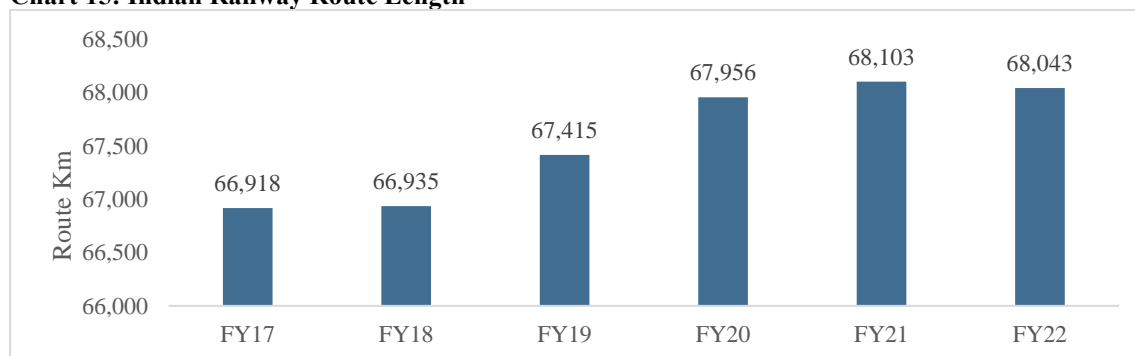
Source: Maia Research; CareEdge Research

### i. Railways

The railway sector is consistently evolving. Railways is one of the key consumer segments in the specialty cable industry. Wherein, specialty cables are used in signalling and control system, power supply and communication system. Among the rail transit cables, specialty cables with DC tractions, flame-retardant, fire-resistance, green environment friendly and self-temperature control cables are used in railway construction. The rail transit construction has an extensive impact on the specialty cable industry. Moreover, the railway sector has been the recipient of more than Rs. 1 lakh crore investment allocation in the previous three budgets, with the government focusing on improving connectivity across the country.

Further, 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. Of this, 5,243 km was achieved during FY23 compared to 2,909 km during FY22.

**Chart 15: Indian Railway Route Length**



Source: Indian Rail Yearbook



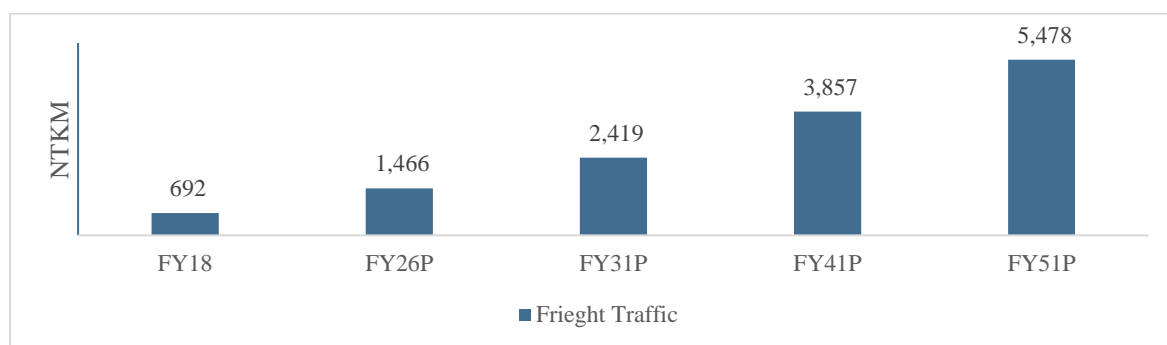
Further, as of April 2022, across the Indian Railways, 452 railway projects (183 New Lines, 42 Gauge Conversion and 227 Doubling) of total length 49,323 Km, costing approx. Rs 7.33 lakh crore are in different stages of planning/sanction/execution, of this, 11,518 Km length have been commissioned and an expenditure of approx. 2.35 lakh crore has been incurred up to March, 2022.

Moreover, it is essential to strengthen the rail network and build efficient warehouses to improve the share of freight traffic by rail. In CY20, the Indian Railways established a ‘**National Rail Plan (NRP) for India – 2030**’. This plan is aimed at formulating strategies based on both operational capacities and commercial policy initiatives to increase the modal share of the railways in freight to 45% by CY30. This is anticipated to support **freight traffic** increase in the coming years.

Accordingly, a pipeline of capacity enhancement work was envisaged for easing the bottleneck/constraints and augmenting the network to make it capable of moving 3600 MT of cargo by 2030. For which, ‘**Mission 3000MT**’ has been formulated as an intermediate milestone toward achieving the aforesaid ambitious target of NRP.

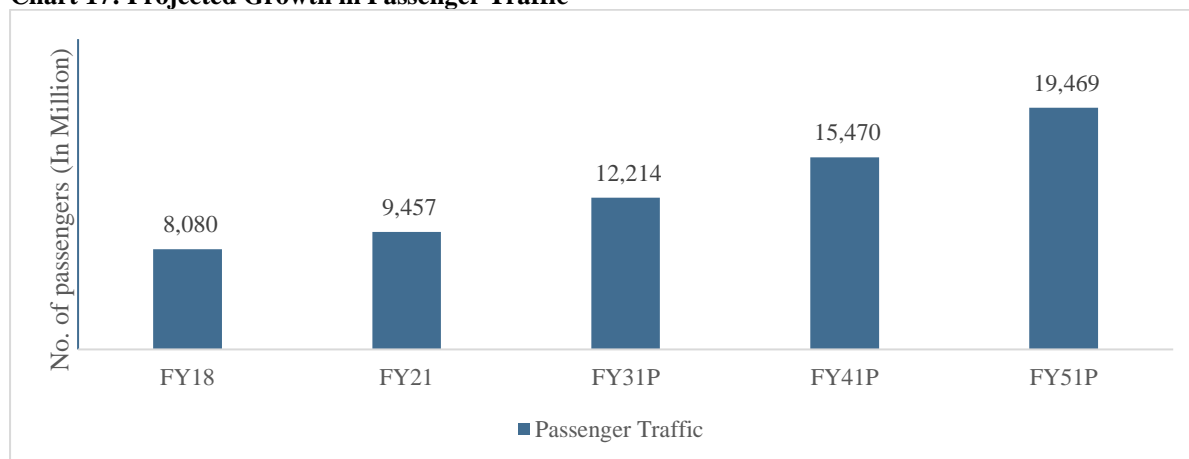
Similarly, the **passenger traffic** is expected to grow at a CAGR of 2.6% between FY21 and FY31, driven by population growth and a growing workforce.

**Chart 16: Projected Growth in Freight Traffic**



Note: P-Projected; Source: Indian Railways, National Railway Plan

**Chart 17: Projected Growth in Passenger Traffic**



Note: P-Projected; Source: Indian Railways, National Railway Plan

Such growing demand from freight traffic and passenger traffic is expected to source additional rolling stock to cater to the rising volume. The requirement for locomotive is projected to increase from 12.63 thousand in FY18 to 47.02 in FY51 and the requirement for wagons is anticipated to grow from 2.8 lakhs in FY18 to 10.62 lakhs in FY51.

**Table 4: Projected Growth in Locomotive and Wagons Requirement**

Particulars	FY18	FY26P	FY31P	FY41P	FY51P
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No. of Locomotive Required (in thousands)	12.63	17.8	21.74	32.58	47.02
No. of Wagons Required (in lakhs)	2.8	4.07	5.44	7.77	10.62

Source: Indian Railways, National Railway Plan

Indian Railways is rapidly progressing to accomplish **Mission 100 Percent Electrification** and become the largest green railway network in the world. A historic 6,542 RKM have been achieved during FY23, registering an increase of 2.76% from FY22. The previous highest electrification was 6,366 RKM during FY22. It also plans to become a net zero carbon emitter by CY30 as part of the country's strategy to combat climate change. Whereas it plans to source 1,000 MW of solar power and 200 MW of wind power across zonal railway and production units.

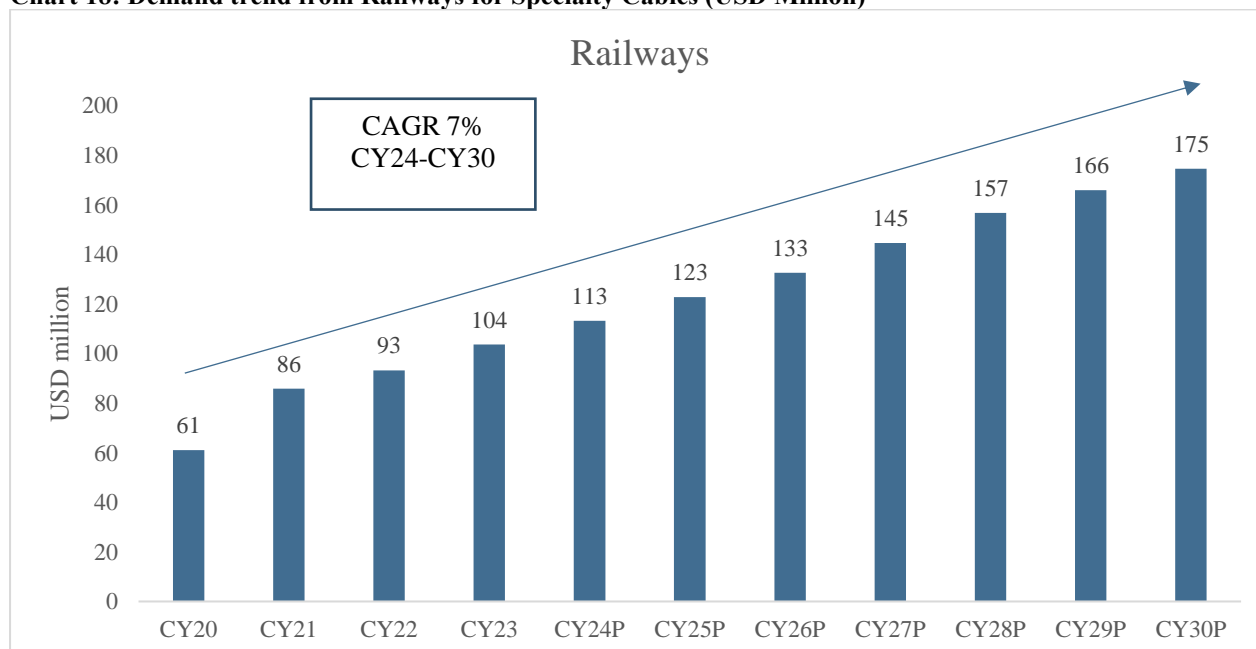
Further, **Automatic Block Signalling** is a cost-effective solution to increase the line capacity to run more trains on the existing High-Density Routes of Indian Railways. During FY24, Indian Railways have upgraded 582 Kms with automatic signalling as compared to 530 Kms during FY23, registering an increase of 10%. It is also the best figure achieved in automatic signalling in the history of Indian Railways.

Similarly, **Electronic Interlocking** is being adopted on a large scale to derive benefits of digital technologies in train operation and to enhance safety. During FY24, 551 stations were provided with Electronic Interlocking as compared to 538 stations during FY23, an increase of 2%.

Furthermore, the Indian government is focusing on operating more semi-high-speed trains. The production plans of trains like **Vande Bharat** are already on the rise. There are about 34 Vande Bharat trains serving passengers across the states and union territories. Out of which, 9 trains were added recently in September 2023. India's first-ever indigenously designed and manufactured semi-high speed Vande Bharat trains have provided a modern and comfortable rail travel experience to passengers. High Speed, enhanced Safety standards, and world-class service are the hallmarks of this train.

Moreover, as of August 2023, Rs. 1,343.7 crore fund has been utilised for manufacturing Vande Bharat trains. The introduction of trains, including Vande Bharat services, is an ongoing process on Indian Railways subject to operational feasibility and traffic justification. This bodes well for the specialty cable industry in the coming years.

**Chart 18: Demand trend from Railways for Specialty Cables (USD Million)**



Source: Maia Research; CareEdge Research

The contribution from the railway segment in the specialty cable market was valued at USD 104 million in CY23 which is expected to reach USD 113 million registering a 9% y-o-y growth in CY24. For the forecast period CY24-CY30, the segment contribution is anticipated to grow at 7% CAGR. The Government of India has

identified railways as a key focus area to boost GDP and make India more export competitive by reducing freight costs. This augurs well for the specialty cables industry overall.

## ii. Defence

Military strength plays a decisive role in national development. The development of military power is inseparable from high-tech equipment, requiring a large number of high-temperature-resistant, lightweight fluorine containing plastic products which is supporting the rapid demand growth for special cables. Military and defence wires and cables are divided into coaxial cables, optical fiber cables, power cables, marine cables, multi-core cables, shielded cables, etc.

Military special cables also play an important role in the scientific research of military equipment. Therefore, specialty power cables are a key component in the defence field. For instance, in Navy, the applicability of specialty cables is largely for pressure-tight underwater applications and shore supplies.

For FY25, the Ministry of Defence has been allocated a total Budget (Revenue + Capital) of Rs. 6.21 lakh crore, from which, capital outlay pertaining to capital acquisition is 1.72 lakh crore roughly.

**Table 5: Budgetary Outlay toward Defence (Rs. In Crore)**

Particulars	FY21 (A)	FY22 (A)	FY23 (A)	FY24 (R)	FY25 (B)
<b>Total Capital Outlay</b>	<b>1,34,305</b>	<b>1,37,987</b>	<b>1,42,940</b>	<b>1,57,228</b>	<b>1,72,000</b>
<b>Army</b>	<b>26,285</b>	<b>25,131</b>	<b>36,616</b>	<b>33,411</b>	
<u>Of which towards:</u>					
Aircrafts and Aeroengines-Army	3,582	2,113	4,767	5,500	
Heavy and Medium Vehicles	1,359	1,508	1,841	2,500	
Other Equipment-Army	17,426	16,532	25,038	18,163	
Rolling Stock	106	49	41	200	
<b>Navy</b>	<b>41,667</b>	<b>45,029</b>	<b>46,091</b>	<b>51,052</b>	
<u>Of which towards:</u>					
Aircrafts and Aeroengines	9,074	7,331	7,036	2,500	
Heavy and Medium Vehicles	25	10	29	30	
Other Equipment-Navy	7,354	6,692	8,535	15,200	
Naval Fleet	20,198	24,928	23,483	24,445	
Naval Dockyard/projects	3,433	4,047	4,364	5,340	
<b>Airforce</b>	<b>58,138</b>	<b>51,827</b>	<b>44,772</b>	<b>58,112</b>	
<u>Of which towards:</u>					
Aircrafts and Aeroengines-Air Force	35,681	29,930	23,208	16,113	
Heavy and Medium Vehicles-Air Force	21	98	173	186	
Other Equipment-Air Force	20,370	18,947	18,133	37,939	
<b>Towards Others/ Schemes/ Projects/ Enterprise</b>	<b>8,215</b>	<b>16,001</b>	<b>15,461</b>	<b>14,653</b>	

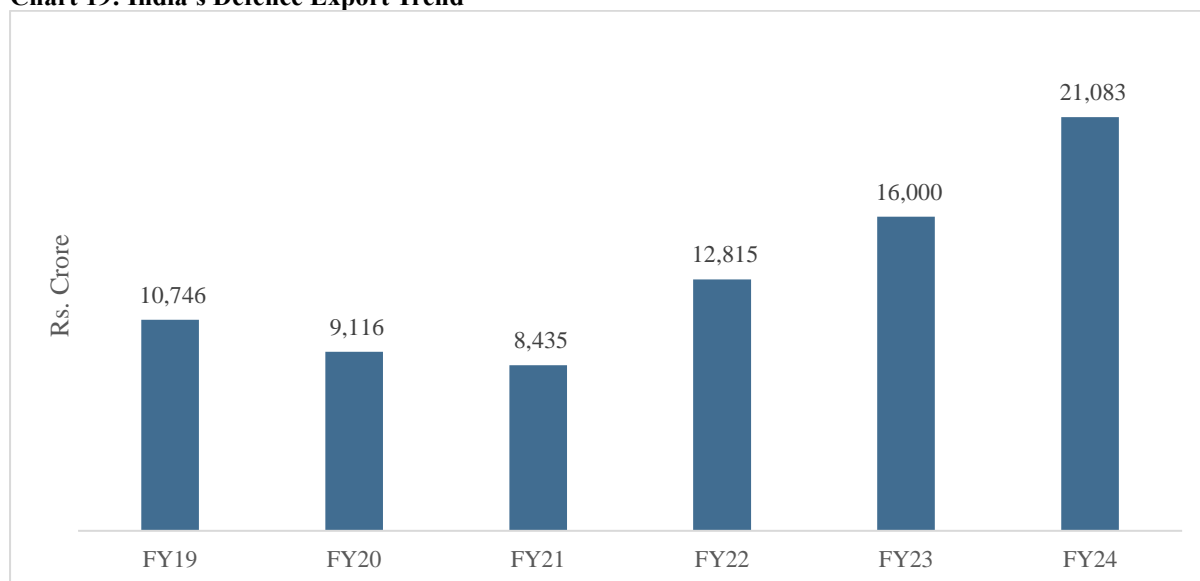
Source: Budget Documents; Note: B – Budgeted, A – Actual, R – Revised

Furthermore, to provide impetus to self-reliance in defence manufacturing, the government is striving to develop a robust eco-system and provide supportive policies. Accordingly, the Ministry of Defence has formulated a draft Defence Production and Export Promotion Policy 2020 (DPEPP) as a guiding document to provide a focused, structured, and significant thrust to the defence production capabilities of the country for self-reliance and exports.

Moreover, to give a push to defence exports, the government has taken a number of policy initiatives and brought reforms over the last 9 years. Export procedures have been simplified and made industry-friendly with end-to-end online export authorisation curtailing delays and bringing the Ease of Doing Business. India's defence exports have reached an all-time high, surging from Rs. 686 crore in FY14 to nearly Rs. 21,083 crore in FY24. This remarkable 30-fold increase reflects India's progress in the global defence manufacturing sector. With exports

reaching more than 85 countries, India’s defence industry has shown its capability of design and development to the world, with 100 firms exporting defence products at present.

**Chart 19: India’s Defence Export Trend**



Source: Ministry of Defence

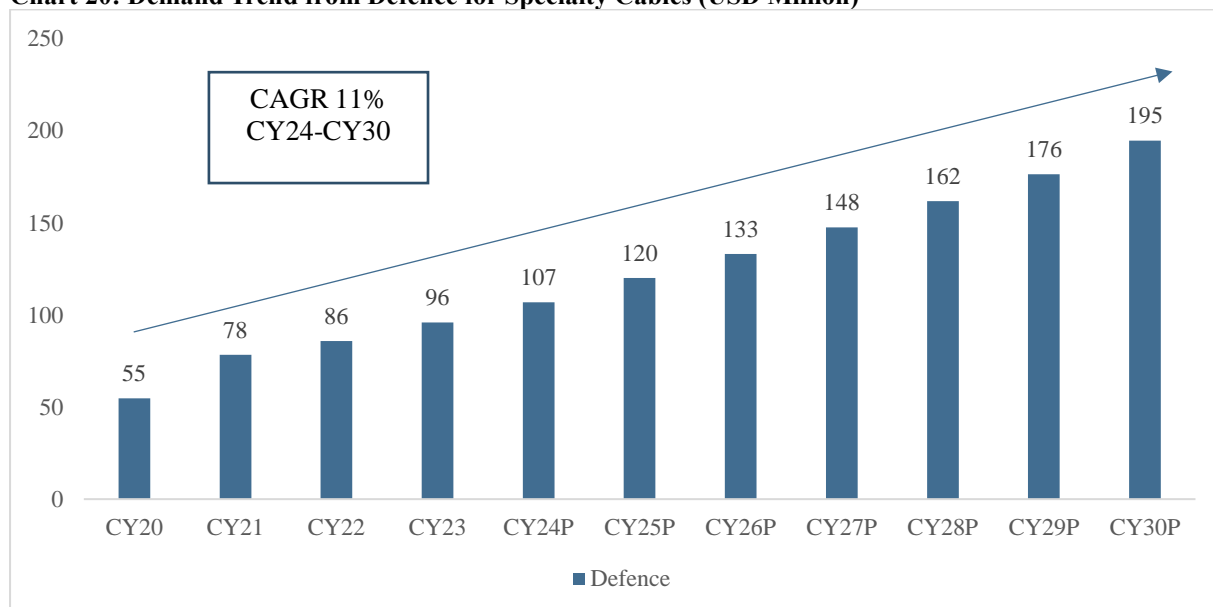
With the boost of defence exports in the country, the number of authorizations has also seen a quantum jump. Whereas the market size of defence production in India is estimated to increase by CY25 to 25 billion US dollars, given the growing concerns about national security. Further, aerospace & defence is estimated to be a Rs. 80,000 crore industry, to which the private sector’s contribution has steadily grown to Rs. 17,000 crores. The Indian government has also been encouraging participation from the private sector to cater for the growing demand. Additionally, India is taking a proactive approach toward foreign mutual trade with countries such as the UAE, Kazakhstan, and the US for strengthening the country’s defence. The other sub-sector which is likely to make parallel leads is the maintenance repair and overhaul sector.

### Recent Developments

- The defence exhibition DefExpo 2022, marked the emergence of India’s defence industry as a sunrise sector for investment on the global scale, in line with the theme ‘Path to Pride’ which was organised exclusively for Indian companies.
- India’s defence production crossed the Rs. 1 lakh crore mark in FY23, an increase of 12% over Rs. 95,000 crores production in FY22. The total production in FY24 was nearly Rs. 74,739 crores
- The government has taken several policy initiatives in the past few years and brought in reforms to encourage indigenous design, development, and manufacture of defence equipment, thereby promoting self-reliance in defence manufacturing & technology in the country. Due to these policies, the industries, including MSMEs and start-ups, are forthcoming in defence design, development, and manufacturing. There is almost a 200% increase in the number of defence licenses issued to industries in the last 7-8 years by the Government.

The contribution from the defence sector in the specialty cable industry was valued at USD 96 million in CY23. Which is forecasted to grow at a CAGR of 11% during CY24-CY30.

**Chart 20: Demand Trend from Defence for Specialty Cables (USD Million)**



Source: Maia Research; CareEdge Research

Overall, the increasing government investment has boosted the defence industrial manufacturing ecosystem in the country and generated tremendous employment opportunities, which supports the specialty cables market growth in India.

### iii. Shipping

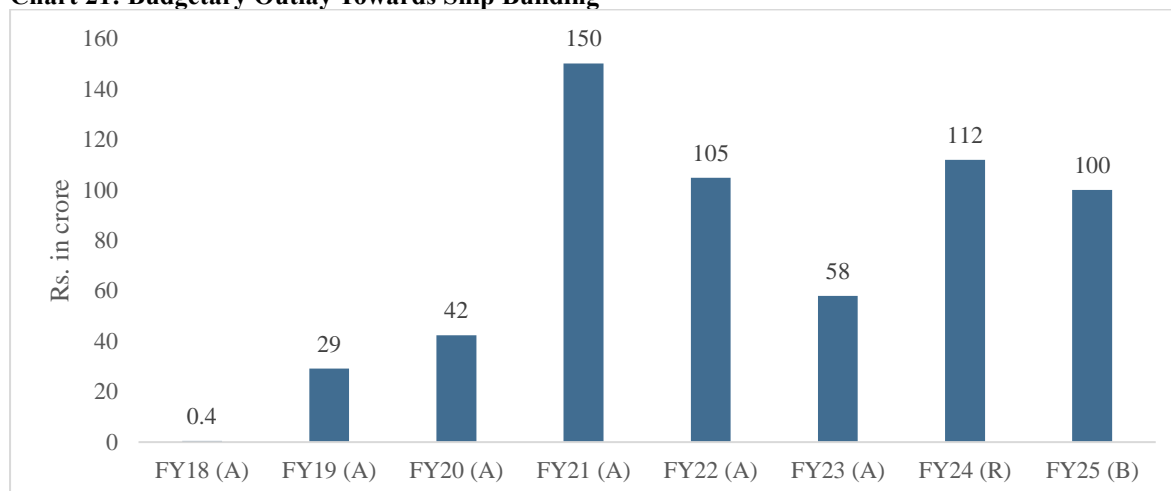
The Indian shipping industry is integral to the global freight transportation system. Given the large volume of goods that vessels can carry over long distances, shipping is the most convenient way of transporting goods from one country to another.

For manufacturing ships and containers, special marine cables are used. It is used for power, lighting, and general control of various ships in rivers, seas, offshore oil platforms, and other water structures. Shipping is one of the major consumer segments of specialty cables.

Further, India has one of the largest coastlines of about 7,517 km, 12 major ports, and 205 notified minor & intermediate ports. India's competitiveness in global trade is expected to increase with initiatives such as Make in India, Atmanirbhar Bharat, PLI Schemes for key sectors, etc. The government is focusing on increasing the domestic manufacturing of shipping containers to eliminate the dependence on imported containers.

Moreover, in the Union Budget 2023-24, the government announced 100 transport infrastructure projects for end-to-end connectivity for ports, coal, steel, and fertilizer sectors. The budgetary allocation of Rs 6,858 crores was announced for the Ministry of Ports, Shipping and Waterways compared to Rs 5,542 crores in the previous budget, implying a growth of 24% year-on-year basis. This includes the yearly budgetary allocation for assistance to shipbuilding, research, and development. During the Union Budget 2024-25, Rs. 100 crores have been allocated to shipbuilding industry.

**Chart 21: Budgetary Outlay Towards Ship Building**

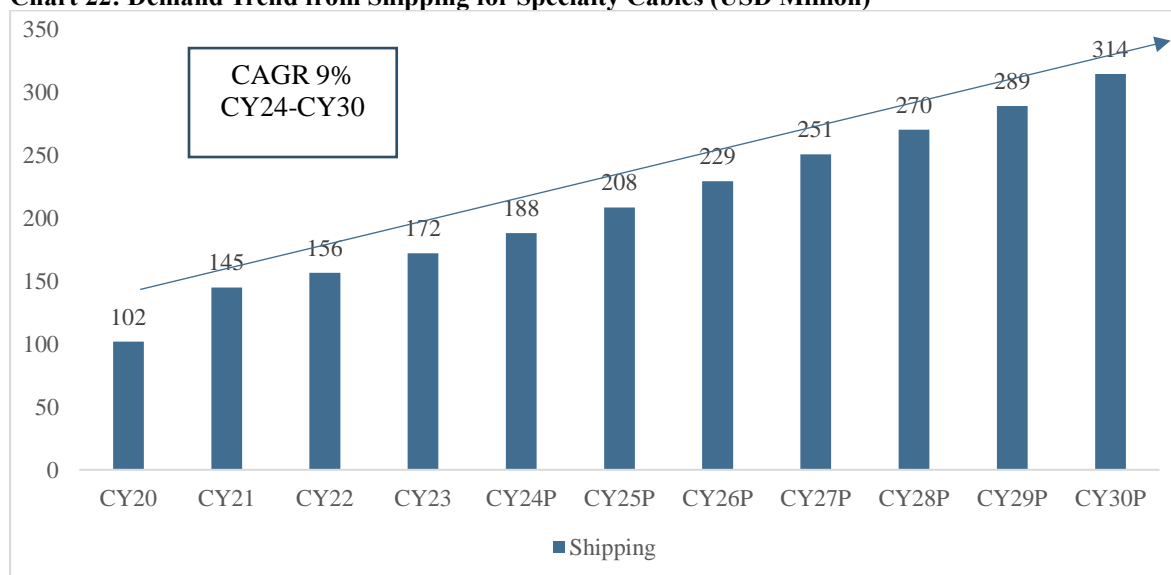


Source: Budget Documents; Note: B – Budgeted, A – Actual, R – Revised

Unlike other manufacturing industries, the shipbuilding industry usually follows a ‘make to stock inventory model,’ i.e., an order-driven industry in which each vessel is custom-built on receiving a shipbuilding order. Hence, a healthy order book is essential to this industry’s growth. The shipbuilding industry growth is likely to foster the growth of its sub-sectors, including the specialty cables industry.

In CY23, the contribution from the shipping industry was valued at USD 172 million, making the shipping segment a major consumer of specialty cables. This value is expected to reach USD 188 million in CY24 registering 9% y-o-y growth. For the forecast period CY24-CY30, this segment is projected to register a 9% CAGR.

**Chart 22: Demand Trend from Shipping for Specialty Cables (USD Million)**



Source: Maia Research; CareEdge Research

Accordingly, the outlook for the shipbuilding industry is expected to be stable, driven by the container shipment segment. Besides, the ship repair market has the potential to contribute to the sector. The government’s initiatives to promote Indian-made ships under the Atmanirbhar Bharat policy will also help boost the demand for ships manufactured in India. These key growth drivers of shipping and shipbuilding segment bodes well for specialty cables market.

iv. **Electric Vehicles**

There is a growing thrust on adopting electric vehicles (EVs) across the globe amid increasing carbon emissions which have serious repercussions including global warming. As India is significantly dependent on crude oil imports and various cities in India are facing pollution menace, the Indian government has also acknowledged the need to promote EVs.

The EV market in India has been witnessing steady growth. The sales of electric cars, two-wheelers, and three-wheelers have been increasing in recent years, driven by government incentives, decreasing battery costs, and the introduction of new EV models by domestic and international manufacturers. The following table depicts total EV sales:

**Table 6: Total EV Sales**

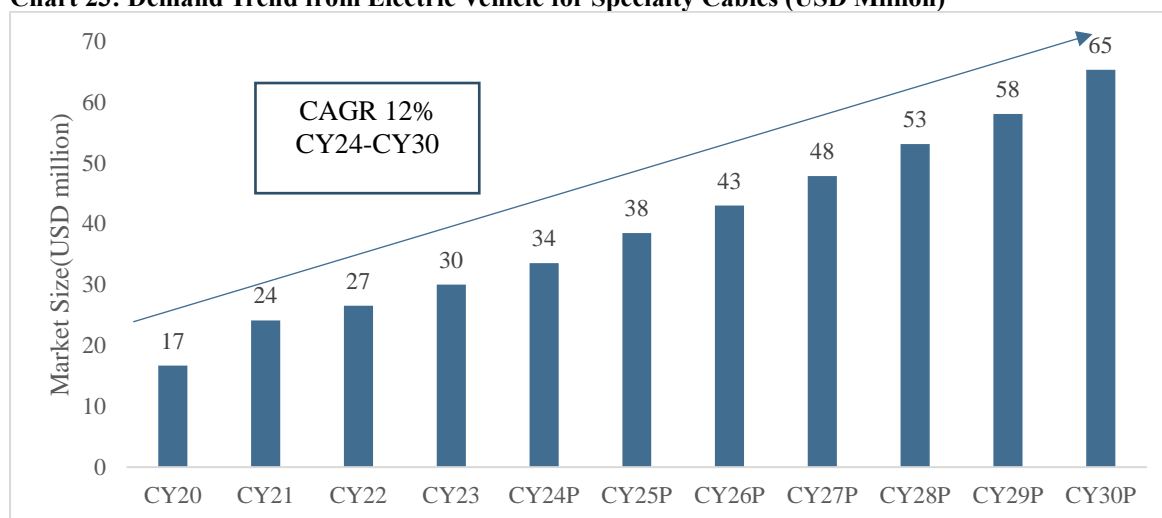
EV Sales (in Units)	FY19	FY20	FY21	FY22	FY23	FY24
<b>Two-wheeler</b>	28005	26827	44782	252568	728069	944907
<b>Three-wheeler</b>	115189	142342	90073	182604	404427	632520
<b>Four-wheeler</b>	1823	2339	5132	18567	47486	90696
<b>Buses</b>	78	447	374	1195	2008	3607
<b>Goods vehicle</b>	769	80	81	1258	1182	5078
<b>Total EV sales units</b>	<b>145864</b>	<b>172035</b>	<b>140442</b>	<b>456192</b>	<b>1183172</b>	<b>1676808</b>

Source: Centre of Energy Finance, CareEdge Research

Since new energy vehicles use a large amount of electronic equipment, especially high-voltage electrical equipment, they have higher requirements for power cables. Specialty power cables play an important role in the safety of new energy vehicles. For instance, high-quality specialty power cables can ensure that the electrical system can work properly and ensure a low failure rate, thereby reducing the risk of accidents such as fires and explosions.

In CY23, the contribution from the electric vehicle segment in the specialty cables market was valued at USD 30 million, which is expected to reach USD 34 million in CY24. The electric vehicle segment's growth is forecasted to register a CAGR of 12% during CY24-CY30. As the EV market is growing exponentially in India, vehicle manufacturers are gradually inclined to manufacture more electric-run vehicles. This further supplement the specialty cables market growth

**Chart 23: Demand Trend from Electric Vehicle for Specialty Cables (USD Million)**



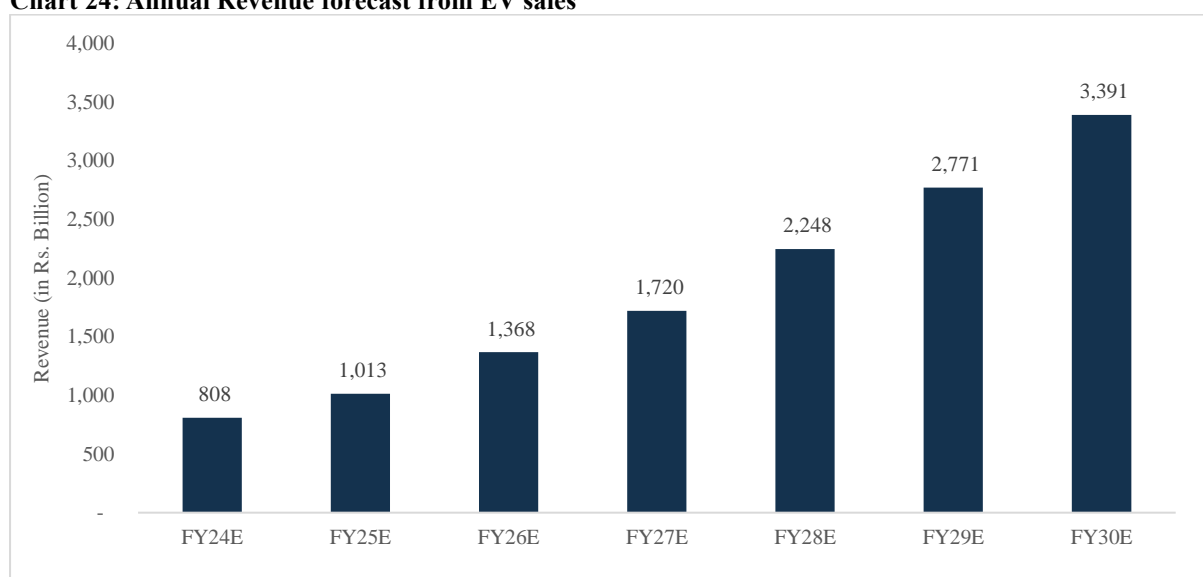
Source: Maia Research; CareEdge Research

Furthermore, as per the Economic Survey 2023, India's domestic electric vehicle market will see a 49% compound annual growth rate between 2022 and 2030, with 10 million annual sales by 2030. India's adoption of electric vehicles is hampered by the lack of significant charging infrastructure. However, the government is looking forward to developing a nationwide charging infrastructure network.

Also, the industry received good government backing over the last few years to increase EV penetration in India. For instance, the Smart City Mission, is an urban renewal and retrofitting program by the Government of India with the mission to develop 100 cities across the country alongside making them citizen friendly and sustainable. EVs are the solution for both better quality of life and reduction in environmental footprint and hence EVs will be integrated as part of smart city transportation. Additionally, the government has set a target to achieve 100% electric mobility for public transport and 40% electrification of private vehicles by CY30.

The expected revenue generation from overall EV sales is estimated to reach approximately ~ Rs. 4,000 Billion around CY30 in India. The sales across each EV vehicle segment is expected to clock strong growth going forward owing to governments push towards green mobility.

**Chart 24: Annual Revenue forecast from EV sales**



Source: Centre of Energy Finance, CareEdge Research

With this, measures taken by the government and the state government to accelerate EV transition, development of local manufacturing of batteries, and increasing affordability of the vehicles, augur well for the sector, which is anticipated to see long-term growth in the future. Overall, the country is well on its way to achieving a sustainable and eco-friendly transportation ecosystem. Therefore, the overall outlook for EVs in India is positive, which can be foreseen as a growth driver for specialty cable market.

v. **Solar Power**

Cables are necessary elements for transmitting solar power. Such (specialized) cables are designed to connect solar panels to the electrical grid, enabling the widespread adoption of solar power. They are manufactured to withstand extreme weather conditions, resist UV rays, and handle high electrical loads, making them an essential component in the development of solar power systems. Also, these cables are designed to provide higher flexibility, durability, and reliability.

Further, the cables used in solar power stations are mostly laid outdoors. The environment where they are used is very harsh. The material of the cable is selected based on the degree of ultraviolet rays, ozone, severe temperature changes, and chemical corrosion such as acid and alkali in the environment. If ordinary cables are used, working in harsh environments for a long time will cause damage to the cable sheath and even decomposition of the cable insulation layer, resulting in cable short circuits and fire accidents. Therefore, it is imperative to use photovoltaic cables in solar power stations.



Photovoltaic cables and ordinary cables undergo different radiation steps. Radiation significantly improves the thermal properties, mechanical properties, and chemical properties of the cable insulation material. They can withstand more ultraviolet rays, radiation, severe temperature differences, and chemical corrosion.

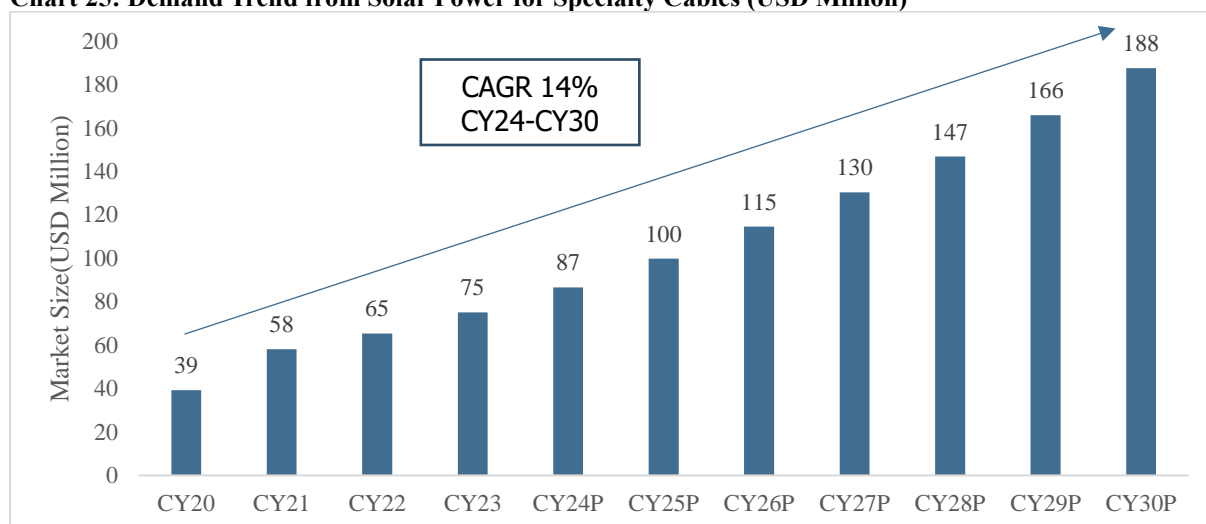
Further, India's solar energy sector has emerged as a key participant in grid-connected power generation capacity over the past decade. It contributes significantly to the government's objective of sustainable growth while emerging as a key anchor in meeting the nation's energy demands and ensuring energy security.

Moreover, the global solar industry is rapidly growing and so is the demand for specialty cables. India has a large amount of solar energy potential. Approximately 5,000 trillion kWh of energy is incident over India's geographical area each year. Throughout the years, India's solar energy sector has emerged as a key participant in grid-connected power generation capacity.

Solar energy accounted for 57% of the renewable energy basket as of March 2024. During FY19 to FY24, the segment added 54 GW of capacity, registering a CAGR of 24%, albeit on a low base. The solar energy segment contributes to the government's objective of sustainable growth while emerging as a key anchor in meeting the nation's energy demands and ensuring energy security.

With this, the contribution from the solar power segment in the specialty cable industry was valued at USD 75 million in CY23, which is expected to reach USD 87 million marking 16% y-o-y growth. This contribution is further forecasted to grow at a CAGR of 14% in CY24-CY30.

**Chart 25: Demand Trend from Solar Power for Specialty Cables (USD Million)**

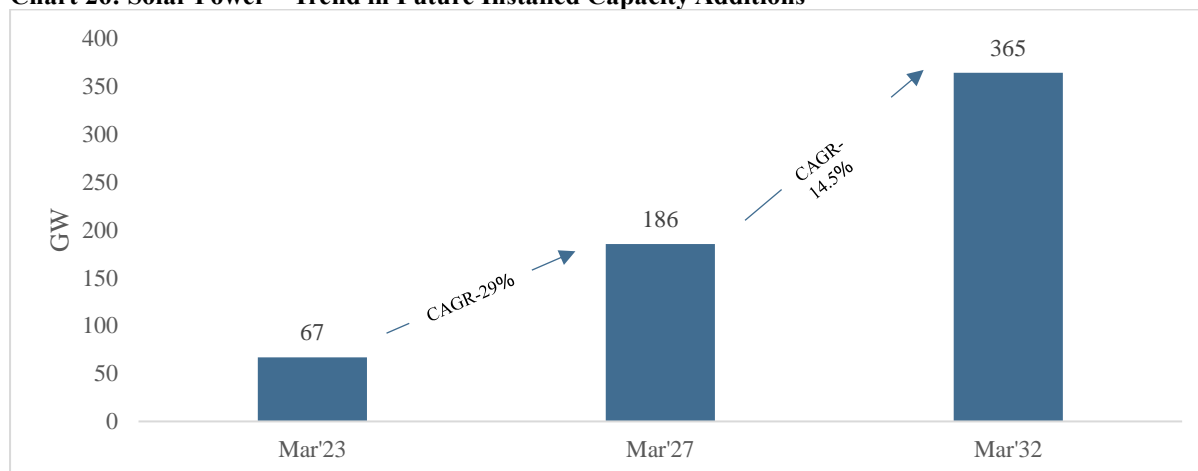


Source: Maia Research; CareEdge Research

India has a target of 500 GW of non-fossil fuel capacity by 2030. Hence, significant investments have commenced toward increasing and upgrading the transmission infrastructure. For integration of additional wind and solar capacity by 2030, the estimated length of transmission line and sub-station capacity planned is around 50,890 CKM and 4,33,575 MVA, respectively. The investment required for the green transmission is estimated to be around Rs. 2,440 billion as per the Ministry of Power.

Going forward, with India setting up an ambitious target of achieving 500-GW non-fossil fuel capacity by 2030, the regulatory framework is expected to remain supportive. The fund required estimates for the period FY23-FY27 for solar renewable energy is about Rs. 6.8 trillion and Rs. 7.9 trillion between FY28-32. Whereas the capacity addition of solar power expected to be added until FY27 is 186 GW and until FY32 is expected to be 365 GW.

**Chart 26: Solar Power – Trend in Future Installed Capacity Additions**



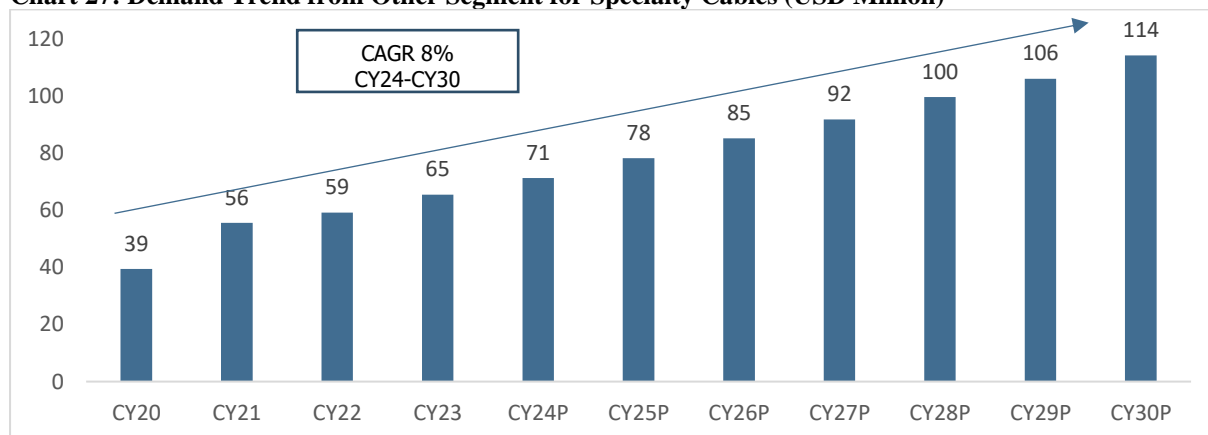
Source: National Electricity Plan Vol-1 (March 2023), CareEdge Research

Over the years, the renewable energy industry has benefitted on account of the government’s strong policy support, India’s largely untapped potential, the presence of credit-worthy central nodal agencies as intermediary procurers, and improved tariff competitiveness. Therefore, the specialty cable market growth is attributable to the positive outlook for the solar power segment, further accredited to government support and growing environmental consciousness.

**vi. Other Segment**

The other segment includes special cables used in civil construction, communications, metallurgical machinery, and nuclear power plants. The contribution from this segment was valued at USD 65 million in CY23 which is expected to reach USD 71 million in CY24. This contribution is further anticipated to grow at a CAGR of 8% during CY24-CY30.

**Chart 27: Demand Trend from Other Segment for Specialty Cables (USD Million)**

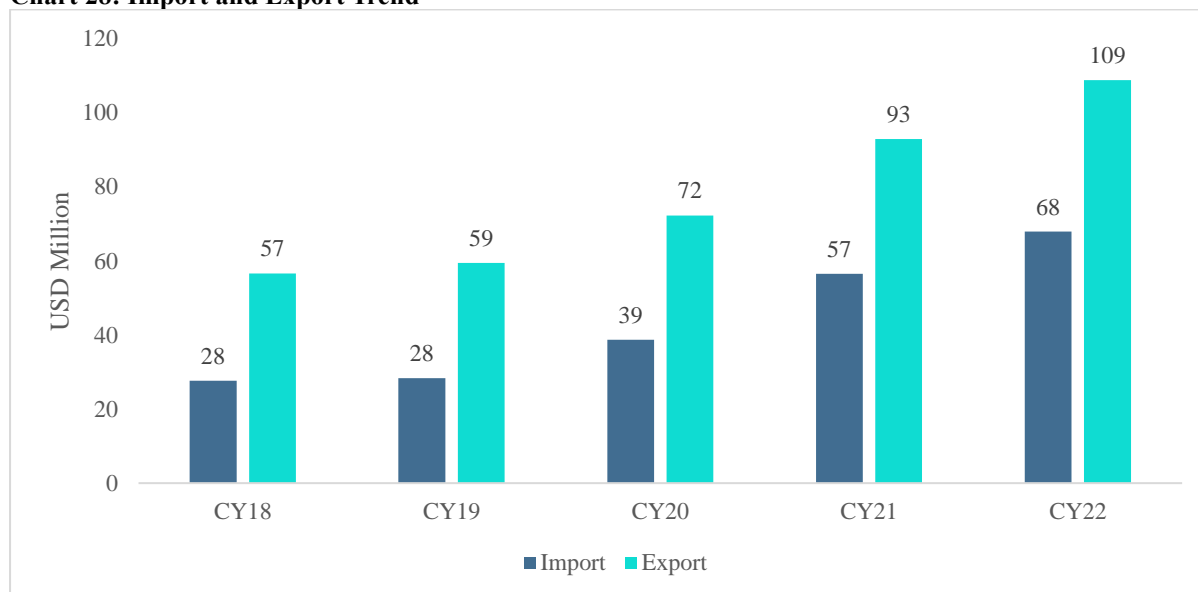


Source: Maia Research; CareEdge Research

**c. Import and Export Trend**

During CY22, the exports of specialty cable registered a notable 17% y-o-y increase and stood at USD 109 million. The exports of specialty cable grew at a CAGR of 18% during CY18-CY22. Overall, countries like the United States, the United Kingdom, and the United Arab Emirates added traction to exports of wires and cables. Segments like renewables, oil & gas, and infrastructure were the major growth drivers during the year. At the same time, the growing thrust for renewable power globally is also a notable factor in increasing exports. However, the transition to clean energy requires an overhaul of the existing system through laying fresh cables, which has supported export demand from the countries globally.

**Chart 28: Import and Export Trend**



Source: Maia Research; CareEdge Research

In a broader sense, India imports most of the wires and cables from China. Japan and South Korea are also among the major countries cables are imported from. In CY22, imports of specialty cables were valued at USD 68 million, which is about 20% higher than the previous year. However, the government is continuously supporting the domestic production of cables. The government is working on establishing quality norms for cables to curb imports and boost domestic manufacturing.

Further, in the domestic specialty cables market, the top five players held about 49% market share in CY22. These top five players are – KEI Industries, Polycab India, M.P. Birla Group, Finolex Cables, and Cords Cable. Despite the market comprising many large players with a global presence and strong brand names, it is fragmented due to low entry barriers

#### **d. Key Growth Drivers**

The long-term outlook for the specialty cables industry is positive on account of structural mega trends and growing focus on domestic manufacturing and technology. Some of these key growth drivers are as below:

- **Government Push for Railway Infrastructure Upgradation**

Please refer to section 1.2.9 budgetary allocation and 2.2.1

- **Introduction of New Technologies as Control Systems in Indian Railways**

The Indian Railways have taken various infrastructural changes to ensure rail safety and efficient functioning of railways. One such key infrastructural change has been the signalling and protection system. Railway signalling systems are used to control the movement of railway traffic on the rail network. It is one of the most important components of the railway systems, ensuring train movement safety.

Conventional signalling in the Indian Railways was based on colour light signals and train detection with the help of track circuits and axle counters. Although this technology is suitable for the detection and control of trains, it was still not able to utilize the section capacity to its full advantage. Over the last decade, railways have seen a huge transition from conventional railway signalling systems to modern signalling systems, including Electronic Signalling Interlocking Systems, Automatic Block Signalling, and interlocking with signals at level crossing gates to enhance safety at crossing.

The Indian Railways has also indigenously developed an automatic train protection system under ‘Kavach,’ which is designed to bring a train to a halt automatically when it notices another train on the same line within a prescribed

distance. 'Kavach' is now being deployed across the railway lines. Since specialty cables can assist in the technological requirements of the advanced railway infrastructure, the demand for specialty cables is likely to sustain in the coming years, supplemented by ongoing technological developments.

- **Growing Capital Expenditure on Naval Defence**

India's increased spending on defence is also an important factor in promoting the growing demand for specialty power cables. India's increased spending on naval defence also indicates growth in demand for specialty power cables. In the Union Budget 2023-24, capital outlay toward the Navy increased by about 11% to Rs. 52,805 crores.

For detailed information on developments in defence sector and budget allocation please refer to section 2.2.2.

- **Expansion of Renewable Energy Plans**

With favourable government policies and an enabling environment, India continues to expand its renewable energy expansion plans. This augurs well for the specialty cables industry. Specialty cables are largely applied in setting up solar energy plants and solar energy transmission. India's photovoltaic power generation and domestic supply chain are expected to drive further growth in the country's solar energy market, which essentially will propel the demand for specialty cables.

The detailed information on growing demand from solar energy in section 2.2.5

- **Growing Demand for Electric Vehicles and Automotive**

The automotive industry in India is booming due to rising disposable income, growing population, surging urbanization, and increasing middle class. Considering the growing push toward green mobility, there is a surging demand for electric vehicles. Accordingly, the Indian government has introduced several policies to accelerate the development of the electric vehicle industry. For instance, a target to switch from new sales of ICE (petrol and diesel) cars to 100% plug-in electric vehicles (EVs) by CY30.

Also, the government is working to transform India into a global hub for electric vehicle manufacturing. Currently, with the government's strong support for electric vehicles and people's demand for cars continuing to increase, the scale of the automobile market also continues to expand. Such expansion in the automotive industry offers various growth opportunities to specialty cable players.

- e. **Threats and Challenges**

Despite the market growth potential, there are certain challenges to the specialty cable industry. These are:

- **High Competition**

There is an increasing number of market participants with expanding market demands, rendering the industry fiercely competitive. With regard to India, local state-owned brands face competitive risks brought by European, American, Chinese, and other corporate brands. Compared with Indian brands, European and American corporate brands have advanced technologies in terms of high-temperature resistance, wear resistance, durability, and shielding performance. Accordingly, for the specialty power cable market, the competitive risks brought by European, American, Chinese and other companies are one of the challenges faced by the industry.

- **High Production Process Requirements**

Production technology directly determines the quality and production efficiency of specialty power cables. It is an important factor affecting the development of the industry. The production technology includes a series of processing technologies such as formula improvement and innovation of polymer materials, metal smelting and rolling, optimized design of product structure, composite shielding, etc. In addition, products from trial production to final development also need to go through a series of processes such as research & development, trial production, and testing. Besides, the joint process of the product is complex and requires special process methods and equipment. Therefore, the production technology requirements of Specialty Power Cables are relatively high.

At the same time, with the continuous expansion of downstream application scenarios, the market has put forward higher requirements for specialty power cable products in terms of environmental protection, durability, reliability, and other aspects. This has led to the need for specialty power cable companies to step up and strengthen product technology research & development. Accordingly, complex production technology and high technical barriers hinder the market growth.

- **Raw Material Prices and Supply Risks**

The major raw materials for specialty cables are steel, zinc, copper, and aluminium. The prices of these raw materials are easily affected by macroeconomic fluctuations. Any increase in the price of raw materials such as steel, zinc, copper, and aluminium, will adversely affect profit margins. Accordingly, the increasing raw materials will affect the cost and price positioning of products, which may adversely impact the specialty power cables industry and bring challenges to market development. Furthermore, if there are adverse changes in the operating and financial conditions of major suppliers, it may result in the company being unable to purchase normal quantities in a timely and sufficient manner.

- **Brand Related Barriers**

Compared with ordinary cables, downstream customers have strict requirements on mechanical properties, electrical properties, reliability in multiple climates, and other aspects of specialty power cables. After years of precipitation and long-term accumulation, major brand companies in the industry market have established strict product quality control systems and strong product research & development systems.

Downstream customers tend to choose products from big brand companies. Demand manufacturers pay more attention to the supplier's brand reputation in the industry when selecting and introducing suppliers. They require suppliers to have strong supporting and independent research & development capabilities as well as corresponding production and testing equipment. Only companies with strong comprehensive strength can be selected as suppliers. For industry companies, brand barriers and increasingly stringent quality supervision are among the industry development challenges.

- **Counterfeit and Shoddy Products**

Specialty power cables are widely used as an important power transmission carrier. If inferior products are used, they may cause short circuits and electric shocks or may cause fires and casualties. During use, the quality of specialty power cables can be directly related to the quality of the project and the safety of people's lives and property.

At present, counterfeit and shoddy products often use raw materials with poor quality and substandard performance. Cheap counterfeit cables cause significant revenue losses to genuine cable manufacturers. In addition, these cables increase the risk of accidents due to their poor quality. For example, counterfeit and shoddy products often use inferior copper materials whose copper content is unstable, causing the resistivity of copper conductors to increase. This may cause the product to overheat during use, causing a short circuit and causing a fire.

Furthermore, the emergence of counterfeit cables forces genuine manufacturers to spend a lot of money to prevent the sale of counterfeit products. In general, the sales of fake and shoddy products hinder the sales of genuine products. Whereas the emergence of counterfeit and shoddy products increases the risk of accidents. This is a huge challenge for the development of the specialty power cables market.

- **Shortage of Skilled Labour**

Specialty power cables have high technical requirements. Downstream customers have strict requirements on the mechanical properties, electrical properties, reliability in multiple climates, and other aspects of the products. Therefore, many technical talents are needed in product production, research & development, and sales. At the same time, the technological progress of the industry and the increasingly fierce competition require special cable companies to continuously invest in manpower building and strengthen technical talent training. In the development process, there may be a risk of losing core technical talents if the corresponding welfare benefits for technical talents are not provided or due to management problems and other factors. Moreover, the loss of core

technical talents will bring important challenges to the production and operation of industry companies, which is one of the risks faced by market development.

### 3. Indian Train Control System Industry

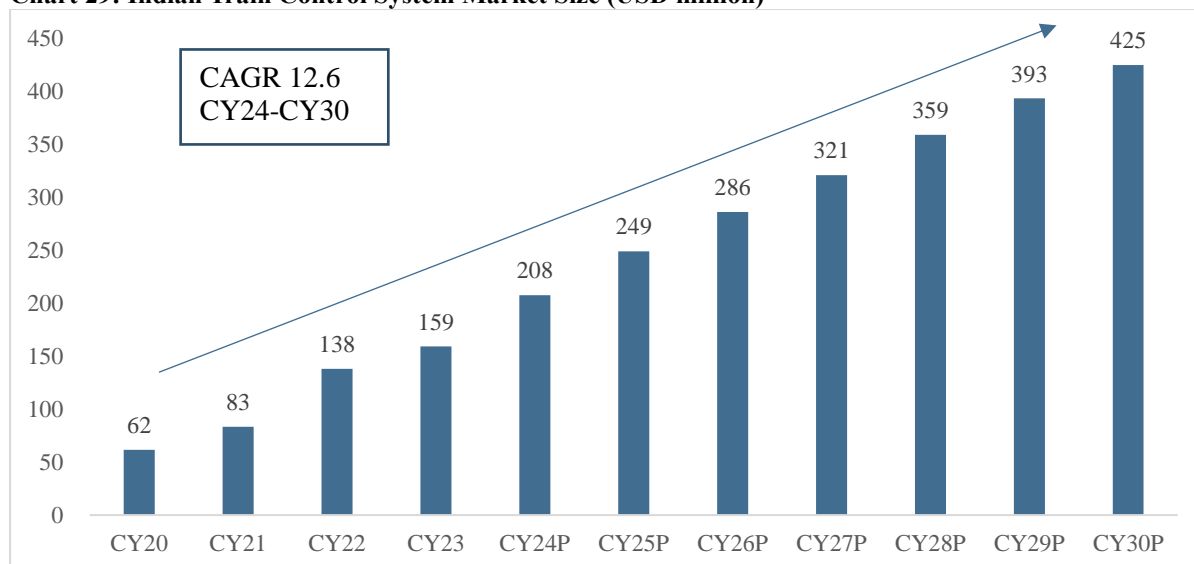
#### a. Overview

India has wide track length of over 1,28,305 kms as on March 2022. Despite, such extensive railway network, the legacy signalling and safety solutions have outlasted their useful lives. Even though, the landmass of railway network increases, the concerns related to achieving higher operating ratio and increasing accidents needs a careful attention. In FY23, 48 train accidents were reported which includes 36 derailment cases, 6 collision and 4 fire accidents. This marks increase in accidents compared to the previous year FY22 (34 accidents). Such situation alarms for a need to focus on more contemporary solutions in signalling and train management as well as control.

Train Control System is an advanced and cost-efficient technology that ensures safety of human life and the rail infrastructure. These are the hardware and software equipment that monitor train locations and movements. The primary focus of the system is to enhance the efficiency and safety of the railway network. The Indian train control system industry plays a crucial role in ensuring the smooth and secure operation of trains across the Indian Railways network. For which, Indian Railways is developing and creating technology in areas such as signalling and telecommunication with 15,000 kms being converted into automatic signalling and 37,000 kms to be fitted with 'Kavach', the domestically developed Train Collision Avoidance System. In Union Budget 2024-25, allocation towards Kavach was amounting to Rs. 557 crores. This shows the increasing efforts for scaling up the implementation of Kavach and ensuring safety by the government.

The Indian train control system market size was estimated to be valued at USD 208 million in CY23, which is further expected to reach USD 425 million in CY30. For the forecast period CY24-CY30, the market anticipated to grow at a notable CAGR of 12.6%. Factors such as growing urbanization and rising population in India are leading to increasing demand for high speed railway transit and network. Such growing demand bodes well for the train control system market for the coming years.

**Chart 29: Indian Train Control System Market Size (USD million)**



Source: Maia Research; CareEdge Research

In general sense, train control systems can be classified into the following categories:

- **Automatic Train Protection** - Automatic train protection (ATP) is a type of train protection system which continually checks that the speed of a train is compatible with the permitted speed allowed by signalling, including automatic stop at certain signal aspects. If it is not, ATP activates an emergency brake to stop the train.

- **Dispatch Centralized System** – Dispatch Centralized System is an integrated solution to control and manage the railway traffic from a single location. The system utilises a centralised train dispatcher that controls wayside station interlockings and train movements, improving the traffic regularity and optimising the railway operation within a designated territory.
- **Centralized Monitoring System** - Central Monitoring system enables central-operations personnel to remotely monitor transit vehicle activity and progress in real time, while also enabling vehicles to request signal priority for quick passage through intersections.

In CY23, the Automatic Train Protection segment held the major share of about 71%, followed by Dispatch Centralized System 21% and remaining 13% by Centralized Monitoring System.

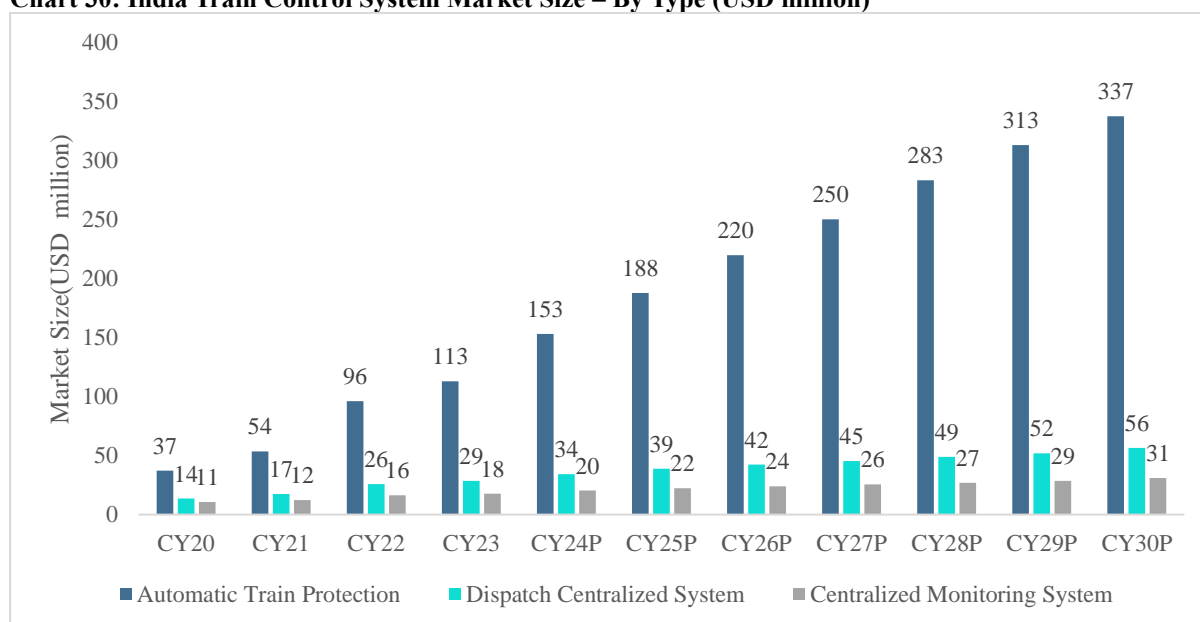
In Indian Railways, the implementation of these systems is part of ongoing efforts to modernize and improve safety in railway operations. Both ATP and Electronic Interlocking systems contribute to safer and more efficient train operations by reducing the risks associated with manual signalling and route management. These technologies are particularly important in a network as extensive and busy as the Indian Railways, where safety and efficiency are paramount. With automatic signalling, efficiency in the train management and seamless movement are facilitated.

Over the last decade, railways have seen a huge transition from conventional railway signalling systems to modern signalling systems including electronic signalling interlocking systems, automatic block signalling, and interlocking with signals at level crossing gates to enhance the safety at crossing.

Kavach is one of such indigenously developed an Automatic Train Protection System which is designed to automatically bring the train to a halt when it notices another train on the same line within a prescribed distance.

In CY23, the market size of Automatic Train Protection System segment was valued at USD 113 million. While, the market size of Dispatch Centralized System was valued at USD 29 million. These two segments are forecasted to register a significant growth at a CAGR of 14% and 9%, respectively, during forecast period CY24-CY30.

**Chart 30: India Train Control System Market Size – By Type (USD million)**



Source: Maia Research; CareEdge Research

Furthermore, to meet the growing demand for rail transportation, the Indian Railways is working on increasing its capacity. This necessitates advanced signaling and train control systems to manage and optimize the movement of trains and reduce congestion. These factors supplement the Indian train control system market growth.

#### b. Growth Drivers

The growth of the train control system industry in India is influenced by several key growth drivers that promote modernization, efficiency, and safety in the Indian Railways network. These growth drivers include:

- **Increased Government Spending**

Investment and maintenance of transport infrastructure positively impact economic growth. In recent years, India has been increasing its budget to focus on developing railway infrastructure. Accordingly, the budgetary outlay toward Indian Railways has been on the rise over the past few years. A total of Rs. 2.52 lakh crore has been earmarked in capital expenditure for the Indian Railways in the Union Budget 2024-25. This is approximately nine times the amount spent in fiscal year 2013-14.

Further, the government has introduced various schemes such as Dedicated Freight Corridor (DFC), National Logistics Policy (NLP), General Purpose Wagons Investment Scheme (GPWIS), PM Gati Shakti & Gati Shakti Multi-Modal Cargo Terminal (GCT), Liberalised Wagon Investment Scheme (LWIS), Automobile Freight Train Operator Scheme (AFTO), multi-modal logistics parks, etc., to boost railway infrastructure and share of railways in freight traffic. The passenger segment has also seen multiple developments through initiatives like High-Speed Rail Corridors and Vande Bharat Express.

Moreover, the government has announced plans to upgrade the railways by 2030. Upgrades include 100% electrification of railways, upgrading existing lines with more facilities and higher speeds, expansion of new lines, upgrading railway stations, introducing and eventually developing a large high-speed train network interconnecting major cities in different parts of India, and development of various dedicated freight corridors to cut down cargo costs within the country. Therefore, such government investment in railway projects is expected to drive the train control system market growth during the forecast period.

- **Increased Demand for Passenger and Freight Capacity**

Rail is one of the most efficient & cost-effective modes of transportation for both passengers and goods. In India, railways are the economic lifeblood as a large number of passengers use them every day. Additionally, railroads are important for transporting coal, metals, oil, chemical fertilizers, and grain. Industrial raw materials and finished products are transported to production sites by rail. Besides, agriculture could be commercialized only with the help of railways. Farmers could sell their agricultural products to distant places via rail transport and railroads played an important role in agricultural development. Thus, India's railways link the country's economic life and accelerate the development of industry and agriculture.

Furthermore, the railway passenger and freight volumes are increasing year by year and are expected to continue to grow in the coming years. The passenger traffic is expected to grow at a CAGR of 2.6% between FY21 and FY31, driven by population growth and growing workforce. In terms of freight carriers, the Indian Railways envisages increasing the modal share of the railways in freight to 45% by CY30. To meet such growing demand efficiently, the train control system is expected to provide various services like smooth passenger and freight operation management, safety monitoring, and railway communication and network to meet the changing needs of passengers while reducing commuting time and enhancing travel experience.

- **Surging Demand for Efficient and Reliable Transportation Systems**

According to a World Health Organization (WHO) fact sheet, road traffic injuries are the leading cause of death among people aged 15-29, with 1.25 million people dying on the road every year. Further, 90% of the world's road fatalities occur in low- and middle-income countries, even though these countries own approximately 54% of the world's vehicles. In addition, for most countries, road traffic accidents cost 3% of their GDP. Also, road accidents cause huge economic losses to individuals, families, and the country. Therefore, the growing demand for safe, reliable, and efficient transportation systems has greatly contributed to the Indian train control system market growth.

Railway transportation is considered the safest and most economical mode of transportation, further boosting demand for railways. The latest trains are equipped with onboard cameras, sensors, and communications equipment. Furthermore, such trains in most places run underground or above ground and are highly protected by fences or walls to prevent intrusion. In addition, modern advanced trains consume less energy due to their advanced acceleration, traction, and braking systems.

Moreover, the train control system provides integrated diagnostic and prognostic capabilities for the train, enabling visualization of system problems & performance and recommending corrective actions to the driver. In addition, such trains can provide flexible schedule coordination, thereby improving all aspects of system



performance, thus promoting the rail industry growth. Therefore, consumer demand and preference for safe, reliable, and efficient transportation are driving the train control system market growth.

- **Application of Advanced Technologies such as Artificial Intelligence (AI)**

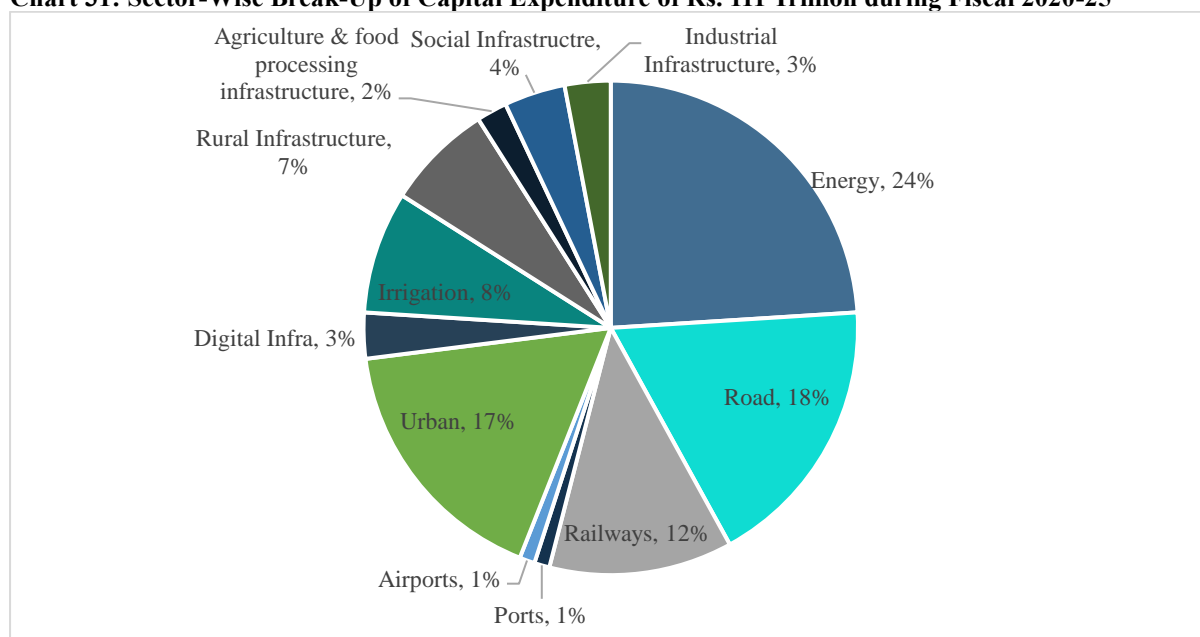
The integration of advanced technologies like artificial intelligence (AI) in railway operation monitoring or surveillance can help in combating train delays, optimizing train scheduling, improving passenger travelling experiences, and so on. Also, the adoption of AI-based traffic management systems has been gaining wide popularity within railway infrastructures over time, owing to varied benefits including real-time passenger data availability, shortened time delays, supporting video surveillance, and many others.

Furthermore, growing initiatives or investments toward improving urban railway networks utilizing AI-based video analytics, the rising rate of train fatalities or accidents, and government efforts toward leveraging advanced technologies for improving railway transport services or facilities can also aid its market growth in the long run. This will help to develop opportunities for the train control system industry.

**c. Budgetary Outlay and Government Initiatives**

- In the Union Budget 2024-25, the government has allocated Rs 2.52 lakh crore towards railways which is the highest ever allocation and an increase of about 5% over previous year.
- Before the onset of the pandemic the Government of India had unveiled the **National Infrastructure Policy (NIP)** covering various sectors and regions indicating that it is relying on an ‘infrastructure creation’ led revival of the country’s economy. The NIP which covered rural and urban infrastructure entailed investments to the tune of Rs.111 trillion to be undertaken by the central government, state governments, and the private sector during FY20-25. The below chart depicts sector-wise break up of capex of Rs. 111 trillion:

**Chart 31: Sector-Wise Break-Up of Capital Expenditure of Rs. 111 Trillion during Fiscal 2020-25**



Source: National Infrastructure Pipeline

Under NIP, the transport infrastructure promoting trade growth involves the Road, Railways, Port, and Airport segments. The capital expenditure plan between FY20 to FY25 for these sectors are depicted in the table below:

**Table 7: Capital expenditure plan between FY20 to FY25**

Particulars (Rs. crore)	FY20	FY21	FY22	FY23	FY24	FY25	Total
Road	3,32,559	3,83,283	3,56,966	2,52,780	2,40,761	3,32,659	20,33,823
Railways	1,33,387	2,62,465	3,08,800	2,73,831	2,21,209	1,67,870	13,67,563

Particulars (Rs. crore)	FY20	FY21	FY22	FY23	FY24	FY25	Total
Port	13,357	18,104	20,649	15,863	7,724	10,002	1,21,194
Airport	18,667	21,655	24,820	21,334	25,386	5,141	1,43,448

Source: National Infrastructure Pipeline

- Historically, capital investment in railways has been mainly from the government and a minor proportion was from private players. The involvement of private players is limited to allied activities such as track laying and maintenance, maintenance of coaches and wagons, construction of bridges, stations, signalling, and telecommunication works.
- Over the last decade, railways have seen a huge transition from conventional railway signalling systems to modern signalling systems including electronic signalling interlocking systems, automatic block signalling, and interlocking with signals at level crossing gates to enhance the safety at crossing. Railways has also indigenously developed an automatic train protection system under ‘**Kavach**,’ designed to automatically bring the train to a halt when it notices another train on the same line within a prescribed distance. Kavach is now being deployed across the railway lines. It is a highly technology intensive system, which requires safety certification of highest order. Below are some of the key highlights of Kavach project:
  - Kavach aids the loco pilot in train running within specified speed limits by automatic application of brakes in case Loco Pilot fails to do so and also help the train safely run during inclement weather.
  - The first field trials on the passenger trains were started in February 2016. Based on the experience so gained and Independent Safety Assessment of the system by a 3rd party (Independent Safety Assessor: ISA) three firms were approved in FY19, for supply of Kavach.
  - Subsequently Kavach was adopted as a National ATP system in July 2020
  - As on February 2024, Kavach has so far been deployed on 1465 Route km (Rkm) and 139 locomotives (including Electric Multiple Unit rakes) on South Central Railway on following sections: Lingamapalli – Vikarabad – Wadi and Vikarabad - Bidar section (265 Rkm), Manmad-Mudkhed-Dhone-Guntkal section (959Rkm), Bidar-Parbhani section (241Rkm)
  - Kavach tenders have been awarded for Delhi – Mumbai & Delhi – Howrah corridors (approximately 3000 Route km) .
  - As on February 2024, Indian Railways is preparing Detailed Project Report (DPR) and detailed estimate for another 6000 Rkm.
  - Presently, as on February 2024, there are three Indian OEMs who are approved for Kavach - Medha Servo Drives, HBL Power Systems, and Kernex Microsystems. Efforts are being made by the government to develop more vendors to enhance the capacity and scale up the implementation of Kavach.
  - The Cost for provision of Track side including Station equipment of Kavach is approximately Rs. 50 Lakhs per Km and cost for provision of Kavach equipment on loco is approximately Rs. 70 lakh per loco. The amount spent so far on Kavach implementation is Rs. 351.91 crores. The budgetary allocation for Kavach during the year 2024-25 is over Rs. 557 crores.
- A fund namely ‘**Rashtriya Rail Sanraksha Kosh**’ (RRSK) has been created in 2017-18 with a corpus of Rs. 1 lakh crore over a period of five years for critical safety related works. The works identified under this fund are Civil Engineering Works, Safety works at Level Crossings, Signalling and Telecommunication work, Mechanical Engineering, Electrical Engineering and Human Resource Development. For which, an outlay of Rs. 10,000 crores have been made in Union Budget 2023-24.
- Railway Safety Fund (RSF)** was created in 2001-02 initially to fund works relating to Level Crossing and Road Over Bridge & Road Under Bridge. Its scope has subsequently been expanded for capital expenditure on other safety works also. In Union Budget 2024-25, Rs. 45,000 crores have been allocated towards this fund.
- Automatic Block Signalling** is a cost-effective solution to increase line capacity to run more trains on existing High-Density Routes of Indian Railway. During FY23, Indian Railway has upgraded 582 kms with automatic signalling compared to 530 kms compared to FY23, registering an increase of 10%. These are the best figures achieved by Indian Railway so far.
- Large number of Digitally **Interlocked Stations** have been created from old lever frame to computer-based operating system. These are being adopted on a large scale to derive benefits of digital technologies in train operation and to enhance safety. During FY24, about 551 stations were provided electronic interlocking as compared to 538 stations in FY23, marking an increase of ~2%.

#### **d. Threats and Challenges**

The Indian train control system market faces several challenges that may impact its growth and development. These challenges include:

- **High Capital Requirements**

One of the major constraints of the train control systems market is its capital-intensive nature as train costs are very high. Track and engineering structures such as communication systems, train signalling, power supply for electrified sections, bridges and tunnels, and terminal infrastructure require significant capital and maintenance costs. Thus, the market growth is constrained by infrastructure costs and costs associated with equipment, land acquisition, and financing. It also includes costs associated with integrating new train control systems into existing infrastructure is challenging and installing new systems.

- **High Technical Barriers**

The train control system industry is technology-intensive. It integrates modern communication technology, computer technology, security and reliability technology, digital signal processing technology, sensor technology, network transmission technology, and other professional and multi-field professional technology applications. The technological achievements in history rarely spread. Most core technologies are mastered by a small number of backbone enterprises. Accordingly, there is a lesser possibility for other enterprises to systematically master the relevant technical systems.

Further, the transportation system of Indian Railways is huge and complex. The railway operating lines are widely distributed and faced with complex terrain and changing natural environments. Railway running safety system has high requirements for accuracy and operational stability, and it is difficult for enterprises lacking a deep understanding of the national railway operation and management needs, a strong technical reserve history, and a technical verification history to enter the relevant fields.

At the same time, train safety technology, especially train operation control technology, is the result of long-term accumulation and requires years of research & development and field application verification to ensure the reliability, safety, and adaptability of related products. It will be difficult for new market entrants to achieve substantial breakthroughs in a short period of time. Accordingly, there are high technical barriers in the train control system industry.

- **Security Management and Technology Upgrade Risk**

The train control system is the key to ensuring the safety and stability of railway transportation. Once a problem occurs, it may cause a major accident and have a significant impact on national safety and enterprises in the industry.

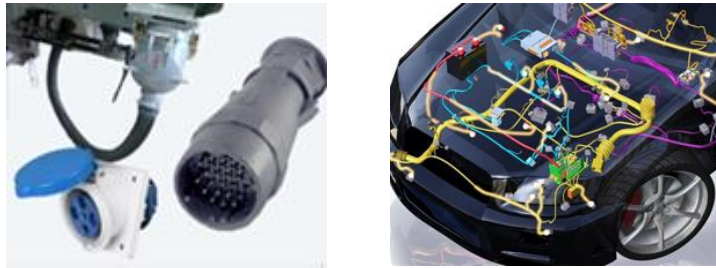
The large-scale application of railway driving safety systems must be guaranteed by a strict and mature application management system. Also, when a new technology is introduced, smooth integration of old and new systems must be ensured. This includes, but is not limited to, the large-scale testing of new systems, preparation of contingency plans, and simulation of possible failure scenarios. Therefore, train control system companies must make careful planning, thorough testing, and comprehensive consideration of possible risk factors for product application.

#### **4. Indian Interconnect Products Industry**

##### **a. Overview**

The Indian interconnect products industry refers to the sector involved in the design, manufacturing, and distribution of various interconnect solutions. Interconnect products play a critical role in facilitating electrical and electronic connections between different components or devices. These components enable the flow of signals, power, and data within electronic systems. The industry encompasses a wide range of products and technologies, including connectors and wire harnesses.

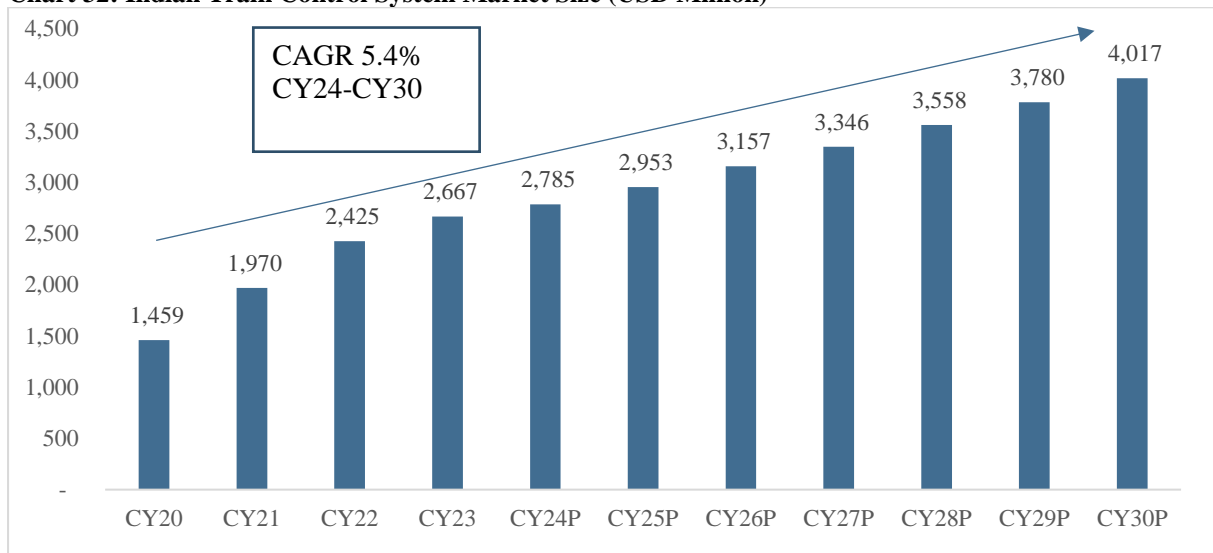
Further, electrical connectors and wire harnesses play a critical role in many electrical assemblies. A wire harness is a collection of cables or wires used to transmit electrical power, signals, and data, while connectors, also known as electrical connectors, are end components used to join wire.



Moreover, these connectors and wiring harnesses are widely used in sectors like automotive, rail vehicles, defense, telecom, and medical equipment. Accordingly, the growing thrust toward infrastructural development and the increasing industry size of these segments are expected to propel the interconnect products market growth in the coming years.

In CY23, the domestic interconnect products market was valued at USD 2,667 million, which is further expected to reach USD 2,785 million in CY24. For the forecast period CY24-CY30, the market is predicted to grow at a CAGR of 5.4%.

**Chart 32: Indian Train Control System Market Size (USD Million)**



Source: Maia Research; CareEdge Research

Overall, technological innovations and advancements are projected to optimize the product performance, making it more widely used in downstream applications. This is further expected to support the interconnect products market growth.

#### **b. Growth Drivers**

There are several factors contributing to the domestic interconnect products industry growth:

- **Growth of the Automobile Industry**

The thriving automotive industry propels the electrical connector and wiring harness market growth. The automotive industry encompasses companies involved in manufacturing vehicles, including two-wheelers, three-wheelers, and four-wheelers. Wiring harnesses are embedded in the body, engine, and chassis of a car and are critical to its efficient performance and safety. According to the Society of Indian Automobile Manufacturers (SIAM), the industry produced a total of 2,84,34,742 vehicles including passenger vehicles, commercial vehicles, three-wheelers, two-wheelers, and quadricycles in FY24, as against 2,59,31,867 units in FY23. Moreover, the total passenger vehicle sales increased from 38,90,114 in FY23 to 42,18,746 units in FY24; sales of passenger cars increased from 17,47,376 to 15,48,943; utility vehicles from 20,03,718 to 25,20,691 and vans 1,39,020 to

1,49,112 units, in FY24, compared to the previous year. Such uptrends in the automotive industry drives the electrical connector and wiring harness market.

- **Continuous Advancements in Automotive Technology**

Automobile manufacturers are implementing various technologies in their upcoming models to stay competitive in the market. Technologies such as automatic high beam control, self-driving, cruise control, and automatic lift gates are highly adopted by automobile companies as buyers are largely lured by attractive design, specifications, quality, and features. Wire harnesses are one of the most important components of a vehicle's electrical system. It bundles up to 5 km of cables in an average car.

Moreover, in modern vehicles, the majority of components, such as engine, air conditioning, instrumentation, audio speaker, lights, and battery are connected through front, rear, and roof wire harnesses. In addition, owing to the increasing technological advancements, the demand for wire harnesses is growing in the automobile industry. Furthermore, consumers are moving toward electric vehicles (EVs), which is also propelling the wire harness market growth.

- **Increasing Demand from Railways**

Rail transport is one of the most efficient & user-friendly modes of transportation. Electrical connectors and wiring harnesses are needed in the railway system to connect various components of the train, including power, lighting, and communication equipment inside the carriages. Electrical connectors and wiring harnesses play a vital role in the construction process of the railway transportation system.

In recent years, India has been raising investments in railway infrastructure. In the Union Budget 2024-25, the government has allocated Rs 2.52 lakh crore toward railways, which is the highest-ever allocation and an increase of about 5% over the previous year's allocation. Such increasing commitment to rolling stock manufacturers and infrastructure development is expected to support the interconnect products market in India. With the development of Indian railways, the market demand for electrical connectors and wiring harnesses is likely to expand in the coming years.

- **Rising Demand from Defence**

The technical level of the aviation, aerospace, and weapons industries represents and symbolizes the strength of national defence. In order to meet the needs of the rapid development of national defence modernization, the supporting products are constantly being updated and the electrification, automation, and systematization of equipment are constantly improving. Therefore, the use of electrical connectors and wiring harnesses as 'blood vessels and nerves' is also increasing.

In recent years, India's defence manufacturing has grown continuously, with increasing investments in aerospace and defence manufacturing, which is aiding the electrical connector and wiring harness market expansion. Whereas in the Union Budget 2024-25, India's capital allocation related to modernization of defence services and infrastructure development has been increased to Rs. 1,72,000 crore. Further, the Ministry of Defence has set a target of Rs. 175 crore turnovers in the aerospace and defence manufacturing industry by CY25, including Rs. 35,000 crores in exports.

As of April 2023, a total of 606 industrial licenses have been issued to 369 defence sector companies. To support the domestic defence industry, the government aims to ensure transparency, predictability, and ease of doing business by creating a strong ecosystem and supportive government policies. To this end, the government has taken steps to de-license, deregulate, promote exports, and liberalize foreign investment. Moreover, to promote exports and liberalize foreign investments, FDI in the defence sector was increased to 74% through the automatic route and to 100% through the government route. Such consistent government support in defence manufacturing augurs well for the electric wire and harness industry.

- **Increasing Market Demand for Medical Devices and Equipment**

The market demand for wire harnesses in the medical device and equipment industry is growing rapidly, attributed to advancements in technology that have facilitated the development of new & innovative medical devices and equipment. Wiring harnesses play an important role in these medical devices and equipment as they provide the necessary electrical connections between the various components.

Furthermore, the demand for the biocompatible wire harness market for medical devices and equipment is increasing due to the rising incidence of chronic diseases and ageing population. Such key factors are likely to propel the growth of the wiring and harness market in India.

### c. Threats & Challenges

The interconnect products industry in India, which includes various components and technologies for connecting electronic devices and systems, faces several challenges. These challenges can affect both domestic and international businesses operating in this sector.

Some of the key challenges include:

- **Fluctuations in Raw Material Prices**

Electrical connectors and wire harnesses are manufactured using copper, aluminium, and plastic. Copper is used in electrical connectors and wire harnesses due to easy assembly & manufacturing, small bundle size capability, high conductivity, flexibility, and reliability. The supply and demand imbalance leads to fluctuating copper costs, keeping it on an increasing scale. Whereas the demand for copper is huge, which primarily governs the price globally. Also, copper and its alloys are versatile engineering materials with a wide range of valuable properties that make them suitable for a vast number of applications.

Further, many electrical connectors and wire harness manufacturers use aluminium because of its lightweight and low cost, but aluminium has lower conductivity and must be larger than copper wires for the same power rating. Additionally, aluminium requires various termination technologies to overcome the problems of galvanic corrosion, oxidation, deformation with ageing, high thermal expansion, lower flexibility, and tensile strength. Nevertheless, as aluminium poses various challenges, copper remains the first choice for electrical connectors and wire harness applications. Thus, the fluctuating prices of copper can impact the profitability of electrical connectors and wire harness manufacturers.

- **Strict Quality and Delivery Requirements**

The electrical connector and wire harness industry usually has extremely high product quality requirements, but tight delivery times. Design changes often occur late in the design process, causing delays. At the same time, legislation requiring traceability and documentation puts increased pressure on manufacturers to implement ongoing verification and validation processes. For example, ISO 26262 requires a certain level of redundancy in wiring harnesses for autonomous vehicles. Thus, strict regulations are a challenge to adhere to.

- **High Competition**

As India's economy continues to grow, rapid developments and advancements have entered all walks of life, resulting in a huge rigid demand for electrical connectors and wire harnesses. The electrical connector and wire harness industry has developed rapidly, rendering the competition more intense. Companies in the electrical connector and wire harness industry can compete with each other in several ways. One of the most important ways is through the use of technology. Accordingly, several companies are heavily investing in R&D to create new & innovative products that will give them a competitive advantage.

Further, companies are looking for ways to reduce costs and improve efficiency. This is often accomplished by automating production processes and using lean manufacturing techniques. Another way companies compete is by providing excellent customer service and support. This can include offering better warranty coverage or more timely technical assistance.

Finally, companies also compete by offering lower prices or discounts on products and services. Moderate competition is conducive to market development. On the other hand, fierce competition can bring pressure and threats to participants. Overall, enterprises are stepping up their efforts to upgrade technology, improve service quality, and bring better products & services to customers.

## 5. Peer Comparison

### 5.1 Quadrant Future Tek Limited

**Table 8: Business Information – Quadrant Future Tek Limited**

Particulars	Description
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Company Name	Quadrant FutureTek Private Limited
Website	<a href="http://www.quadrantfuturetek.com">www.quadrantfuturetek.com</a>
Year of Establishment	2015
Business Overview	Quadrant FutureTek Private Limited is a Technology & Innovation-driven enterprise Certified to ISO/IRIS/TS Quality Management Systems. The state-of-the-art machinery, Testing & Product Development infrastructure constitute the facilities at Mohali. Quadrant FutureTEK offers Products & solutions in the following four verticals: End End Solutions in Train Control & Signalling Solutions; Speciality Cables; Cable Assemblies & Interconnect Solutions; electrical/Electronic Systems & Displays
Key Products	Specialty Cables, Train Control Systems and Interconnect Products

Source: Company Reports

**Table 9: Standalone Financial Information - Quadrant Future Tek Limited**

Indicators	Unit	FY20	FY21	FY22	FY23
Total Revenue	Rs. million	729.72	728.70	1,054.24	1,530.80
EBITDA	Rs. million	105.31	111.68	97.19	263.51
PAT	Rs. million	56.24	71.18	16.32	130.70
EBITDA Margin	%	14.43%	15.33%	9.22%	17.21%
PAT Margin	%	7.71%	9.77%	1.55%	8.54%
Debt to Equity	Times	2.59	1.84	3.31	2.14

Source: Company Reports

## 5.2 Apar Industries Limited

**Table 10: Business Information - Apar Industries Limited**

Particulars	Description
Company Name	Apar Industries Limited
Website	<a href="http://www.apar.com">www.apar.com</a>
Year of Establishment	1958
Business Overview	Established in India in 1958, Apar Industries is a manufacturer and supplier of conductors, various cables, specialty oils, polymers and lubricants and has expanded its operations to more than 140 countries.
Key Products	Speciality Oils, Conductors, Cables, Telecom Solution, Polymers, Lubricants, Specialty Automotive, Innovations
Geographical Outreach	Worldwide

Source: Company Reports

**Table 11: Consolidated Financial Information - Apar Industries Limited**

Indicators	Unit	FY21	FY22	FY23	FY24
Total Revenue	Rs. million	63,880.20	93,165.70	1,43,363.00	1,61,529.80
EBITDA	Rs. million	4,377.50	5,804.60	12,644.00	16,081.40
PAT	Rs. million	1,605.00	2,567.30	6,377.20	8,251.10
EBITDA Margin	%	6.61%	6.23%	8.82%	9.96%
PAT Margin	%	2.52%	2.76%	4.45%	5.11%
Debt to Equity	Times	0.17	0.17	0.14	0.10

Source: Company Reports

**Table 12: Segmental Information - Apar Industries Limited (Rs. million)**

Segment	Revenue	EBIT	Capex*
Conductor	80,309.80	8,575.30	897.40
Transformer & Specialities Oils	48,369.30	2,917.80	226.80
Power/Telecom Cables	38,588.80	4,050.60	1,292.40
Other	1,232.80	120.00	39.80

Source: Company Reports, \* Capex is for FY23 rest are FY24 numbers.

## 5.3 Polycab India Limited

**Table 13: Business Information - Polycab India Limited**

Particulars	Description
Company Name	Polycab India Limited
Website	www.polycab.com
Year of Establishment	1964
Business Overview	Polycab India Limited is engaged in the business of manufacturing and selling wires and cables and fast electrical products under the brand name 'POLYCAB'. Polycab India Limited except wires and cables. Also manufactures and sells FMEG products such as electric fans, LED lighting and fixtures, switches and switchgear, solar products, and conduits and accessories.
Key Products	Energy Cables, Specialty Cables, Communication Cables, Polycab Wires, Eтира Wires, Fans, Lighting and Luminaires, Hohm - Smart Automation Solution, Switches, Switchgears, Solar Products, Conduits and Accessories, Pumps, Appliances, EPC and Telecom
Geographical Outreach	Domestic and export to about 70 countries
Presence of Factories	25 Manufacturing facilities
Capacity	Wires & Cables 5.4mn kms

Source: Company Reports

**Table 14: Consolidated Financial Information - Polycab India Limited**

Indicators	Unit	FY21	FY22	FY23	FY24
Total Revenue	Rs million	87,922.34	1,22,037.61	1,41,077.78	1,80,394.44
EBITDA	Rs million	12310.08	13525.67	19,761.77	27,126.80
PAT	Rs million	8,859.13	9,172.84	12,830.86	18,029.17
EBITDA Margin	%	14.00%	11.08%	14.01%	15.04%
PAT Margin	%	10.08%	7.52%	9.09%	9.99%
Debt to Equity	Times	0.05	0.01	0.02	0.01

Source: Company Reports

**Table 15: Segmental Information – Polycab India Limited (Rs. million)**

Segment	Revenue	EBIT	Capex*
Wires and Cables	1,61,072.50	23,606.60	3,157.00
FMEG	12,988.20	-942.00	1,329.38
Others	11,008.10	1,248.20	97.67

Source: Company Reports, \* Capex is for FY23 rest are FY24 numbers

#### 5.4 Radiant Corporation Private Limited

**Table 16: Business Information - Radiant Corporation Private Limited**

Particulars	Description
Company Name	Radiant Corporation Private Limited
Website	NA
Year of Establishment	1976
Business Overview	Radiant Corporation Private Limited is an unlisted private company incorporated in the year 1976. The company is engaged in the business of developing and manufacturing specialized electronic and electric wires & cables.
Key Products	Industrial Electrical Wire, Heat Resistant Electrical Wire, Blue Electric Wire, KEI Electrical Wires, Bulk Electrical Wire and Building Wires

Source: Company Reports

**Table 17: Consolidated Financial Information - Radiant Corporation Private Limited**

Indicators	Unit	FY20	FY21	FY22	FY23
Total Revenue	Rs million	1,470.05	728.26	903.20	890.00
EBITDA	Rs million	0.00	0.02	0.02	0.02
PAT	Rs million	-138.95	89.28	107.02	77.47
EBITDA Margin	%	0.00%	0.00%	0.00%	0.00%
PAT Margin	%	-9.45%	12.26%	11.85%	8.70%



Debt to Equity	Times	0.00	0.00	0.00	0.00
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Source: Company Reports

## 5.5 Medha Servo Drives Private Limited

**Table 18: Business Information - Medha Servo Drives Private Limited**

Particulars	Description
Company Name	Medha Servo Drives Private Limited
Website	<a href="http://www.medha.com">www.medha.com</a>
Year of Establishment	1984
Business Overview	The company is focused on rail transportation. The company specialises in products for application on locomotives, trainsets, coaches, railway station and yards. The company specialises in designing and engineering the products to withstand shock and vibration, wide temperature variations, and electrical disturbances that are typical of harsh locomotive environment.
Key Products	High-tech electronics products for application on locomotives, coaches, railway stations and yards, Propulsion Systems, Rolling Stock Equipment, Fuel Saving Solutions, Signaling

Source: Company Reports

**Table 19: Consolidated Financial Information - Medha Servo Drives Private Limited**

Indicators	Unit	FY20	FY21	FY22	FY23
Total Revenue	Rs million	19,478.60	15,915.90	17,236.00	23,358.00
EBITDA	Rs million	3,750.90	3,516.90	3,203.70	2,584.00
PAT	Rs million	2,814.50	2,425.80	2,360.40	1,201.70
EBITDA Margin	%	19.26%	22.10%	18.59%	11.06%
PAT Margin	%	14.45%	15.24%	13.69%	5.14%
Debt to Equity	Times	0.00	0.00	0.00	0.18

Source: Company Reports

**Table 20: Segmental Information – Medha Servo Drives Private Limited (Rs. million)**

Segment	Revenue	EBIT	Capex
Railway Equipment and other	13,524.70	2,598.50	510.60
Solar Project	6.10	5.30	-
Canal Automation Project	3,705.20	566.20	4.20

Source: Company Reports

## 5.6 HBL Power Systems Limited

**Table 21: Business Information - HBL Power Systems Limited**

Particulars	Description
Company Name	HBL Power Systems Limited
Website	<a href="http://www.hbl.in">www.hbl.in</a>
Year of Establishment	1986
Business Overview	HBL Power Systems Limited is an India-based company that is engaged in design, development and manufacturing of specialized batteries and electronic solutions. The Company operates its business under three primary verticals: battery, electronics and defence. Its electronics business vertical is sub-divided into railway electronics and electric mobility. Its flagship products in this vertical are the train collision avoidance system (TCAS), which addresses the issue of safety, and train management system (TMS), which is designed for efficient track utilization. It has developed electric drive train kits for retrofitting light commercial vehicles and passenger buses. It manufactures specialized batteries for various applications, such as fighter aircraft, unmanned aerial vehicles and torpedoes, among others.
Key Products	Industrial Batteries, Electronics, Motors, Build to Print Manufacturing
Geographical Outreach	Over 80+ countries

Source: Company Reports

**Table 22: Consolidated Financial Information - HBL Power Systems Limited**

Indicators	Unit	FY21	FY22	FY23	FY24
Total Revenue	Rs million	9,120.39	12,362.10	13,686.78	22,333.56
EBITDA	Rs million	770.01	1,533.54	1,691.21	4,413.69
PAT	Rs million	137.27	937.10	970.92	2,626.56
EBITDA Margin	%	8.44%	12.41%	12.36%	19.76%
PAT Margin	%	1.51%	7.58%	7.19%	11.76%
Debt to Equity	Times	0.07	0.06	0.08	0.05

Source: Company Reports

**Table 23: Segmental Information – HBL Power Systems Limited (Rs. million)**

Segment	Revenue
Batteries	14227.90
Electronics	5406.60
Unallocated	981.30

Source: Company Reports

**5.7 Kernex Microsystems (India) Limited****Table 24: Business Information - Kernex Microsystems (India) Limited**

Particulars	Description
Company Name	Kernex Microsystems (India) Limited
Website	<a href="http://www.kernex.in">www.kernex.in</a>
Year of Establishment	1981
Business Overview	Kernex Microsystems (India) Limited is engaged in the manufacture and sale of Safety Systems and Software services for Railways. The company is specialized in Integrating Technologies related to Wireless Front-end, Satellite Communication, Embedded Systems, Signal Processing, Network Management and Software development.
Key Products	Train Protection System, Level Crossing Protection, Information System, Turnkey Product Development, Electronic Product Design, Embedded Software Design
Geographical Outreach	Domestic and Overseas

Source: Company Reports

**Table 25: Consolidated Financial Information - Kernex Microsystems (India) Limited**

Indicators	Unit	FY21	FY22	FY23	Q3FY24
Total Revenue	Rs million	182.33	66.52	40.40	106.85
EBITDA	Rs million	50.86	-77.03	-163.35	-71.80
PAT	Rs million	20.21	-172.12	-200.20	-140.39
EBITDA Margin	%	27.89%	-115.81%	-404.38%	-67.20%
PAT Margin	%	11.08%	-258.76%	-495.60%	-131.38%
Debt to Equity	Times	0.32	0.37	0.13	-

Source: Company Reports

**5.8 G.G. Tronics India Private Limited****Table 26: Business Information - G.G. Tronics India Private Limited**

Particulars	Description
Company Name	G.G. Tronics India Private Limited
Website	<a href="http://www.ggtronics.com">www.ggtronics.com</a>
Year of Establishment	2003

Particulars	Description
Business Overview	The company is situated in Bengaluru and involved in Design, Manufacturing, Supply and Installation of Electronic Safety Embedded Systems for Railway Transport sector.
Key Products	Single & Multi Section Digital Axle Counter SSDAC / MSDAC for track section, Train Collision Avoidance System(KAVACH) and many more.
Geographical Outreach	Domestic

Source: Company Reports

**Table 27: Consolidated Financial Information - G.G. Tronics India Private Limited**

Indicators	Unit	FY20	FY21	FY22	FY23
Total Revenue	Rs million	703.50	738.76	752.83	991.30
EBITDA	Rs million	92.12	92.92	94.32	137.30
PAT	Rs million	62.70	62.98	49.56	114.60
EBITDA Margin	%	13.09%	12.58%	12.53%	13.85%
PAT Margin	%	8.91%	8.52%	6.58%	11.56%
Debt to Equity	Times	0.00	0.00	0.00	0.00

Source: Company Reports

## OUR BUSINESS

*Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. See the chapter titled “Forward Looking Statements” on page 20 for a discussion of the risks and uncertainties related to those statements and “Risk Factors”, “Restated Financial Information” and “Management Discussion and Analysis of Financial Condition and Results of Operations” on pages 31, 244 and 369, respectively for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.*

*Our Company’s Fiscal year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, the financial information for Fiscals 2021, 2022 and 20223 and the nine months period ended December 31, 2023 included herein is derived from the Restated Financial Information, included in the Draft Red Herring Prospectus. For further information, see the chapter titled “Restated Financial Information” on page 244.*

*Unless the context otherwise requires, in this section, references to “we”, “us”, “our”, “the Company” or “our Company” refers to Quadrant Future Tek Limited.*

*The industry-related information contained in this section is derived from the CareEdge Report which is commissioned and paid for by our Company in connection with the Issue. For further details and risks in relation to the commissioned report, see “Risk Factor 51 - Certain sections of the Draft Red Herring Prospectus contain information from the CareEdge Report which we commissioned and paid for and any reliance on such information for making an investment decision in the Issue is subject to inherent risks.” on page 61.*

## OVERVIEW

Quadrant Future Tek is research oriented company, engaged in developing new generation Train Control and Signalling Systems that offers the highest level of safety and reliability to rail passengers and also possess an irradiated / E-beam cable manufacturing facility with Electron Beam Irradiation Centre. The Company offers speciality cables for Railways rolling stock and Naval (Defence) industry. The manufacturing facility of the Company also possess end to end infrastructure capabilities for production of Solar Cables & EV Cables. The manufacturing operations of the Company are based in Basma, Mohali and Railway Signalling & Embedded System Design centre at Bengaluru, Karnataka and Hyderabad, Telangana.

We believe that our competitive advantage is our technology and innovation-driven approach, our efficiency in operations, maintaining quality control, experienced domain professionals and design and development team for embedded systems enabling indigenously developed solutions.

### Specialty Cables Division

The Company offers Electron Beam Irradiated Cables for the industrial & 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 higher temperature-bearing capacity enables the industry users to specify lower cross-section conductor / cable sizes that enables significant weight reduction. Thus, these E-beam 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 E-beam cables also has major application in Solar & Wind installations where thermal resistance, long term durability & extended warranties are the key factors. We have installed a 2.5 MeV Electron Beam Industrial Accelerator for cable manufacturing plant which helps us to offer electron beam Irradiated 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 Limited and ROHS Certification Private Limited for its speciality cables division. We have a wide product portfolio which includes railways rolling stock cables, naval defence, marine cables, solar PV cables, automotive cables, and connectors & junction boxes. We also provide

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 our Company. With a huge emphasis on the modernization of Railways in India and thrust on Make in India, accompanied by ambition for high speeds trains, the requirement of Automated Train Safety and signalling systems is inevitable. The Indian Railways plays a crucial role in ensuring the smooth and secure operation of trains across the rail network. For enhancing the safety standards and faster movement, Indian Railways is developing and creating technology in areas such as signalling and telecommunication with 15,000 kms being converted into automatic signalling and 37,000 kms to be fitted with 'Kavach', the domestically developed Train Collision Avoidance System (CareEdge Report). It is a combination of hardware equipment and software that monitor train locations and movements. Once implemented by Indian Railways, KAVACH will be the world's most economical automatic train collision protection system that ensures safety of human life and the rail infrastructure. The primary focus of the system is to enhance the efficiency and safety of the railway network. The Indian train control system market size was estimated to be valued at USD 208 million in CY23, which is further expected to reach USD 208 million in CY24. For the forecast period CY24-CY30, the market anticipated to grow at a notable CAGR of 12.6%. (CareEdge Report). Once implemented, KAVACH will be the world's cheapest automatic train collision protection system, costing approx. ₹ 5.00 million per kilometre to operate compared to about ₹ 20.00 million per kilometre worldwide.

Our 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. Our 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. We have vertically integrated manufacturing operations for the hardware and software required for Train Control and Signalling Division which allow us to manage manufacturing processes in-house, from design and development to manufacturing and delivery.

Based on our registration to develop indigenized KAVACH (Indian Railway ATP) and successful Type testing, we have been accorded proto-type approval by Indian Railways / RDSO and further technical clearance for deployment of our systems 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 ₹ 168.60 million. For the said deployment of Kavach equipment, our Company has nearly completed the entire civil work required and is in the process of deploying stationary, RIU and onboard Kavach systems. Upon successful completion of the project execution, warrant period shall be two years and thereafter AMC period shall be one year separately for onboard and trackside systems.

On May 01, 2024, our Company has entered into a Memorandum of Understanding 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. This Memorandum of Understanding shall remain in force unless terminated by either of the parties in accordance with terms hereof. RailTel shall lead engagement and discussion with key stakeholders within Indian Railways and other Country’s Railways and to participate, market and implement KAVACH technology jointly with Quadrant in Indian Railways and in other countries. Our Company is *inter-alia* responsible for technology maintenance and upgradation as per the specifications of RDSO for entire life cycle of the project, meet RDSO specifications to be eligible for participation in upcoming tenders of KAVACH on Indian Railways, provide technical expertise for the project execution alongwith provision of expert manpower and required technology solutions and to participate in KAVACH tenders of Indian Railways or other countries jointly with RailTel.

We are a technology and innovation-driven Company and our products comply with ISO / IRIS / TS standards and follow rigorous and robust Quality Management Systems for our E-beam Cables. Further, our in-house testing facility is equipped to conduct the tests for our Train Controls and Signalling Division in adherence with most of the internationally recognized test standards, including DIN, UIC, BS, UL, CE & CENELEC Standards

and ensures that every product undergoes stringent quality tests accordingly to meet the international standards at various stages of production before its delivery. This has enabled us to develop long-term and entrenched relationships with our customers that has resulted in growth in our business operations. We expect that our quality management systems will enable our system driven efficiency and continue to attract higher revenues going forward.

The company's infrastructure facility for manufacturing, testing, researching, and developing specialty cables is at Village Basma Tehsil Banur, Distt Mohali - 140 417, Punjab, India. Our Railway Signalling & Embedded System Design centre for Train Control & Signalling Division is based at Bengaluru, Karnataka and Hyderabad, Telangana.



The manufacturing facility of our Company is:

- Approved by RDSO for the supply of Single Core / multi-core Control and power Cables, Signalling Cables for Railway Coaches, Locomotives & EMU's. The cables are being supplied to various Indian Railways Production Units;
- Approved by DGQA for the supply of single-core / multi-core, screened / un-screened cables for naval ships and fully complementing the domestic marine industry;
- Approved by Indian Register of Shipping (IRS) for (a) 'Single and Multi-Core Cables (Screened & Unscreened)'; (b) 'Multipair Cable (Individually/ Collectively Screened)'; and (c) 'Multirad Cable (Individually/ Collectively Screened)'; and
- Approved by RDSO for the production & Testing of Kavach system & Electronic Interlocking Systems

Quadrant People Policy is committed to empowerment & realizing the intrapreneurial qualities in each of its employees by providing equal attention to both passion & profession. That is the sole reason for our success, visibility & achieving major milestones quickly. The approach to people includes a culture with a vibrant ecosystem that drives 'ownership'.

Our Company was incorporated with the collaboration of four independent business groups, comprising of technocrats and entrepreneurs, and the shares in the Company are held equally by each group, i.e. 25% of the Pre-Issue Equity Capital, and are collectively represented by: (i) Mohit Vohra and Amit Dhawan (collectively, "MV Group"); (ii) Rupinder Singh, Aikjot Singh and Parminder Kaur (collectively, "NEC Group"); (iii) Amrit Singh Randhawa, Rajbir Singh Randhawa, Swinder Kaur and Navneet Kaur (collectively, "ISG Group"); and (iv) Mohan Krishan Abrol, Vivek Abrol, Vishesh Abrol and Vipin Abrol (collectively, "Abrol Group"). Being represented by four different business groups helps our Company make collaborated and brainstormed decisions without being influenced or dominated by any one promoter or group of promoters.

Our Company started manufacturing specialty cables, initially, to meet the requirements of our Company's Promoter and Promoter Group entities for rail cables. Gradually, in addition to partnering with our Promoter Group customers (related parties) in order to pursue their growth strategies, we have diversified our customer base to include third-party customers by leveraging our infrastructure for manufacturing capacity and maximizing its utilization. Our efforts to expand the customer base have led to an increase in manufacturing of specialty cables for third-party customers with expansion into defence sector also and our revenue from operations increased from ₹ 728.28 million in Fiscal 2021 to ₹ 1,528.04 million in Fiscal 2023, at a CAGR of 44.85% and was ₹ 1,003.71 million in the nine months ended December 31, 2023.

We are led by experienced Promoters and qualified senior management team with significant experience in the railways sector and manufacturing industry. Mohit Vohra, our Managing Director, has over 26 years of experience including working with multinational companies handling multiple roles in Rail, Defence & Electronic Component Markets and thereafter a successful entrepreneurial journey in Rail Sector. Our other Promoter Directors namely Amrit Singh Randhawa, Rupinder Singh, Vivek Abrol, Vishesh Abrol, Amit Dhawan, Rajbir Randhawa & Aikjot Singh have entrepreneurial experience in Rail Sector. Also, Satish Gupta, our Independent Chairman, has experience of around three decades at corporate level including in power and solar industry. Our senior management team has demonstrated the ability to anticipate and capitalize on changing market trends, manage and grow our operations, and leverage and deepen customer relationships. Our Railway Signalling & Embedded System Design team is the backbone for the innovation and implementation of technology in our product offerings.

### Sales mix and geographical presence

#### *Speciality Cables Business*

The primary customers of our Company are in the business segment of railways and defence and therefore geographical mix is not relevant.

The sales mix of revenue from operations of our Company is as under:

Nature of customers	December 31, 2023		March 31, 2023		March 31, 2022		March 31, 2021		
	Sales	%age*	Sales	%age*	Sales	%age*	Sales	%age*	
(₹ in millions)									
<b>Wires and Cables (Railways)</b>									
Indian Railways (through Zonal railways / their divisions / production units)	485.12	48.33%	737.56	48.27%	562.47	53.95%	198.20	27.22%	
Private Sector (other than Group Companies)	111.37	11.10%	96.60	6.32%	92.52	8.87%	222.16	30.50%	
Private Sector (Group Companies)	146.76	14.62%	307.04	20.09%	356.49	34.19%	304.81	41.85%	
<b>Sub-total (A)</b>	<b>743.25</b>	<b>74.05%</b>	<b>1,141.21</b>	<b>74.68%</b>	<b>1,011.49</b>	<b>97.02%</b>	<b>725.17</b>	<b>99.57%</b>	
<b>Wires and Cables (Defence)</b>									
Public Sector Undertakings	251.75	25.08%	369.16	24.16%	30.45	2.92%	3.06	0.42%	
Private Sector (other than Group Companies)	-	0.00%	-	0.00%	-	0.00%	-	0.00%	
<b>Sub-total (B)</b>	<b>251.75</b>	<b>25.08%</b>	<b>369.16</b>	<b>24.16%</b>	<b>30.45</b>	<b>2.92%</b>	<b>3.06</b>	<b>0.42%</b>	
<b>Train Control Systems Division</b>									
Indian Railways	-	0.00%	14.25	0.93%	-	0.00%	-	0.00%	

Nature of customers	December 31, 2023		March 31, 2023		March 31, 2022		March 31, 2021	
	Sales	%age*	Sales	%age*	Sales	%age*	Sales	%age*
Sub-total (C)	-	0.00%	14.25	0.93%	-	0.00%	-	0.00%
Other income from operations (D)	8.71	0.87%	3.44	0.23%	0.64	0.06%	0.05	0.01%
<b>Total (A)+(B)+(C)+(D)</b>	<b>1,003.71</b>	<b>100.00%</b>	<b>1,528.05</b>	<b>100.00%</b>	<b>1,042.58</b>	<b>100.00%</b>	<b>728.28</b>	<b>100.00%</b>

\* As %age to total revenue from operations.

#### Our customers and suppliers

The following is the breakup of the top five and ten customers of our Company for the nine months period ended December 31, 2023 and the financial years ended March 31, 2023, 2022 and 2021:

(₹ in millions)

Particulars	December 31, 2023		March 31, 2023		March 31, 2022		March 31, 2021	
	Sales	%age*	Sales	%age*	Sales	%age*	Sales	%age*
<b>On total revenue</b>								
Top ten customers	766.31	76.35%	1,184.27	77.50%	892.50	58.41%	575.90	37.69%
Top five customers	584.79	58.26%	790.34	51.72%	659.72	43.17%	348.64	22.82%
<b>Division wise bifurcation of the sales is as under:</b>								
<b>For Wires and Cables (Railways)</b>								
Top ten customers	583.32	58.12%	957.12	62.64%	890.36	58.27%	575.90	37.69%
Top five customers	461.01	45.93%	661.39	43.28%	659.72	43.17%	348.64	22.82%
<b>Wires and Cables (Defence)</b>								
Top five customers ^	251.75	25.08%	369.16	24.16%	30.45	1.99%	3.06	0.20%

\* As %age to total revenue from operations.

^ The total number of customers is less than 5 (five) during the period mentioned aforesaid.

The following is the breakup of the top five and ten suppliers of our Company for the nine months period ended December 31, 2023 and the financial years ended March 31, 2023, 2022 and 2021:

(₹ in millions)

Particulars	December 31, 2023		March 31, 2023		March 31, 2022		March 31, 2021	
	Value #	%age*	Value #	%age*	Value #	%age*	Value #	%age*
<b>On total revenue</b>								
Top ten customers	576.41	95.52%	880.37	85.95%	795.30	90.64%	408.73	85.46%
Top five customers	551.12	91.33%	791.22	77.24%	699.84	79.76%	294.67	61.61%

# value of purchase of material and consumables during the period

\* as percentage of purchase of material and consumables

For details of the top ten customers and suppliers, refer to “Management Discussion and Analysis of Financial Conditions and Results of Operations” on page 369.

#### Train Controls and Signalling Division

For the present implementation of our Train Collision Avoidance System, we have only one customer, i.e. Indian Railways.

The following table provides a snapshot of certain of our financial and operational performance indicators for the periods indicated:



(₹ in millions)

Particulars	Nine months period ended December 31, 2023	As at / for the financial year ended		
		March 31, 2023	March 31, 2022	March 31, 2021
Revenue from operations	1003.71	1528.04	1042.58	728.28
Total revenue	1004.13	1529.45	1042.91	728.93
EBITDA	291.46	265.45	95.08	112.92
EBITDA margin (%)	29.04%	17.37%	9.12%	15.50%
Operating EBITDA	291.04	264.08	94.75	112.27
Operating EBITDA (%)	29.00%	17.28%	9.09%	15.42%
Profit after tax	144.19	139.04	19.43	48.12
PAT margin (%)	14.37%	9.10%	1.86%	6.61%
Return on Equity (ROE)(%)	39.41%	61.76%	13.25%	42.58%
Debt to Equity Ratio	1.73	2.52	5.17	2.99
Interest Coverage Ratio	8.19	7.85	1.88	3.48
Return on Capital Employed (ROEC)(%)	24.93%	27.19%	8.43%	24.11%
Current Ratio	1.17	1.19	1.45	1.25
Net Capital Turnover Ratio	13.20	11.85	8.29	12.07

a) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.

b) EBITDA refers to earnings before interest, taxes, depreciation, amortisation, gain or loss from discontinued operations & exceptional items.

c) EBITDA Margin refers to EBITDA during a given period as a percentage of revenue from operations during that period.

d) Operating EBITDA refers to EBITDA less other income ie only revenue from operations.

e) Operating EBITDA Margin refers to operating EBITDA during a given period as a percentage of revenue from operations during that period.

f) Net Profit Ratio/Margin quantifies our efficiency in generating profits from our revenue and is calculated by dividing our net profit after taxes but before other comprehensive income by our revenue from operations.

g) Return on equity (RoE) is equal to profit after tax for the year divided by the total equity during that period and is expressed as a percentage.

h) Debt to equity ratio is calculated by dividing the debt (excluding lease liabilities) by total equity (which includes issued capital and all other equity reserves).

i) Interest Coverage Ratio measures our ability to make interest payments from available earnings and is calculated by dividing EBIT by finance cost.

j) RoCE (Return on Capital Employed) (%) is calculated as EBIT divided by total equity plus non-current debt plus current debt.

k) Current Ratio is a liquidity ratio that measures our ability to pay short-term obligations (those which are due within one year) and is calculated by dividing the current assets by current liabilities.

l) Net Capital Turnover Ratio quantifies our effectiveness in utilizing our working capital and is calculated by dividing our revenue from operations by average working capital (i.e., current assets less current liabilities).

# EBITDA, EBITDA Margin, EBITDA Growth, PAT Margin, Return on Capital Employed, Return on Equity and Debt to Equity Ratio are non-GAAP measures.

For reconciliation of non-GAAP measures, see “Other Financial Information - Reconciliation of Non-GAAP Measures” on page 361.

## OUR 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:



**Domain expertise of Signalling and Train controls:** To create domain expertise in Signalling and Train controls, we have a team of senior management personnel with experience in the field of the railways, signalling, knowledge of how a locomotive works and operates. For implementation of a TCAS system, four systems are separately installed, comprising of on-track equipment (e.g. RFID tags), track side equipment (e.g. railway towers), indoor equipment (e.g. station TCAS, relay, etc) and on-board equipment (i.e. Loco TCAS, Driver Machine Interface, etc). Kavach is the first system in India which has bought all these four systems together.

**Product Engineering:** To be able to conceive and design a product, the company should have architecture level skills, design skills and product management, i.e. what could possibility go wrong which running the equipment. Also, product engineering should overcome constraints related to mechanical, electrical, electronic, software, data, communication and logistic processes.

**Safety critical system engineering:** Safety-critical systems are systems where a failure could lead to loss of life or significant damage to property or the environment. One of the critical factors for building train control systems is to have skill pertaining to safety-critical system safety thinking. It's necessary to take into account all possible failures that could occur and take steps to avoid them, which in complex systems, with a multitude of variables, sensors and programming codes, is a demanding task.

For building of such safety critical systems, starting from the beginning, you must first know which standard you have to meet. This may be determined by the sector you work in. The next step is to determine the safety level. Once you know the level you need to meet, it's necessary to analyze the processes and documentation you will need to follow during each of the development phases.

Safety-critical software development projects are highly resource intensive. The experience of the team working with techniques for the development, operation and assurance of the safety characteristics of systems or services that have safety implications help us to build our Train Control System to meet the global standards. The strength of the team lies in demonstration of understand of safety and encapsulate safety in all its products. Also, it is necessary to develop the system very thoroughly from the outset in order to minimize the costs associated with changes and modifications.

**Knowledge and application of global standards:** The Train Control System are designed and developed by our Company in line with CENELEC Standards to meet SIL-4 safety specification. For development of such products, our 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 these 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***

On May 01, 2024, our Company has entered into a Memorandum of Understanding 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 has partnered exclusively with RailTel on delivering the specific targeted opportunity related to KAVACH in Indian Railways and other Countries Railways for which RailTel and Quadrant has agreed to work jointly. In terms of the said Memorandum of Understanding, RailTel will ensure that none of its Related Party (as defined) will, solicit, negotiate, accept, encourage, consider or otherwise pursue any offer or inquiry from any person or entity, or engage in discussions or other communications or furnish any information, any acquisition or disposition of any interest regarding such particular business transaction mutually agreed.

This Memorandum of Understanding shall remain in force unless terminated by either of the parties. RailTel shall lead engagement and discussion with key stakeholders within Indian Railways and other Country’s Railways and to participate, market and implement KAVACH technology jointly with Quadrant in Indian Railways and in other countries. Our Company shall be responsible for technology maintenance and upgradation as per the specifications of RDSO for entire life cycle of the project, meet RDSO specifications to be eligible for participation in upcoming tenders of KAVACH on Indian Railways, provide technical expertise for the project execution alongwith provision of expert manpower and required technology solutions and to participate in KAVACH tenders of Indian Railways or other countries jointly with RailTel.

***We have in-house design and product development capabilities powering our Rail Signalling Products & Solutions.***

The focus of the Indian Railways is to increase the capacity utilization of existing assets, including rolling stock, track infrastructure, traction power, and signalling & telecommunications. By increasing the Train speeds, more number of passenger & cargo trains can be run on the same infrastructure which may help Indian Railways to improve the revenues and profitability, reduces passenger travel time & enhances passenger travel experience. Achieving safety over high-speed and high-density rail networks of Indian Railways makes it imperative to implement Automatic Train Protection systems such as Train Collision Avoidance System to prevent dangerous train collisions caused by human errors or limitations and equipment failures by providing an additional layer of enhanced safety in the operations.

Our Railway Signalling & Embedded System Design centre is located in Bengaluru and Hyderabad and consists of 24 employees in the Railway Signalling & Embedded System Design centre, which is approximately 9.02% of our total employees. Our Railway Signalling & Embedded System Design centre focuses on the development of product, solutions with latest technology, understanding the expectations of RDSO on Automatic Train Protection systems, whilst simultaneously focusing on cost competitiveness and innovation.

We have 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. We undertake our manufacturing operations at our manufacturing facility, situated in Basma, Mohali, Punjab, with a dedicated Production floor area of approximately 60,000 sq. ft. and is equipped with advanced equipment, modern technology, and automation systems to manufacture the hardware required for Train Control Systems Division. Our ability to drive technology and product innovation also led us to develop a custom in-house train Collision avoidance system which we believe is adhering to the requirement of RDSO.

With our integrated operations i.e., from design and development to manufacturing, assembly and testing and to providing software solutions, we strive to be able to meet all needs to successfully provide solution for Train Control Systems Division under a single roof as well as control and maintain the quality of our hardware thereby maintaining the overall reliability and durability of our hardware.

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

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

These speciality cables production and testing facility requires:

- Substantial capital expenditure
- Intense R&D in polymeric sciences & processing equipment to meet the challenging requirements of the industries to which we cater
- Rigorous approvals and maintenance of strict safety regulations by Atomic Energy Regulation Board, DGQA & RDSO
- Customized, high speed rubber & silicone production lines
- High precision copper processing lines
- In-house test infrastructure including fire, smoke, thermal, weatherability, mechanical, electrical, electronic, high voltage, spectroscopy and many more.

Electron beam ('E-beam') processing technology has diverse commercial, medical, and industrial applications including to sterilize medical devices, Gems & Diamond Processing, pharmaceuticals, and cosmetics. It provides an effective and efficient means to give rise to favorable changes in the properties and the performance of polymers and other materials. E-beam irradiation provides enhanced cross-linking and polymer modification for wire, cable, and tubing products in the wire and cable industry compared to the chemical cross linking of polymers. The processing technique does not require any additives, nor does it generate any hazardous chemical by-products and heat. In addition, the E-beam cross-linking does not require the hours of cure time needed for other conventional chemical cross-linking methods. This cross-linking is an energy-efficient process, and the minimal exposure time helps ensure high throughputs.

E-beam cross-linking protects wire and cable insulation from the heat and short-circuits as a result of high temperatures. The processing improves a range of properties of Electron Beam Cross-Linked wires and cables such as:

- Improved tensile strength, especially at elevated temperatures
- abrasion-resistance which results in reduced wall thickness to save raw material, space, energy and weight, which gives an extra premium in terms of lower energy consumption in trains, ships, planes and other transportation systems
- thermal resistance, flame-propagation-resistance, deformation resistance, and cut through-resistance as electron beam cross linking occurs at room temperature
- increases the shear and compressive strength of the wires and cables
- no dripping in case of fire, less flame spreading, less smoke, less pollution in case of fire
- reduced risk of damage by mechanical pressure and cut through, no short circuits and electrical sparking

Railways & Naval Ships: E-beam Cables offers weight reduction of Cables in the tune of 4-6 tons of weight per Train. This substantial weight saving offers recurring savings of energy required to drive the train, throughout the life of the train. Further, the E-Beam Polymers are highly fire retardant, low smoke & halogen free that offer enhanced fire related safety to the passengers.

Electric Vehicles: Weight reduction of the cables has direct impact on the size of the battery of the electric vehicle required for the traction of the vehicle. Reducing the weight of the cables may lead to reducing the size of the battery, which may offer following advantages:

- Reduces the capital cost of the vehicle
- Reduces the Charging time of the Vehicle
- Reduced the recurring running cost.

Solar & Wind Energy: Solar & Wind projects are often installed at the locations with extreme environments (Deserts, Coastal areas, River beds, Mountains) & these contracts are backed with long warranty periods. Durability & High / Low Temperature resistance are extremely important for these projects as the service cost in these regions are very high & thus E-Beam Irradiated cables emerges as the most preferred choice.

Such cables are used significantly in power generation, transmission & distribution, as well as specialized sectors such as naval ships, submarines and shipbuilding applications, railways including loco / coach wiring and metro railway, mining, renewable energy, electronic vehicles segment, etc. There have been steady developments in radiation cross-linking of wire and cable and heat shrink products. These have been mostly focused on process control and control systems. There are still opportunities for further process improvements and optimization in various industries including utilisation for higher safety in high rise apartments, hospitals, etc. .

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

We are 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. Our Railway Signalling & Embedded System Design team and technological capabilities have helped us in diversifying our products in the speciality cables segment. We have made our first supply of cable for Naval Ships during the Fiscal 2022 with an insignificant turnover of ₹ 30.45 million and later increased to ₹ 369.16 mn, representing 24.16% of the total sales during the Fiscal 2023

Our competitive edge lies in Railway Signalling & Embedded System Design team, product innovation and quality. We manufacture our products within our manufacturing facility located at Basma, Distt. Mohali, Punjab. We have developed systems throughout our production process to ensure the quality and reliability of our products and meet the standards of RDSO, DGQA and Indian Register of Shipping. Our manufacturing facility is accredited with quality management system certificates for compliance with ISO 9001:2015, 14001:2015 and 9001:2015 requirements.

All activities, right from sourcing the raw material to manufacturing of PVC compound, bunching and stranding, insulation, armouring, sheathing and packing of the wires and cables is carried out in-house. We operate automated machines like Extruder machines of different grades for melting PVC raw material, bunching and stranding machines for processing copper wires, coiling & moulding machines for processing of various types of cables, etc. All of these require specialty formulations, which is done in-house in our compounding facility. This gives us a sense of control on the quality and the requirement of the client, and also, it keeps the costs under control. The extrusion equipment is also customized to meet the various requirements pertinent to these wires and cables manufactured by us. Our E-beam manufacturing facility has a total installed production capacity of 1,887.60 MTPA as at December 31, 2023.

Our manufacturing processes are also subject to regular inspections conducted by our customers. We also conduct quality inspections and testing for our raw materials and final products from time to time to meet the stringent requirements of our customers. Quality test results of samples play a vital role in selection by our customers. Testing process of copper cable wire includes the electrical tests, mechanical tests and chemical tests. A number of tests on electrical cables are conducted during the manufacturing process which is describe as non-destructive tests such as test for absences of faults, voltage testing and overall dimension test. These tests includes routine test, high voltage test, insulation resistance test (IR) and conductor resistance test (CR) etc. The machines used for performing these tests are High Voltage Machine, Megger Test Meter, Mage Ohm Meter etc.

Our production capabilities, including the amount of capital and technology investment, 2.5 MeV Electron Beam Industrial Accelerator for cable manufacturing, operational expertise and industry knowledge accumulated to deliver our products which are further enhanced with our in-house research facility, coupled with RDSO, DGQA and Indian Register of Shipping constitute a high barrier to entry for other companies to emulate. We received Fresh Registration for inclusion of the name of our Company in the 'List of RDSO vendors for developmental orders for manufacture and supply of electric items QAE-M-7.1-2 (latest)' on December 14, 2017 and we have more than six years of experience in the manufacturing of the irradiated wires and cables. The electron beam cross-linking is carried out at room temperature and with the electron-beam accelerators, the insulation materials can be cross-linked within a few seconds. The homogeneous irradiation ensures that the homogeneous cross-linking is achieved. The E-beam machine is being operated by experienced and well trained technical personnel and thus help us to utilise the machine in the most efficient manner. Also, the 2.5 MeV Electron Bea Accelerator commenced operations only after complying with the stringent requirements of AERB (Atomic Energy Regulatory Board) has the continuing operations are also supervised by AERB periodically to ensure compliance with their requirements.

### ***Global emergence of market for irradiated cables in renewable energy and electric vehicles and supply of such irradiated 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. As India is significantly dependent on crude oil imports and various cities in India are facing pollution menace, the Indian government has also acknowledged the need to promote EVs. The EV market in India has been witnessing steady growth. The sales of electric cars, two-wheelers, and three-wheelers have been increasing in recent years, driven by government incentives, decreasing battery costs, and the introduction of new EV models by domestic and international manufacturers. Since new energy vehicles use a large amount of electronic equipment, especially high-voltage electrical equipment, they have higher requirements for power cables. Specialty power cables play an important role in the safety of new energy vehicles. For instance, high-quality specialty power cables can ensure that the electrical system can work properly and ensure a low failure rate, thereby reducing the risk of accidents such as fires and explosions. Based on our deep product knowledge and multiple usage of E-beam cables, gives us expansive insight into multiple industries, we believe that 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. It contributes significantly to the government's objective of sustainable growth while emerging as a key anchor in meeting the nation's energy demands and ensuring energy security. Moreover, the global solar industry is rapidly growing and so is the demand for specialty cables. India has a large amount of solar energy potential. Approximately 5,000 trillion kWh of energy is incident over India's geographical area each year. Throughout the years, India's solar energy sector has emerged as a key participant in grid-connected power generation capacity (source: CareEdge Report). Therefore, the specialty cable market growth is attributable to the positive outlook for the solar power segment, further accredited to government support and growing environmental consciousness. The cables used in solar power stations are mostly laid outdoors. The environment where they are used is very harsh. The material of the cable is selected based on the degree of ultraviolet rays, ozone, severe temperature changes, and chemical corrosion such as acid and alkali in the environment. If ordinary cables are used, working in harsh environments for a long time will cause damage to the cable sheath and even decomposition of the cable insulation layer, resulting in cable short circuits and fire accidents. Therefore, it is imperative to use specialised cables to withstand extreme weather conditions, resist UV rays, and handle high electrical loads, making them an essential component in the development of solar power systems.

Our 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. We have 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***

We are led by a qualified and experienced management team, who are supported by a capable and motivated team of managers and other employees. We believe that the experience and leadership of our core team has played a key factor in our growth and development. We believe that our management team's in-depth understanding of railways segment and the plans to the Ministry of Railways for implementation of Kavach system have enabled us to grow our successfully develop out Train Collision Avoidance System. Their understanding of industry trends, technology and system integration, have enabled us to develop successfully and obtain orders from railways and leverage market opportunities.

We are led by experienced Promoters and qualified senior management team with significant experience in the railways sector and manufacturing industry. Mohit Vohra, our Managing Director, has over 26 years of experience including working with multinational companies handling multiple roles in Rail, Defence & Electronic Component Markets and thereafter a successful entrepreneurial journey in Rail Sector. Our other Promoter Directors namely Amrit Singh Randhawa, Rupinder Singh, Vivek Abrol, Vishesh Abrol, Amit Dhawan, Rajbir Randhawa & Aikjot Singh have entrepreneurial experience in Rail Sector. Their experience in the field of railways, including extensive knowledge of the safety systems and implementation strategy, is supplemented by our senior management team, which 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. Our senior management team has significant experience in all aspects of our business operations and managerial roles. We empower our managerial personnels, regardless

of role to harness their entrepreneurial spirits through decision making approach and risk taking capabilities. For further information on our management team, see “Our Management” on page 211. We believe that our qualified and experienced team enables us to identify new avenues of growth and helps us to implement our business strategies in an efficient manner.

## **BUSINESS STRATEGIES**

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

Our company continually track the upcoming trends & requirements of the industry & focus on research and development on these new generation technologies as a core thrust of our business. Current areas on which the Company is focussed 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

We intend to continuously invest in research, design, and innovation to build safer, valuable, cost-effective solutions for our customers. We believe constant research and development would enable us to remain ahead of the competition, help customers with lower costs, and enhance their efficiency. We also focus on process improvements to reduce operational costs and enhance the quality of products. Through in-house quality control and research and development, we have created our knowledge database and provided new products to our customers. Our company continuously tries to apply modern techniques in the manufacturing process as a practice to achieve better quality products.

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

The Government has recognized the need to promote domestic manufacturing and has been taking multiple initiatives to attract manufacturing investments and promote existing manufacturing capabilities like “Make in India” and “Atmanirbhar Bharat Abhiyan”.

Indian Government launched the ‘Make in India’ initiative in 2014 to boost local manufacturing and to make India a global manufacturing hub. The scheme involved focused investments to increase innovation and intellectual property, develop best-in-class manufacturing infrastructure and promote favorable policy initiatives. The Department for Promotion of Industry & Internal Trade (DPIIT), which also manages ‘Invest India’ to facilitate foreign investments into the country, has chosen twenty-four sub-sectors (including railways, automobile, chemicals, medical devices, auto-components, defence manufacturing, electronic systems etc.) to boost local manufacturing based on local competency, potential for import substitution, opportunities for export and potential for increased employment opportunities.

In the midst of the COVID-19 epidemic, the Government of India announced the Atmanirbhar Bharat Abhiyan (or 'Self-reliant India') in May 2020. The campaign's principal goal was to recover from the economic impact of the pandemic and become self-sufficient on five key pillars: economy, technology-driven infrastructure, infrastructure, demand, and demographics. The Indian government unveiled a combined economic package to support a variety of projects aimed at benefiting enterprises, MSMEs, farmers, and the agriculture sector.

The Government of India aims to promote domestic development, and manufacturing by promoting indigenous development in the field of railway infrastructure and allied systems. With these measures, 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. Under Atma Nirbhar Bharat, the Government also plans to introduce parameters for better quality of output to meet international standards so that Indian products can compete in the global market.

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

We have invested a significant amount towards capital expenditure aggregating to ₹ 594.41 million till date in developing our 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 our design and development capabilities, particularly with a view to expand our operations. The table below indicates the expenses for product development incurred by our Company in Fiscal 2023, 2022 and 2021:

Particulars	(₹ in million)			
	For nine months ended December 31, 2023 *	Fiscal ended March 31, 2023	Fiscal ended March 31, 2022	Fiscal ended March 31, 2021
Intangible asset / Capital Work in Progress (Train Collision Avoidance System Software)	563.22	484.49	310.24	38.91

Further, as on April 30, 2024 we had 24 employees in the Railway Signalling & Embedded System Design centre, which is approximately 9.02% of our overall employee strength, and we intend to add more capable and experienced employees in the product development team, in order for us to make better products and solutions.

The train control and signalling division primarily consists of three parts, namely, Train Collision Avoidance System, Electronic Interlocking System and Multi Section Digital Axle Counter. Presently our Company has developed solution for Train Collision Avoidance System. With the successful deployment of the same, we plan to extend our business operations to new avenues under the railway safety measures to be implemented by MoR.

**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. EI is a failsafe, control and command system that typically has a span of control for one railway station. The EI System controls the wayside signalling equipment through a set of relays.

The era of interlocking started with mechanical lever frames. As the size of yards & train movements increased, the size of lever frames also increased. These lever frames not only increased in size occupying more space but also required intensive maintenance. With the advent of Electro-mechanical relays, these lever frames gave way to relay interlocking based installations. This development resulted in relatively faster operation, fail-safety in operation, and reduced size of buildings required for the housing of interlocking installations. With a further increase in traffic and expansion of railway network, a large number of Route Relay Interlocking and Panel Interlocking installations were commissioned. Route Relay interlocking (RRI) and Panel Interlocking (PI) installations use Electromechanical relays requiring complex wiring and Inter-connections. The wiring diagrams for such installations run into hundreds of sheets. Individual relays, wiring, and interconnections, along with thousands of soldered joints are required to be physically examined and certified. This exercise requires traffic blocks of long durations and large manpower to manage the traffic during blocks. Even for small yard re-modeling like the addition of a loop line, all the above activities are needed. Therefore, the advantages of relay-based interlocking installations are being nullified. With the development of modern fault-tolerant and fail-safety techniques, electronics and particularly microprocessors have found acceptance in the area of railway Signalling world over.

The EI system occupies considerably less space, consumes less power, is more reliable, and is easy to install and maintain. Also, initial commissioning & changes due to yard re-modeling can be carried out in negligible time, requiring skeleton manpower for traffic management during the blocks. The EI takes input from a CCIP/VDU; CCIP being an electrical device that provides control over the interlock and which is the same as the one used in panel or route relay interlocking systems. The input commands are validated by a functional module called the panel processor and then fed into the main central interlocking unit.

The central interlocking unit can either drive relays directly as in the case of centralized systems or can drive a remote electronics unit, which in turn can drive the relays located in the yard. The remote units are usually referred to as object controllers. The number of I/O cards in case of centralized equipment or no. of object controllers in the event of a distributed system is a function of several field gears in the given yard.



### **Benefits of EI**

- Conceptually an EI is expected to reduce the number of relays and bring the otherwise mechanical or electro-mechanical operations into computer control. An EI as used in a station is measured against a PP/RRI installation for the gross copper cable length, power consumption, ease of maintenance, which is expected to be minimized.
- An EI consumes 30% lesser energy than a relay interlocking system.
- Standard of safety and reliability is higher as compared with existing relay interlocking systems
- Modular in design and easy for maintenance, thus requiring less staff. Expertise of hardware and software are not much needed for maintaining the equipment at the initial stage.

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. Axle counter is a device for monitoring a specified section of track for the presence of vehicle.

The communication used in the system is by means of packets for exchange of information between units. This communication is in duplex mode and is fail safe. (In duplex mode data is exchanged between two connected devices in both directions simultaneously. Data flow takes place independently in both directions).

Single section axle counters are generally used to monitor a single track section i.e. there is only one entry point and one exit point for a particular track section. Digital data is transmitted directly between two axle counter field equipment's by means of modem communication. Whereas a Multi Section Digital Axle Counter is used to monitor a portion of line called as "Track Section" confined by multiple Entry & Exit points. There are counting heads (Axle Detectors) at the beginning and end of each track section. These units are connected to an evaluation computer (Central Evaluator) which processes the information generated by the counting heads. If the number of axles counted in matches that counted out, the respective track section is indicated as being clear.

Multi Section Digital Axle Counter consists of axle detectors and field units configuring upto (n-1) track sections, where n is the number of detection points. It is capable of counting axles, count comparison, finding direction of axle movement, supervision, relay drive and transmission of counts and health of axle detectors and field units. The field units are connected to the Central Evaluator by transmission medium where transmission is in VF range.

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

Over the years, we have capitalized on our expertise and experience and have expanded our operations to add non Promoter Group clients. We believe that this has contributed in reducing our dependence on business from the Promoter Group clients. The revenue that we derived from non Promoter Group clients has increased to 79.91% of our total revenue from operations in Fiscal 2023 from 58.15% in Fiscal 2021. The revenue that we derived from non Promoter Group clients constituted 85.38% of our total revenue from operations in the nine month period ended December 31, 2023. We plan to continue to focus on increasing share of our business from non Promoter Group clients by increasing our customer base and widening the scope of industry in which we operate and acquire new customers.

We aim to widen our mix of our customers to achieve a balanced customer base and have been focusing on strengthening our relationships with third-party customers including diversifying to new sectors viz. defence. We seek to derive diversification benefits by expanding our base of third-party customers while also maintaining our Promoter Group Customers (Related Parties) relationships that lend greater stability and predictability to our operations.

Inherent with the nature of the industry, we do not have long-term contract with any customer. We propose to expand our business operations by participating in new tenders of railways and also by diversification of industries which have application for such speciality cables.

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

Electron Beam Cross Linked cables provides excellent fluid / oil / moisture resistance properties which creates increased stability at higher temperatures. Due to these properties, the usage of irradiated cables is expanding to various other industries with increased demand from aerospace, aviation, solar & wind energy and electric vehicles segment. Rigorous quality standards and specifications have also been established by such new niche industry segments. Such E-beam cables need to meet the high heat resistance and high abrasion resistance requirements. They have been used in many main harnesses for control systems and power systems. E.g. Solar photovoltaic cables are used for transmitting electrical power generated from the solar panel to the charging units, battery banks, change over systems, inverters etc. The cables that are used to carry power from the solar panels to the charging units have to function effectively while remaining exposed to a wide range of severe environmental conditions. Our Management plans to increase its focus on further niche segments of economy with application of irradiated cables and thus build specialization in development & production of electric & control cables for such industries.

### **BUSINESS MODEL**

We classify our business operations under two focussed business divisions:

#### **A. SPECIALITY CABLE DIVISION**

The company understand 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.

There are two primary methods used to crosslink wire, (i) Chemical (CV / Continuous Vulcanization) and (ii) Irradiation. Chemical crosslinking relies on a chemically-induced reaction (heat and pressure) in the polymer that creates the cross-link bond. A significant drawback to the chemical process is residual peroxides in the polymer which impede dielectric and physical properties over time. Irradiation cross-linking provides an alternative method that does not require heat, pressure or steam, nor the chemical peroxides which impede the dielectric and physical properties of the material. The irradiation cross-linking process uses a stream of electrons produced from an electron accelerator. When wire and cable is irradiated by electron beam, the electrons crosslink the jacket, improving performance characteristics – such as higher tensile strength, chemical resistance, abrasion resistance, and improved thermal resistance at elevated temperatures – *without* changing the dimensional properties allowing them to be used in harsh environments such as temperature extremes, fluids, mechanical stress and other challenging conditions.

E-Beam is an energy which is composed of a narrow stream of electrons in wave form. This energy is created from the acceleration and conversion of electricity. When a material is irradiated with e-Beam, the material absorbs the energy and alters chemical bonds, which leads to the modification of the material. The E-beam processing technique doesn't require any additives, nor does it generate any hazardous chemical by-products. In addition, the E-beam cross-linking does not require the hours of cure time needed for other conventional chemical cross-linking methods. This is an energy-efficient process, and the minimal amount of exposure time helps ensure high throughputs. The e-Beam process further ensures equal dose distribution, high speed, and with online data logging, it is fully synchronized. The Company possesses various system certifications including ISO 9001:2015, 14001:2015 and 9001:2015.

Our unique polymers, being used for the insulation / sheathing of the cables are formulated to achieve special features when treated with Electron Beam radiations. This offers:

<b>Features</b>	<b>Benefits</b>
Significantly higher Mechanical Strength of the cables	used in demanding applications like Trains, Defence, Automotive, Solar and wind plants
Higher temperature resistance. Works with a variety of voltage ranges	Performance in hot environments; Higher current carrying ability. Electron Beam cables allows much higher current to flow through the same cross-section of copper conductors in comparison to conventional cables. Higher Temperature Resistance & durability of the polymers easily withstand the increase in temperature of the conductor when the

Features	Benefits
	higher current is passed through it. Hence, the cross section of the copper conductors can be reduced enabling significant weight reduction which offers material cost reduction & thus lower operational costs.
Significant Weight Reduction	Complements applications like Trains, Electric Vehicles & Aerospace Sectors where weight reduction is the key factor and hence the most widely used cables in these sectors
Enhanced Durability & Wide Temperature resistance (Both Positive & Negative)	Comfortably withstand harsh environments like Deserts, Coastal areas, Snow-capped area etc and hence the most preferred cables for Solar & Wind Energy Applications where the cost of service is very high & thus the warranties are as high as 15-20 Years
Enhanced Fire Safety	Mass Transit Applications like Trains, Electric Buses & Aviation. The polymers are free of Halogens, offer higher fire resistance & significantly lower smoke toxicity / smoke emissions and promise passenger safety that is extremely important in high speed vehicles
Increased resistance to tensile, shear and compressive force	Thinner walls, space savings, abrasion and cut through resistance
No unreacted peroxide. Thermoset, will not melt	More stable dielectric and physical properties. Protects circuit if excessive heat occurs

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. This is a Green Technology which helps to enhance product life and performance in adverse conditions. The Company also possesses high speed Extrusion & Vulcanization line, in house copper processing facility, unique polymer formulation and compounding lines combined with an in-house cable testing facility. This gives us a sense of control on the quality, and also, it keeps the costs under control. The extrusion equipment are also specially customized to meet the various requirements pertinent to these wires and cables.

The Company has following infrastructure & facilities for the development, production & testing of Electron Beam Irradiation Cables at its plant located at Village Basma Tehsil Banur, Distt Mohali - 140 417, Punjab, India:

- 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:** Our 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 ( $\leq 2.5$  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:** Our 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 complete range of Solar Cables compatible with TUV standards along with value added solution 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 we are expanding our product portfolio for such Electric Vehicles. We have received IATF Certificate for the E-beam cables to be manufactured for electric vehicles.

## **ELECTRON BEAM ACCELERATOR MACHINE WORKING**

Quadrant possesses state of the art 2.5 MeV Electron Beam Accelerator that is used for irradiation of Polymers used in cable insulation & sheathing. The application of radiation over these polymers results in crosslinking that connects the polymer molecules together resulting in enhanced mechanical properties & thermal resistance. Superior temperature resistance enables the substantial reduction of copper cross-section size in the cables resulting in substantial reduction in the weight of the cables. The polymers used for in these cables have high superior fire resistance, free of Halogens with very low smoke density & smoke toxicity and therefore provide enhanced passenger safety.

These benefits are the key points that has resulted in complete shift towards Electron Beam Cables in many potential application including upcoming Electric Vehicles, Fuel Cell Vehicles, High Rise buildings, Renewable Energy etc.

A 2.5 MeV (mega-electron volts) electron beam is a type of high-energy electron beam used in various industrial applications primarily for materials modification and surface treatment. The "MeV" unit of energy represents the energy gained by an electron accelerated through an electric potential of one million volts. The electron beam is generated from an electron source. This source typically involves a cathode, which emits electrons when heated or excited. The emitted electrons are then accelerated using an electric field. To achieve a 2.5 MeV energy level, a high voltage of around 2.5 million volts is applied. This acceleration process takes place in an evacuated tube or vacuum chamber to prevent electron scattering and energy loss due to collisions with air molecules.

Dealing with high-energy electron beams requires strict safety measures. Proper shielding is essential to protect operators and bystanders from radiation exposure. Additionally, the equipment should have safety interlocks to prevent accidental exposure during maintenance or malfunctions.

### **Manufacturing process for Irradiated Cables:**

- **Wire Drawing Process:**  
This Process involves the reduction of a standard 8mm Copper Rod to a smaller (intermediate) diameter wires by pulling the rod through a series of precision dies. These intermediate Wires are then taken through further processes of Fine wire Drawing & Super Fine Wire Drawing to reduce the diameter of wires to the precision diameters.
- **Wire Coating Process:**  
These precision Copper wires are then coated with metals like tin to withstand harsh environments & corrosion.
- **Wire Stranding / Bunching**  
These fine wires are then stranded together to form a very uniform bunch, using the special bunching machines, to prepare a conductor of the desired cross section & yet maintain the desired flexibility.
- **Polymer Compounding Process:**  
The polymers, used for the coating of these copper conductors are manufactured in-house using a specialized compounding line that utilizes a high power rubber mixing equipment used for compounding of polymer granules, various kinds of fillers, modifiers & pastes to achieve the desired properties of the fire resistance, mechanical strength, thermal resistance, UV resistance, flexibility, etc. The premixed compound is automatically taken to subsequent processing that results into polymer granules that can be fed into the extrusion machine hopper for coating / extrusion over the conductors.
- **Insulation Extrusion Process:**  
The extrusion line is used for the coating of the desired polymers on these stranded wire ropes, that acts as a uniform and smooth electrical insulation over the copper wires.

**Multicore Cable Processes:**

The applications that require multiple cores, the process of core laying is applied that requires a series of processes depending upon the application requirement.

- **Core Laying Process:**

The insulated cores are laid up in the form of ropes, making a multi cable core using core laying equipment.

- **Wrapping Process:**

These laid up wires are wrapped with automatic taping machine to form a smooth round cable core. The core is pre-filled, automatically, with the compound into the uneven areas of the core so that the resultant core takes uniform round shape after the taping process. These are done using horizontal or vertical taping machines.

- **Shielding Process:**

The Cables that require EMI / EMC Shielding, the metal wire braiding machines are employed to install a fine metal wire braid over the round cable core that protects the cable from electro magnetic interference.

- **Sheathing Extrusion Process:**

The final process of production involves extruding the cable core with outer layer of desired polymer using a suitable extrusion line.

- **Electron Beam Curing Process:**

The finished cables are then exposed to Electronic Beam irradiation using a 2.5 MeV Electron Beam Accelerator. The exposure of radiation results into cross-linking of polymers that significantly enhance the mechanical and thermal properties of the E-beam cables.

**Silicone Cable Process:**

- **Silicone Compounding**

Silicone compounding is different from polyethylene rubber compounding. This utilizes a two roll mill with skilled operators to produce a uniform & homogeneous compound.

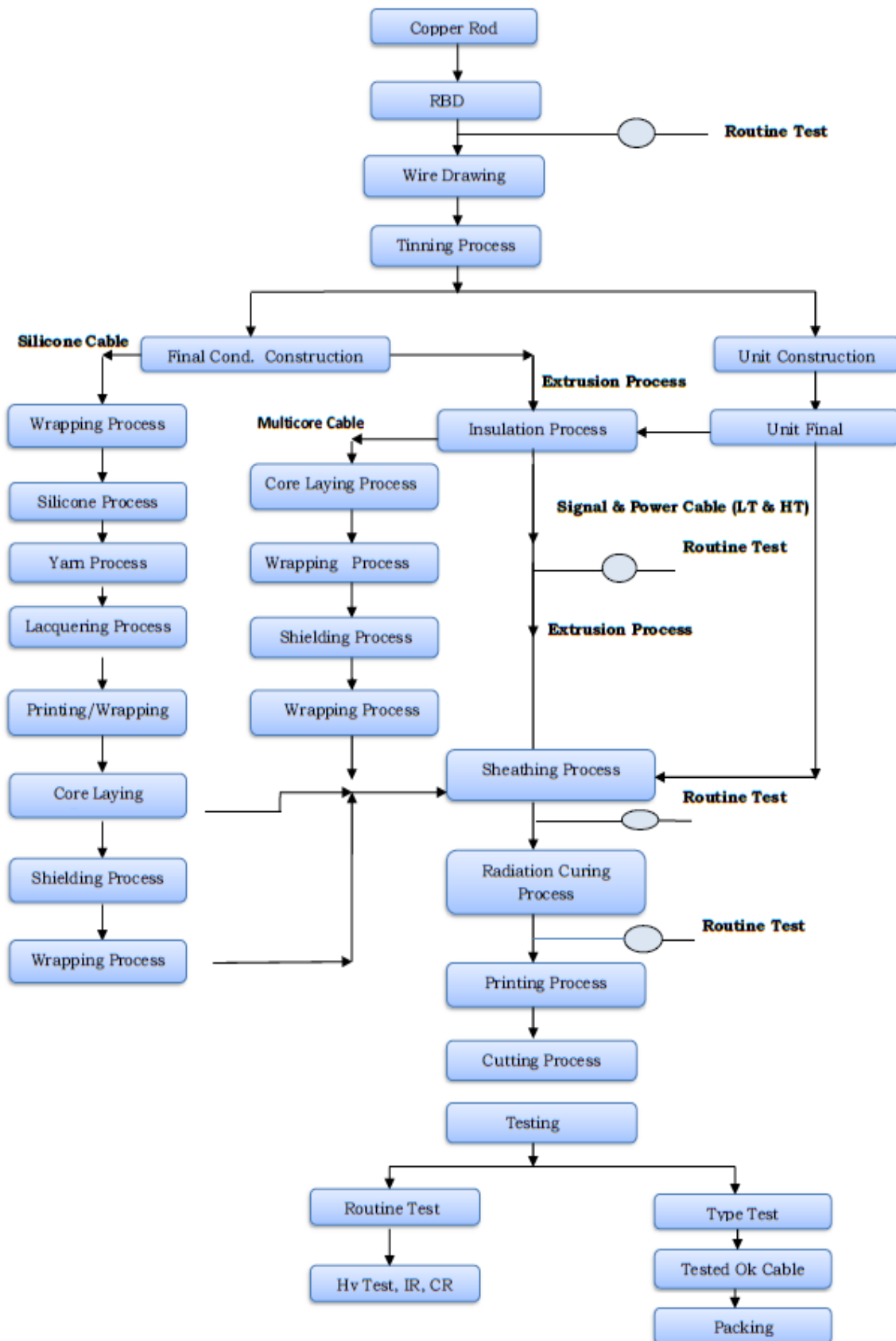
- **Silicone Extrusion & Curing Line:**

The silicone polymer extrusion line utilizes a specially made extruder, suitable for processing of silicone polymers followed by a precisely controlled heat curing line. These silicone cables offers the best heat bearing properties & low smoke features among various other varieties of cables.

**Testing Process:** Testing process of copper cable wire includes the electrical tests, mechanical tests and chemical tests. A number of tests on electrical cables are conducted during the manufacturing process which is describe as non-destructive tests such as test for absences of faults, voltage testing and overall dimension test. These tests includes routine test, high voltage test, insulation resistance test (IR) and conductor resistance test (CR) etc. The machines used for performing these tests are High Voltage Machine, Megger Test Meter, Mage Ohm Meter etc.

**Final Good:** After performing the testing process the final products are ready for the packing process. The whole packing process is manually controlled.

## Manufacturing process for Irradiated Cables



## B. TRAIN CONTROL SYSTEMS DIVISION

Indian Railways, so far, has tried the European Train Control System (ETCS) standards driven by European companies in the signalling space while also trying out TCAS in certain sections. For instance, Dedicated Freight Corridor Corporation of India (DFCCIL) has Train Protection and Warning System based on European Rail Traffic Management System (ERTMS) with including functionalities suiting to train operations in Indian conditions.

However, under the Atmanirbhar Bharat Vision of Prime Minister, it has been decided to adopt KAVACH as national Automatic Train Protection System of India. KAVACH is an Automatic Train Protection (ATP) system indigenously developed by Indian Railways through Research Designs and Standards Organisation (RDSO). Preference for Make in India and potentially low-cost equipment have tilted the scales in favour of Indian companies over global counterparts in KAVACH project and also signalling space.

Indian Railways has envisaged investment in KAVACH project over the next five years on multiple signalling technologies and telecommunication to enhance safety and security. Expanding the railway network capacity through signalling modernisation will do away with the need to lay new tracks by acquiring land.

Railway sector continuously strives for increasing Train Speeds & higher Train Operating Density on the Rail Network. Higher Train Speed & Higher Train Density offers the following key advantages:

1. More revenues & profitability on the existing rail network as the frequency of the trains can be increased or more number of trains can run on the existing network
2. Reduced travel time for the passengers
3. Extend comfort to the passenger enabling Railways as the preferred mode of travel

However, higher the train speed / train density demands much safer & dependable Railway signalling systems. The continuous enhancement / upgradation in Automatic Railway Signalling systems goes hand-in-hand with increased train speeds. This requires robust embedded systems of highest Safety Integrity Level (i.e. SIL-4) and continuous upgradations using new age technologies like Artificial intelligence, Machine Learning, other emerging computing techniques & Wired/Wireless Communication Systems

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



(image of SMT Machine at our factory premises)

## 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:

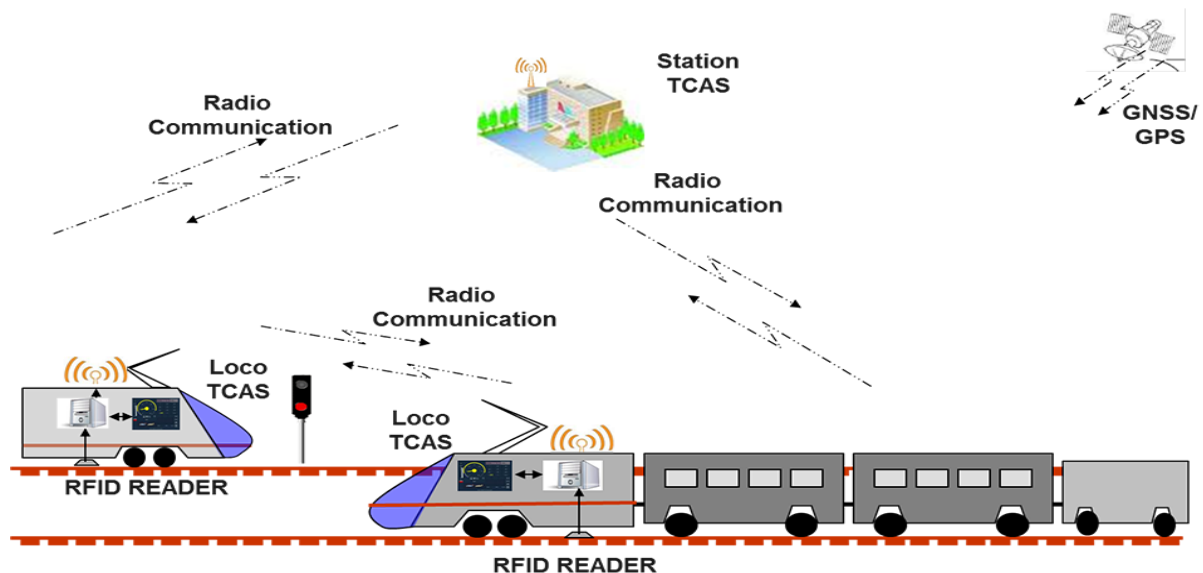
- Reduce the travel time of the passengers
- The same Rail Network, Infrastructure & Manpower can be utilized to run more number of trains, this can substantially increase revenues

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).

The TCAS became imperative in the context of increasing train speeds. It offers protection by preventing trains to pass signal at danger (Red), speed restrictions, excessive speed over turnouts, and to avoid the situation to cause collision among trains, by applying automatic brakes, in case operations are not able to control so. TCAS is designed to identify the location of trains through the devices installed on track and transmission of signalling related information from various units such as Station Interlocking. The TCAS is a collision-avoidance system that sources data from a nearby station and decides based on an algorithm the presence of trains in the collision zone. This is done rapidly at frequent intervals to ensure a minimum distance of 5 Km between two trains traveling towards each other.

TCAS provides continuous update of Movement Authority (distance upto which the train is permitted to travel without danger). Hence during unsafe situations when brake application is necessitated, and the Crew has either failed to do so, or is not in position to do so, automatic brake application shall take place. TCAS has additional features to display information like speed, location, distance to signal ahead, Signal aspects etc. in Loc Pilot's cab and generation of Auto and Manual SOS messages (Distress messages) from Loco as well as Station unit in case of emergency situation. The communication between Stationary TCAS and Loco TCAS units are SIL-4 certified, while Loco TCAS to Loco TCAS communication, Non-Signalling based additional collision protection features (i.e. Head-on, Rear end & Side Collision) and Manual SoS are non-SIL (not fail safe).



### System Overview of TCAS

The Train Collision Avoidance system broadly comprises of following components:

- A. Track side equipments including Stationary TCAS Unit comprising of RFID tags, Stationary TCAS unit and tower & antennae



- B. On-board equipments comprising of Loco TCAS vital computer, RFID reader, Loco TCAS Radio Unit, Driver Machine Interface and Brake Interface Unit, where required.

Details of sub-systems of TCAS are given in the flowchart below:

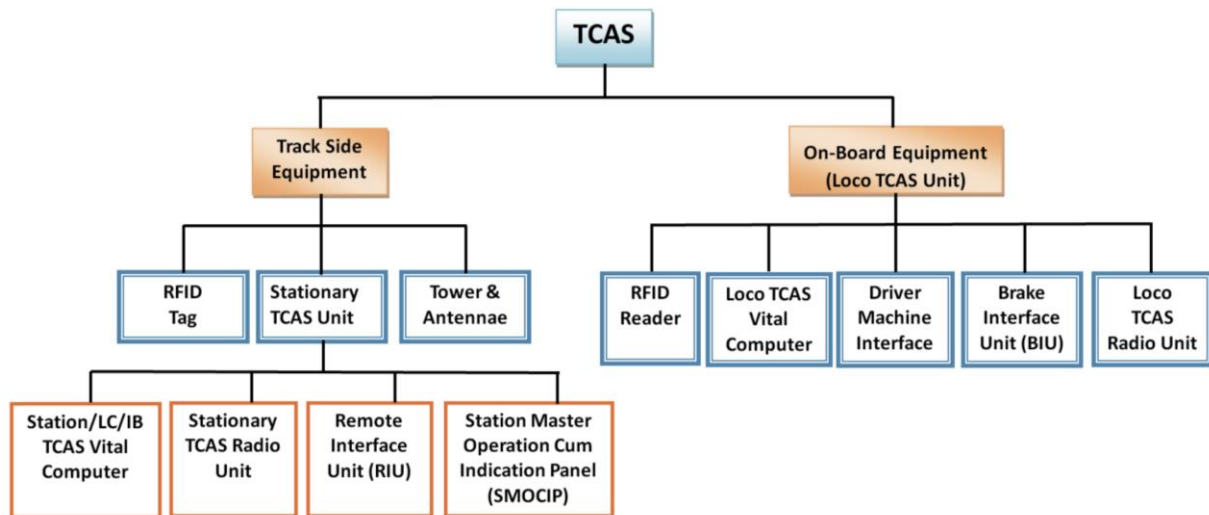


Figure 5: Flowchart of TCAS Sub-Systems

(source: Handbook on Train Collision Avoidance System-An Indigenous ATP System, Ministry of Railways, dated April 2021)

### Key features of TCAS

1. Prevention of SPAD (Signal passing at danger)
2. Train Trip when a train passes a stop signal at ON or End of Authority
3. Control of Speed at PSR (Permanent Speed Restriction)
4. Speed regulation while approaching Loop Lines
5. Display of Signal Aspect
6. Display of Distance to approaching Signal
7. Display of Movement Authority (MA)
8. Supervision of Maximum train speed
9. Supervision of shunt movement
10. Protection of Rollback
11. Prevention of Head-On Collision
12. Prevention of Rear-End Collision
13. Prevention of Collision due to Unusual Stoppage in Block Section
14. Manual SOS Generation/cancellation Feature in Station TCAS
15. Manual SOS Generation/Cancellation Feature in Loco TCAS
16. Automatic whistling on the approach of Level Crossing Gate

The critical components at the subsystem level of a TCAS solution are a pseudo-real-time display of signal aspects in Loco Pilot's cabin. TCAS comprises of the following Equipment:

1. The Locomotive TCAS onboard equipment
2. The TCAS Trackside equipment
3. The TCAS Station/IBS/Interlocked Level Crossing Equipment
4. RF Tower and Antennae
5. The Central Management Server

All communicate with each other via radio communication. Each TCAS is interfaced with GPS to obtain a time variable to synchronize with the network using TDMA Radio Communication. The entire network is interfaced with the Central Management System (CMS) through GSM / GPRS, and each equipment sends its individual status to the CMS periodically. CMS facilitates Monitoring, diagnostics, and maintenance.

The TCAS onboard equipment broadcast radio signals in real time and packages locational and train characteristics such as speed, direction, and other vital elements. Every locomotive sends and receives the data and executes an algorithm to decide the distance between its own location and the nearest train and the nearest station. The decision to stop or slow down is made on the basis of such dynamics. The TCAS also receives the information from the station ahead and assists the driver with the signal aspects. The TCAS intelligence with regards to the brake management is redundant and includes both the service and emergency brakes. It is important to note that a successful TCAS is one in which the spurious braking is eliminated.

As part of our design and TCAS development, we have sourced software and base technology from our service provider and the development of software has been done at our Railway Signalling & Embedded System Design centre based in Hyderabad and Bengaluru.

The typical cycle for the design, development and manufacturing of hardware and software for TCAS is as under:

**Design:**

Typical Train Control system manufacturing process starts with the design phase, engineers create the manufacturing blueprints for the device by consider the components it will need, device's intended use, and the assembly procedure. After creating a design, we build prototypes and test them to ensure that it function as intended.

**Prototyping Process:**

The prototyping process typically involves several stages, including design, development, and testing. During the design stage, the product is conceptualized and a design plan is created. In the development stage, the prototype is manufactured based on the design plan. The final stage, testing, involves evaluating the functionality and performance of the prototype to identify any issues that need to be resolved before mass production begins.

**PCB Assembly:**

Assembling the SMT board involves a number of different techniques in Train Control division. Fully Automated SMT Line of our Company comprises of Automatic loader / Unloader, Fuji Solder paste printing machine, Fuji fully equipped automated pick and place machine.

**Electronic Packaging:**

The electronic package of a select hardware includes the process of selection of the material based on the environment and exposure to the elements, construction of the enclosure, secure the PCB inside, connecting all cables to connectors on the enclosure's surface and seal the enclosure's interior from the exterior (if necessary) with a protective film, coat, or foam. Further, enclosing a device requires testing for various requirements in order to ensure dependability and warranty.

**Testing:**

Each assembled PCB is gone through visual examinations. Using Inspection machines, short circuits, discontinuities, and solder flaws are routinely found. After that, the PCBs passed functionality testing through Fully Automated In Circuit Tester (ICT) before being made ready for use. Tests are typically divided into four categories: physical, electrical, analogue, and / or digital tests. To determine if a board can resist a given quantity of heat, it is put through physical testing (checking if the board works as intended, logic-wise). The equipment being tested is known as the DUT (Device Under Test), EUT (Equipment Under Test), or UUT (Unit Under Test).

**QUALITY AUDIT**

Quality audits help organizations identify areas for improvement and implement changes to enhance overall efficiency and effectiveness and maintain high quality standards. Quality audit assist us in ensuring compliance with relevant industry standards specified by RDSO from time to time and other industry regulations and standards. We have established an in-house testing infrastructure, which helps us to monitor our quality management and to meet quality requirements of our customers.

**PRODUCTION CAPACITY AND CAPACITY UTILISATION**

The information relating to the estimated annual installed capacities of our production facility are based on various assumptions and estimates made by our management and Sapient Services Private Limited, independent chartered engineer, as certified by him pursuant to a certificate dated May 31, 2024. These assumptions and estimates may vary significantly from the assumptions or estimates taken into account by other companies operating in similar business segments in calculating the estimated annual installed capacities of their manufacturing facility. As such,

undue reliance should not be placed on the estimated annual installed capacity information of our facility, and consequently on the utilization rates of these facility indicated below. The following table sets forth certain information relating to the estimated annual installed capacities at our manufacturing facility as of the date of the Draft Red Herring Prospectus:

E-Beam Cable manufacturing facility

<b>Particulars</b>	<b>Nine months period ended December 31, 2023 #</b>	<b>Financial year ended March 31, 2023</b>	<b>Financial year ended March 31, 2022</b>	<b>Financial year ended March 31, 2022</b>
Average Estimated Available Capacity (metric tonnes) <sup>(1)*</sup>	1,887.60	1,638.00	1,500.72	1,372.80
Actual Production (metric tonnes)	588.53	888.72	864.64	799.71
Capacity Utilisation (%) <sup>(2)</sup>	31.18%	54.26%	57.62%	58.25%

\* Installed Capacity is calculated based on Operations on 3 shifts basis of 08 hours each making it continuous running plant for working of 26 days a month.

# Not annualised

<sup>(1)</sup> Average estimated annual available capacity has been calculated on the basis of the estimated daily available capacity for the relevant periods, as certified by Sapient Services Private Limited, Chartered Engineer pursuant to report dated May 31, 2024. Please note that average estimated annual available capacity of a manufacturing facility in a relevant fiscal period as discussed above may vary from the estimated annual installed capacity in such relevant fiscal period, as the average estimated annual available capacity takes into account adjustments for actual scheduled and unscheduled downtime during such period. The information relating to the estimated annual installed capacity and the average estimated annual available capacity of our manufacturing facility included above and elsewhere in the Draft Red Herring Prospectus are based on various assumptions and estimates of our management that have been taken into account by the chartered engineer in the calculation of our capacity. These assumptions and estimates include the standard capacity calculation practice after examining the installed capacity, calculations and explanations provided by our management, the period during which the facility operates in a year, availability of raw ingredients, expected utilization levels, estimated downtime resulting from scheduled maintenance activities, assumptions relating to unscheduled breakdowns, as well as expected operational efficiencies. Actual production levels and capacity utilization rates may therefore vary significantly from the estimated annual installed capacity and the average estimated annual available capacity information of our facility. Undue reliance should therefore not be placed on our capacity information or historical capacity utilization information for our existing facility included in the Draft Red Herring Prospectus.

<sup>(2)</sup> Capacity utilization (on an annualized basis) has been calculated on the basis of actual production of the relevant product in the relevant fiscal year or period divided by the average estimated annual available capacity for the relevant product during such period.

### SMT line for Train Collision Avoidance System hardware

The Company has recently received the proto-type approval by Indian Railways / RDSO and further technical clearance for deployment of our systems 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 and hence the production has to commence on commercial scale. The present actual capacity is considered based on the general shift of operation and Heart of SMT Machine (FUJI -Pick and Place) which is operational from June 2021 works on the speed of 27000 CPH (Chips per hour) and can populate the PCB of 610MM length, Additional Yamaha Pick and place machine of 5,99,04,000 CPA (Chips per annum) is also added in March 2022 to boost production speed if needed.

### INFRASTRUCTURE FACILITY

#### **Electricity**

All of our Registered office cum manufacturing facility draw electricity from the local power distribution companies' system. we have sanctioned load of 1222 KW from Punjab State Power Corporation Limited for power supply with two transformers of 630 KVA and 315 KVA, respectively. In addition, we have also installed a UPS Inverter and two Diesel Generator (of 500 KVA and 160 KVA) as a standby arrangement specially to provide power back up to our Electron Beam Accelerator machine in the event of any break down or power grid failure.

### **Water**

Our water requirements are met by the state water board in and we also have borewell at our factory premises.

### **COMPETITION**

While there are several companies which provide irradiated cables to the railways and defence sector, we do not have any direct competitor for our business. Various player in the market provide specialised cables alongwith the wire and cable requirements for the household needs.

We believe that since the parameters of competition are less firmly established than in certain other types of businesses, it is difficult to predict how the competitive landscape of our business will develop over the long term. General competitive factors in the market, which may affect the level of competition over the short and medium term, include product features, design, quality, price and logistics support, and relationships between manufacturers and their customers. Further, our Company has established the reliability of its products while being a supplier for customers such as government organizations involved in railways. This gives our Company a competitive edge over the new entrants in the industry.

Our Company primarily operates in two business divisions, speciality cables and Train Control Systems Division. Under the speciality cables divisions, we face competition with other players providing E-beam cables to railways namely Apar Industries Limited, Poly Cab Limited and Radiant Corporation Private Limited.

The RDSO has initially approved three firms, namely Medha Servo Drives Private Limited, HBL Power Systems Limited and Kernex Microsystems (India) Limited for providing Kavach equipment with two more firms later including our Company and G.G. Tronics India Private Limited.

### **INSURANCE**

Our operations are subject to risks inherent to the engineering and manufacturing industry, such as work accidents, fire, tempest, earthquake, flood, inundation, explosions including hazards that may cause severe damage, including the physical destruction of property, breakdown of machinery and other force majeure events. We are subject to losses resulting from defects or damages arising during transit of our products.

We believe that our insurance coverage is in accordance with industry custom, including the terms of and the coverage provided by such insurance.

### **EMPLOYEES**


We consider our employees and personnel one of our most important assets, who are critical to maintaining our competitive position within the cable industry and railways sector. As of April 30, 2024, we had 266 permanent employees, as set forth below, by function:

<b>Department</b>	<b>No. of employees</b>
<b>Speciality Cable Division</b>	
Production	122
Quality	19
Dispatch	9
Maintenance	8
E. Beam	13
Store	5
Other	25
<b>Total (A)</b>	<b>201</b>
<b>Train Controls and Signalling Division</b>	
Production	12
Quality	2
Store	1
Railway Signalling & Embedded System Design	24
Administration	1
BIU	9

Department	No. of employees
<b>Total (B)</b>	
<b>49</b>	
<b>Corporate Level</b>	
Purchase	3
Sales	7
Finance, Secretarial and other administrative	6
<b>Total (C)</b>	
<b>16</b>	
<b>Grant Total (A) + (B) + (C)</b>	
<b>266</b>	

We consider ourselves to have good relations with our employees. In addition to compensation that includes salary and allowances, we provide our employees other benefits which include advance salary and yearly leaves. Our human resource policy focuses on recruiting talented and qualified personnel who would integrate well with our current workforce. We also arrange for regular training for our critical employees. We endeavour to develop and train our employees in order to facilitate the growth of our operations. Our performance management procedures are focused on increasing alignment between individual and organizational goals and taking regular feedback to facilitate interaction between new employees and senior management.

### INTELLECTUAL PROPERTY RIGHTS

We have over obtained registrations under trademark for our logo  under class 6. In our industry and the customers we service, the quality of the product and approval of our Company as approved vendor are the material criteria for sourcing new business in future and as such the brand do not have any value recognition.

Further, as part of the development of Kavach System by our Company, we have entered into a Memorandum of Understanding dated October 17, 2022, with The President of India acting through Executive Director / Tele-II posted as in the office of the Research Desings and Standard Organisation, Manak Nagar, Lucknow-226 011, Ministry of Railways, Government of India which provides for certain aspects related to other commercial use of the Train Collision Avoidance System / Kavach ATP system by entities other than Indian Railways. In such case of commercial purposes by our Company, which is beyond the usage of the Train Collision Avoidance System / Kavach ATP system, we shall be liable to pay royalty to RDSO. For details of the Memorandum of Undertaking, refer to “History and Certain Corporate Matters - Memorandum of Understanding entered into between our Company and The President of India acting through Executive Director / Tele-II posted as in the office of the Research Desings and Standard Organisation, Manak Nagar, Lucknow - 226 011, Ministry of Railways, Government of India” on page 207.

For further details on registration of our Intellectual Property Rights, see “Government and Other Approvals” on page 395 and “Risk Factors” on pages 31, respectively.

### CORPORATE SOCIAL RESPONSIBILITY

Our Company has adopted and implemented a CSR policy, pursuant to which we have spent an aggregate sum of ₹ 1.83 million in Fiscal 2024, towards our CSR obligation by way of contribution to The Arjan Vir Foundation, Chandigarh Central Rotary Club Service Trust, J.C. Bose University of Science and Technology, YMCA, Faridabad (Haryana) and PM CARES Fund. Further, we have also constituted a corporate and social responsibility (“CSR”) committee of our Board of Directors which presently comprises of three Directors, namely, Kanika Bhutani, Vivek Abrol and Rupinder Singh.

### PROPERTY

The details of the properties owned by us are as under:

Sr. No.	Location / District	Date of sale deed	Consideration (₹ in million)	Usage / Purpose	Status
1	Land admeasuring 1 Bigha, 13 Biswa of 33/407 of 20 Bigha, 7 Biswa, Khewat/ Khatoni No. 236/339, Khasra No. 1267 and Others located at village Basma,	October 07, 2015	0.99	Registered Office and Manufacturing Facility	Mortgaged with HDFC Bank for the loans availed by

Sr. No.	Location / District	Date of sale deed	Consideration (₹ in million)	Usage / Purpose	Status
	Tehsil and District - SAS Nagar (Mohali), Punjab				our Company for its business purpose
2	Land admeasuring 15 Bigha, 13 Biswa, 10 Biswasi located at village of Basma, Tehsil and District Mohali, Punjab	October 07, 2015	9.41		
3.	Land admeasuring 6 Biswa, 6/320 share of 16 Bigha located at Khewar Katauni No. 260/373, KH 1895 and others, village Basman, District Mohali, Punjab.	November 23, 2015	0.40		
4.	Land admeasuring 3 Bigha, K/K No. 271/374 KH No. 1896(4-0), and others, Village Basma, Punjab	July 01, 2020	1.35	Vacant Land	NA

**Details of leased properties of our Company:**

Sr. No.	Location/District	Name of the Entity holding the Property	Period of lease	Lease Rental per month (in ₹)	Usage / Purpose
1	1st Floor and 2nd floor portion, Municipal No. 29, G.G. Ashirwad, situated at 18th Main, 4th T Block, Jayanagar, Bangalore - 560 041.	Kalburgi Gangadharasa Somashekar (H.U.F)	36 months from January 01, 2022	3,07,236	Railway Signalling & Embedded System Design Centre
2	Survey No. 157/8. SCB No. 3-6-095, Plot No. 20/A. A.P Text Book Colony, Karkhana, Hyderabad, Telanagana - 500 009 (Ground Floor and First Floor)	Sambhav Jain	12 months from February 01, 2024	90,750	Railway Signalling & Embedded System Design Centre
3	Flat No. 302, Block C, 3rd Floor, Jaipuria Sunrise Green, VIP Road, Zirakpur, District, SAS Nagar, Mohali Punjab - 140 603.	Veena Saini	11 months from February 22, 2024	18,000	Guest house for office use

## KEY REGULATIONS AND POLICIES

*The following description is an indicative summary of certain sector specific key laws and regulations in India, which are applicable to our Company. The information detailed in this section has been obtained from publications available in the public domain. The regulations, as amended, set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed as nor intended to be a substitute for professional legal advice. The indicative summaries are based on the current provisions of the applicable law, which are subject to change, modification, or amendment by subsequent legislative, regulatory, administrative, or judicial decisions.*

### A. Industry Specific Laws

#### 1. Specifications and Standards prescribed by Research Designs & Standards Organization (“RDSO”) of Ministry of Railways, and Directorate of Quality Assurance (Naval) (“DQAN”) of Ministry of Defence

RDSO was established in the year 1957 by integration of Central Standards Office and Railway Testing and Research Centre into a single unit, under the Ministry of Railways. It holds the status of a 'Zonal Railway' and is dedicated to preparation of designs, standards, and specifications. Indian Railways procures items related to safety of passengers and trains from approved vendors. Various units of Indian Railways like RDSO (Lucknow), Integral Coach Factory (Perambur), Modern Coach Factory (Rae Bareilly), Rail Coach Factory (Kapurthala), Banaras Locomotive Works (Varanasi), Chittaranjan Locomotive Works (Chittaranjan) and Central Organization for Railway Electrification (Prayagraj) are engaged in approval of vendors for various categories of items.

In this regard, the Company is an approved vendor, and duly registered with the RDSO's vendor directory and is manufacturing various speciality cables and wires for Indian railways. All the speciality cables and wires manufactured by the Company to be supplied to Railways must be required to meet their quality standards such as CLW/ES/3/0458, CLC/ES/3/0459, ELRS/SPEC/ELC/0019 etc.

The Ministry of Railways, Government of India has also prescribed detailed guidelines regarding designing, implementation and operationalizing Automatic Train Protection (“ATP”) system such as Train Collision Avoidance System (“TCAS”). Indian Railways have taken up indigenous development of TCAS through RDSO to prevent train collisions caused due to human errors or limitations and equipment failures by providing additional layer of enhanced safety in the operations. RDSO has prescribed that TCAS and other signaling systems and its components must conform to stipulated Indian Railways Standards (IRS), British Railways Standards (BRS) and Indian Standards (IS). The Company is involved in designing, implementation and operationalizing of TCAS in conformity with the RDSO prescribed standards.

The Company is also a certified vendor to the Ministry of Defence and is also making supplies of speciality cables and wires including single core cables, twin and three core cables, multi core cables and many other kinds of cables. The Company is required to comply with the prescribed standards by and Directorate of Quality Assurance (Naval) (DQAN) which, *inter-alia*, includes EED 50 -13 (under various tables) and EED 50 -12 (under various tables).

#### 2. The Atomic Energy Act, 1962 (“Atomic Energy Act”) and The Atomic Energy (Radiation Protection) Rules, 2004 (“Radiation Protection Rules”)

The Atomic Energy Act provides for the development, control and use of atomic energy and aims to ensure safe disposal of radioactive waste and secure public safety, including that of persons handling radioactive substances. The Atomic Energy Act empowers the government to prohibit the manufacture, possession, use, and transfer, export and import, transport and disposal, of any radioactive substances without its written consent and requires submission of periodical returns or other such statements as regards any prescribed substance in a person's possession or control that can be a source of atomic energy.

In this regard, the Central Government under the Atomic Energy Act has the authority to make rules that, *inter-alia*, regulate the development, control, supervision, and licensing of the production, application and use of atomic energy. Accordingly, Radiation Protection Rules have been promulgated which requires that no

person shall, without a license issued by the Atomic Energy Regulatory Board (“AREB”), establish a radiation installation for siting, design, construction, commissioning, or its operation. The Radiation Protection Rules also require a license for a person to handle radioactive material or operate radiation generating equipment. The Radiation Protection Rules also requires a licensee to submit reports on a regular basis to the authority. The license so granted needs to be renewed on a periodic basis. The said rules also provide for conspicuous and prominent display of radiation symbol on visible surfaces of radiation equipment, containers for storage of radioactive materials and vehicles carrying radioactive packages, entrance to the room housing the radiation generating equipment and at the entrance of the controlled areas. The said rules also provides for employment of a duly qualified and experienced ‘*Radiological Safety Officer*’ who shall advise the employer on all matters connected with the radiological safety of the employees.

### **3. The Legal Metrology Act, 2009 (“Legal Metrology Act”)**

The Legal Metrology Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number. The Legal Metrology Act and rules framed thereunder regulate inter alia, the labelling and packaging of commodities, verification of weights and measures used, and lists penalties for offences and compounding of offences under it. The Controller of Legal Metrology Department is a competent authority to grant the licence under the Legal Metrology Act. In this regard, different states have promulgated their respective rules for enforcement of the provisions of the Legal Metrology Act which may prescribe the procedure for verification and inspection, stamping of weights and measures etc. used by a manufacturer, at the office of the Legal Metrology Officer of the said state. Non-compliance or any violation under the Legal Metrology Act, may, inter alia, result in a monetary penalty on the manufacturer or seizure of goods. Manufacturers of goods are also required to adhere to the provisions of the Legal Metrology (Packaged Commodities) Rules 2011 with regard to the labelling of products manufactured by the companies meant for sale either in retail or wholesale market or are meant for export purposes.

### **4. Fire Prevention Laws**

In the state of Punjab, the Punjab Safety Measures for Prevention and Control of Fire Act, 2012 and the Punjab Fire Prevention and Fire Safety Act, 2004 (collectively “Punjab Fire Act”) are applicable to the factory of the Company at Punjab. The Punjab Fire Act, amongst its various other provisions, provides for the procedure for inspection of premises, grant of fire clearances and imposition of penalties for non-compliance with the appropriate safety measures.

### **5. National Policy on Electronics 2019 (“NPE 2019”)**

NPE 2019 is a policy document which envisages positioning India as a global hub for Electronics System Design and Manufacturing (“ESDM”) by encouraging and driving capabilities in the country for developing core components, including chipsets, and creating an enabling environment for the industry to compete globally. The objectives of NPE 2019 include, inter-alia, promotion of domestic manufacturing and export in the entire value chain of EDSM sector for economic development, improvement in ease-of-doing business in the ESDM industry, encouraging industry-led Research and Development (“R&D”) and innovation in electronics sub-sectors, promotions and creation of a comprehensive framework for startup eco-system in emerging technology areas, providing incentives and support to significantly enhance availability of skilled manpower, providing fiscal incentives and support for export-led growth, development of core competencies in all sub-sectors of electronics, making India a global leader in Electronic Manufacturing Services, providing policy support and special incentive packages for highly capital intensive projects, encouraging transfer of technology for core technologies, promotion of research, innovation and support to industry for green processes and sustainable e-waste management, etc.

NPE 2019 also sets up a strategic framework, state support system and governance structure for implementation of the afore-mentioned objectives.



## **B. Law relating to Employment and Labour**

### **1. The Factories Act, 1948 (“Factories Act”)**

The Factories Act consolidates law regulating factories including provisions for the health, safety, welfare and service conditions of workers working in factories. It contains provisions for registration and issue of license, working hours of adults, leaves, overtime, etc. It applies to all factories employing more than ten or more workers and working with the aid of power. It covers all workers employed on the factory premises or precincts directly or through an agency, including a contractor, involved in any manufacturing activity.

Every factory is required to appoint an occupier who has the ultimate control over the affairs of the factory. An occupier is liable for non-compliance or contraventions of any provisions of the Factories Act. In the case of a company, only a director can be appointed as an occupier. If no director is specifically appointed as occupier, any of the directors can be prosecuted for any contravention. The Factories Act requires the employer to undertake steps to ensure the health, safety and welfare of workers. The penalties for contravention of the Factories Act include fine and imprisonment for the ‘occupier’ or ‘manager’ as defined under the Factories Act, and enhanced penalties for repeat offences.

### **2. The Payment of Bonus Act, 1965 (“Bonus Act”)**

The Bonus Act provides for the payment of bonus to persons employed in certain establishments in India and is applicable to all employees (other than an apprentice) drawing a remuneration of less than or equal to Rupees Twenty One Thousand per month in a factory and every establishment in which twenty or more persons are employed. However, certain State Governments have notified their own coverage limits for factories as well as establishments employing less than twenty employees. The Bonus Act provides for the payment of bonus between 8.33% (minimum) to 20% (maximum) of the salary or wage earned by the employee during the accounting year. The Bonus Act does not stop any employer from paying a higher amount of bonus than the prescribed amount.

### **3. The Minimum Wages Act, 1948 (“Minimum Wages Act”)**

The Minimum Wages Act stipulates that the minimum rates of wages payable to the employees in each state shall be determined by the respective State Government. In this regard, the State Government has the authority to fix the minimum time rate, minimum piece rate, a guaranteed time rate and overtime rate. Violation of the Minimum Wages Act will attract imposition of fines and penalties.

### **4. The Payment of Wages Act, 1936 (“Wages Act”)**

The Wages Act is applicable in relation to the wages payable to an employed person for a wage period, provided that the wages for the wage period do not exceed Rupees Six Thousand Five Hundred per month. The provisions under the Wages Act or the rules thereunder cover various aspects, including but not limited to the responsibility for payment of wages, fixation of wage-periods, timing of payment of wages, allowable deductions from wages, fines, deductions for absence from duty, damage or loss, services rendered, recovery of advances and loans, among other matters.

### **5. The Employees' State Insurance Act, 1948 (“ESI Act”)**

The ESI Act is a social welfare legislation enacted with the objective of providing certain benefits to employees in case of sickness, maternity and employment injury. It is applicable to all factories and establishment employing ten or more persons with respect to the employees, including casual, temporary or contract employees drawing wages less than Rupees Twenty-One Thousand per month. The existing total employee state insurance contribution is 4% of wages, where the employer contribution is 3.25% and employees' contribution is 0.75% of wages.

### **6. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (“EPF Act”)**

The EPF Act provides for the institution of provident funds, pension funds, and deposit linked insurance funds for employees. It applies to all factories and establishments employing twenty or more persons or class of persons. An establishment to which the EPF Act applies shall continue to be governed by the EPF Act,

notwithstanding that the number of persons employed therein at any time falls below twenty. Once an establishment gets covered under the EPF Act, branches of such establishment situated at any other place shall also be treated as parts of the same establishment. Employees drawing wages exceeding Rupees Fifteen Thousand per month are excluded from the provisions of the EPF Act.

The benefit of the EPF Act for the employees is that the employees receive the amount contributed to the fund with interest at retirement and also receive pension after their retirement. Premature withdrawals in certain exigencies like ill-health, repayment of loans, etc. are allowed. Further, the EPF Act contains provisions to enable the employee to get accumulations lying to his/her credit, transferred in case of change of employment. Contributions to the provident fund are to be made at the rate of 12% of the wages by the employers with the employee contributing an equal amount.

The employee may voluntarily contribute a higher amount, but the employer is not obliged to contribute more than the prescribed amount. 8.33% employer contribution gets diverted to the pension scheme while balance 3.67% of employer contribution is retained in the provident fund scheme. However, with respect to employee contribution, the entire sum goes to the provident fund scheme. Aside contribution, the employer is additionally required to pay Employees Provident Fund Organization charges towards administration of the fund. In case of failure in making contributions, penalty, interest, and damages can be levied. Recovery can also be made by attaching employer's property and such recovery takes precedence in winding up/insolvency proceedings.

#### **7. Payment of Gratuity Act, 1972 (“Gratuity Act”)**

Under the Gratuity Act, employee needs to provide continuous service of five years to be eligible to receive gratuity. Gratuity becomes payable to an employee on retirement, resignation or termination of employment due to death/disablement on account of accident/disease. Condition of providing minimum five years of continuous service is not applicable in case of death/ disablement. The Gratuity Act is applicable to every establishment in which ten or more persons are employed or were employed on any day of the preceding twelve months. The gratuity is payable at the rate of fifteen days wages based on the wages last drawn, for every year of completed service or part thereof in excess of six months, subject to an aggregate amount of Rupees Twenty Lakhs. However, if an employee has the right to receive higher gratuity under a contract or under an award, then the employee is entitled to get higher gratuity.

#### **8. Contract Labour (Regulation and Abolition) Act, 1970 (“Contract Labour Act”)**

The main objectives of the Contract Labour Act are: (i) to prohibit the employment of contract labour in certain circumstances; and (ii) to regulate the working conditions of contract labour, wherever such employment is not prohibited. The Contract Labour Act applies to every establishment or contractor wherein/with whom twenty or more workmen are employed or were employed on any day of the preceding twelve months as contract labour. The Contract Labour Act provides that no contractor shall undertake any work through contract labour, except under and in accordance with a license issued in that behalf by the licensing officer. Under the Contract Labour Act, the principal employer must make an application in the prescribed form accompanied by the prescribed fee payable to the registering officer for registration.

#### **9. The Maternity Benefit Act, 1961 (“Maternity Benefit Act”)**

The Maternity Benefit Act regulates the employment of women in certain establishments for a certain period before and after childbirth and provides for maternity benefits, and certain other benefits including maternity leave, wages, bonus, nursing breaks, leave on account of miscarriage and medical termination of pregnancy, etc. The Maternity Benefit Act, amongst other establishment, applies to every factory including any establishment belonging to Government, every shop or establishments within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed on any day of the preceding twelve months. The provisions of the Maternity Benefit Act shall not apply to the employees who are entitled to receive maternity benefits under the ESI Act. To qualify for maternity leave, the woman employee must have not worked less than eighty days in the twelve months immediately preceding the date of her delivery. Pregnant women employees are entitled to maternity twenty-eight weeks maternity leave for first two child births and twelve weeks maternity leave in case of a third child onwards.

## **10. Shops and establishments legislations**

The various state-wise shops and establishments legislations regulate the working and employment conditions of the workers employed in shops and establishments, including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

## **11. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“POSH Act”)**

The POSH Act was enacted to provide protection against sexual harassment of women at workplace and prevention and redressal of complaints of sexual harassment and for matters connected therewith. The POSH Act makes it mandatory for every organization to frame an anti-sexual harassment policy. Further an organization having ten or more employees is required to constitute an Internal Complaints Committee (“ICC”) to entertain complaints that may be made by an aggrieved woman. Upon receiving complaint, ICC may attempt to arrive at an amicable settlement between the aggrieved woman and the person against whom a complaint has been made. Where amicable settlement could not be arrived or terms of settlement are breached, the POSH Act provides for an elaborate procedure of inquiry.

## **12. Employee's Compensation Act, 1923 (“ECA 1923”)**

In accordance with ECA 1923, if a personal injury is caused to an employee by accident arising out of and in the course of his employment, his employer shall be liable to pay compensation in accordance with the provisions of the said act. In this regard, ECA 1923 mandates, among other provisions, the amount of compensation to be paid, distribution of compensation, notice and claim, reports on fatal accidents and serious bodily injuries, returns as to compensation, etc.

## **13. The Industrial Disputes Act, 1947 (“ID Act”)**

The ID Act prescribes various authorities, officers, and committees, such as works committee, conciliation officers, boards of conciliations, courts of inquiry, labour courts, tribunals, and national tribunals, which may be approached in the event of settlement of disputes between a worker and an industrial establishment. The Act further outlines the process of referring the disputes to such authorities, along with specifying their procedure, powers, and duties. Relevant provisions of the ID Act also address issues relating to changes in the conditions of services, the government’s power to exempt, and the procedure for strikes and lockouts, layoffs and retrenchments, penalties etc.

## **14. The Industrial Employment (Standing Orders) Act, 1946 (“Standing Orders Act”)**

The Standing Orders Act applies to every industrial establishment wherein one hundred or more workmen are employed or were employed on any day of the preceding twelve months. The Standing Orders Act primarily sets out rules that are applicable to each industrial establishment. Standing orders, vis-à-vis, an organization, sets out classification of workmen, periods and hours of work, holidays, paydays and wage rates, shift working, attendance and late coming, conditions of, procedure in applying for, and the authority which may grant leave and holiday, termination of employment, and the notice thereof to be given by employer and workmen respectively, suspension or dismissal for misconduct, and acts or omissions which constitute misconduct, means of redress for workmen against unfair treatment or wrongful exactions by the employer or his agents or servants, etc. and any other matter which may be prescribed pursuant to the Standing Orders Act.

### **A. The New Labour Law Codes in India**

Government of India to foster a conducive labour environment wherein labour rights are protected and harmonious labour relations lead to higher productivity. Since many of the Indian labour laws are overlapping in nature, the Indian government has amalgamated twenty-nine existing labour laws into four codes, namely, the Code on Wages, 2019, the Industrial Relations Code, 2020, the Occupational Safety, Health and Working Conditions Code, 2020 and the Code of Social Security, 2020 (collectively referred to as the “Codes”). These four Codes together consolidate laws relating to: (i) wages; (ii) safety, working conditions and welfare; (iii) industrial relations; and (iv) social security. The Code on Wages, 2019 already received Presidential

assent on August 8, 2019 and the rest of the three Codes, i.e., the Industrial Relations Code, 2020; the Occupational Safety, Health and Working Conditions Code, 2020 and the Code of Social Security, 2020, received Presidential assent on September 28, 2020. The four Codes post receiving Presidential assent have also been published in the Official Gazette of India, they will however, be brought into force only once the appointed date for their implementation is notified by the Central Government. Accordingly, till date the earlier labour laws are in force and governing conditions of employment in India.

#### **1. The Code on Wages, 2019**

The Code on Wages, 2019 proposes to subsume four existing laws namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. It envisages uniformity in the timely payment of wages and minimum wages, irrespective of the sector and wage ceiling. The intent behind the Wage Code is to create a uniform system of governance to ensure a compliance regime that can be easily and effectively implemented and enforced.

#### **2. The Occupational Safety, Health and Working Conditions Code, 2020**

The Occupational Safety, Health and Working Conditions Code, 2020 proposes to subsume thirteen existing legislations, more importantly include existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970. This Code proposes to, inter alia, provide for standards for health, safety and working conditions for employees of the establishments. This Code stipulates certain duties of employers which, inter alia, include: (a) providing a workplace that is free from hazards, (b) providing free annual health examinations in notified establishments, (c) informing relevant authorities in case any accident at the workplace leads to death or serious bodily injury to any employee, (d) provide and maintain a working environment that is safe and without risk to the health of the employees, and (e) ensure the disposal of hazardous and toxic waste including disposal of e-waste.

#### **3. The Industrial Relations Code, 2020**

The Industrial Relations Code, 2020 will subsume three existing legislations namely the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. This Code will apply to all establishments except those engaged in charitable and philanthropic work, domestic work, any activity of the appropriate government relating to the sovereign functions of the appropriate government including all the activities carried on by the departments of the Central Government dealing with defence research, atomic energy and space and any notified activity.

#### **4. The Code on Social Security, 2020**

The Code on Social Security proposes to subsume nine existing legislations more importantly Employees' Compensation Act, 1923, the Payment of Gratuity Act, 1972, the Employees' State Insurance Act, 1948, the Employees' Provident Fund and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961. The Code on Social Security aims to provide uniformity in providing social security benefits to the employees which were earlier segregated under different acts and had different applicability and coverage.

### **D. Environmental Laws**

#### **1. The Environment (Protection) Act, 1986 (“Environment Act”)**

The Environment Act has been enacted with the objective of protection and improvement of the environment. Under the Environment Act, the Central Government has been given the power to take all such measures for the purpose of protecting and improving the quality of the environment and to prevent environmental pollution. Further, the Central Government has been given the power to give directions in writing to any person or officer or any authority for any of the purposes of the Act, including the power to direct the closure, prohibition or regulation of any industry, operation or process. The Environment Act also contains provisions with respect to furnishing information to authorities in certain cases, the establishment of environment laboratories and the appointment of government analysts. The Ministry of Environment and Forest (“MoEF”) issued notifications under the Environment Act in 1994, 1999 and 2006, prescribing inter alia, the procedure for environmental impact assessments for the commencement, expansion or modernization of industrial or mining operations.

## **2. The Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”)**

The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set down by the State Pollution Control Board (“State PCB”). The Water Act also provides that the consent of the State PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage or effluent.

## **3. The Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)**

The Air Act requires that any individual, industry or institution responsible for emitting smoke or gases must apply in a prescribed form and obtain consent from the State PCB prior to commencing any activity. The State PCB is required to grant, or refuse, consent within four months of receipt of the application. The consent may contain conditions relating to specifications of pollution control equipment to be installed.

## **4. The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (“Hazardous Waste Rules”)**

The Hazardous Waste Rules define the term ‘hazardous waste’ and any person who has control over the affairs of a factory or premises or any person in possession of the hazardous waste is classified as an ‘occupier’. In terms of the Hazardous Waste Rules, occupier has, inter alia, been made responsible for safe and environmentally sound handling of hazardous wastes generated in their establishments and are required to obtain license/authorization from the respective state pollution control board for generation, processing, treatment, package, storage, transportation, use, collection, destruction, conversion, offering for sale, transfer or the like of the hazardous waste.

## **5. The Noise Pollution (Regulation & Control) Rules, 2000 (“Noise Regulation Rules”)**

The Noise Regulation Rules regulate noise levels in industrial, commercial and residential zones. The Noise Regulation Rules also establish zones of silence of not less than hundred meters near schools, courts, hospitals, etc. The rules also assign regulatory authority for these standards to the local district courts.

## **6. Regulations governing Import and Export of Goods**

In India, the import and export of goods is governed by the Foreign Trade (Development & Regulation) Act, 1992 and India’s Export Import (EXIM) Policy. India’s Directorate General of Foreign Trade (“DGFT”) is the nodal authority to regulate all matters related to EXIM Policy. Importers are required to register with DGFT to obtain an Importer Exporter Code Number (“IE Code”) for undertaking import activities. Moreover, an exporter is not allowed to take benefits of exports from DGFT without having IE Code.

## **E. Intellectual Property Laws**

### **1. The Trade Marks Act, 1999 (“Trade Marks Act”)**

The Trade Marks Act governs the statutory protection of trademarks and prevention of the use of fraudulent marks in India. Indian law permits the registration of trademarks for both goods and services. The Trade Marks Act envisages the recognition and protection of the well-known trademark. The Trade Marks Act also provides for registration of trademarks, duration, removal, renewal and revocation of the trade mark. The Indian judiciary has been proactive in the protection of trademarks, and it has extended the protection to domain names under the Trade Marks Act. The trademark is initially registered for a period of ten years, which is calculated from the date of filing of the application and in case of convention application from the date of priority.

Further, the registration of the trademark may be renewed for a period of ten years from the date of expiration of the original registration or of the last renewal of registration. Such renewal application should be made at least six months prior to expiry of registration of the trademark. However, if such renewal application is not made within the said period, it can be filed within six months after the expiry of registration or the renewal as the case may be along with a late filing fee. Additionally, if such late filing fee is not paid, upon expiry of one year from the date of expiry of registration or the renewal as the case may be, such trademark will

automatically be removed from the register of trademarks of concerned authority.

## **2. The Patents Act, 1970 (“Patents Act”)**

An invention relating to a product or a process that is new, involving inventive step and capable of industrial application can be patented in India. In India, a patent application can be filed, either alone or jointly, by true and first inventor or his assignee. The term of every patent in India is twenty years from the date of filing the patent application, irrespective of whether it is filed with provisional or complete specification. A patentee has to renew the patent every year by paying the renewal fee, which can be paid every year or in lump sum.

Patent infringement proceedings can only be initiated after grant of patent in India but may include a claim retrospectively from the date of publication of the application for grant of the patent. Under the Patents Act only a civil action can be initiated in a Court of Law.

## **F. Law governing Competition**

### **1. The Competition Act, 2002 (“Competition Act”)**

The objective of the Competition Act is to prevent anti-competitive practices, promote and sustain competition, protect the interests of the consumers and ensure freedom of trade. The Competition Act attempts to curb practices having adverse effects on competition and promote and sustain competition. A major feature of the Competition Act is that it does not prohibit monopolies or dominant position per se, it only forbids its abuse. The Competition Act aims at curbing anti-competitive activities which disturb the competitive equilibrium. The Competition Commission of India (“CCI”), regulator under the Competition Act. CCI has vast powers in relation to anti- competitive agreements and abuse of dominant positions. If the CCI concludes that there is an anti-competitive agreement which has caused or is likely to cause an appreciable adverse effect on competition within India, or that any enterprise has abused its dominant position in the market, it may pass orders which, inter alia, includes passing of cease and desist orders, imposition of monetary penalties, pass an order directing anti-competitive agreements to be modified and brought in compliance of law, or even can order division of an enterprise that is abusing its dominant position to ensure that it can no longer abuse its dominance.

## **G. Laws Governing Foreign Investment in India**

### **1. Foreign Exchange Management Act, 1999 (“FEMA”)**

Foreign Investment in India by a ‘person resident outside India’ is primarily regulated by the provisions of FEMA and the rules, regulations and notifications thereunder, as issued by the Reserve Bank of India (“RBI”) from time to time, which is to be read with the Foreign Direct Investment Policy notified by the Government of India through Ministry of Commerce & Industry, Department for Promotion of Industry and Internal Trade (FDI Division).

### **2. Foreign Direct Investment Policy (“FDI Policy”)**

In India, Foreign Direct Investment (“FDI”) is freely permitted in almost all sectors. Under the FDI Policy, investments can be made by non-residents in the equity shares; fully, compulsorily and mandatorily convertible debentures; or fully, compulsorily and mandatorily convertible preference shares, partly paid equity shares and warrants of an Indian company, through two routes: (a) the Automatic Route; and (b) the Government Route. Under the automatic route, the non-resident investor or the Indian company does not require any approval from the Reserve Bank or Government of India for the investment. An Indian company, not engaged in any activity/sectors where FDI is prohibited, can issue shares or convertible debentures to a person resident outside India, subject to entry routes and sectoral caps prescribed in the FDI Policy.

Since the Company is engaged in the ‘manufacturing’ sector; in this regard, subject to the provisions of the FEMA and the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, it is permitted to receive 100 % FDI under the automatic route.

### **3. Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 (“NDI Rules”)**

RBI notified NDI Rules vide Notification No. S.O. 3732(E) dated October 17, 2019 (which replaced erstwhile

Foreign Exchange Management (Transfer or issue of security by a person resident outside India) Regulations, 2017), which is a principal regulation governing foreign investment in an Indian entity by any person resident outside India. Under the NDI Rules, Foreign Investment (“FI”) means any investment made by a person resident outside India on a repatriable basis in equity instruments of Indian company, amongst other entities. Additionally, under NDI Rules, Foreign Portfolio Investment (“FPI”) has been defined as any investment made by a ‘person resident outside India’ through equity instruments where such investment is (a) less than 10 % of the post issue paid-up share capital on a fully diluted basis of a listed Indian company, or (b) less than 10 % of the paid-up value of each series of equity instrument of a listed Indian company.

In terms of NDI Rules, a FPI is required to necessarily register in accordance with the provisions of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014. Furthermore, under NDI Rules, provisions relating to investment by FPI and transfer of equity instruments of an Indian company by FPI are governed by Chapter IV in the manner and subject to the terms and conditions specified in Schedule II thereof. In this regard, Schedule II of NDI Rules provides that investment by a FPI or an investor group, shall be less than 10 % of the total paid-up equity capital on a fully diluted basis or less than 10 % of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company (by FPIs) and the total holdings of all FPIs put together, including any other direct and indirect foreign investments in the Indian company permitted under these rules, shall not exceed 24 % of paid-up equity capital on a fully diluted basis or paid up value of each series of debentures or preference shares or share warrants. The said limit of 10 % and 24 % shall be called the individual and aggregate limit, respectively.

A FPI may purchase equity instruments of an Indian company through public offer, subject to individual and aggregate limits provided under Schedule II of NDI Rules, provided that in case of public offer, the price of shares to be issued to FPI’s shall not be less than the price at which shares have been issued to the residents.

#### **4. The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 (“FPI Regulations 2019”)**

In exercise of the powers conferred by Section 30(1) read with Section 11(1), Section 11(2)(ba) and Section 12(1) and (1A) of the Securities and Exchange Board of India Act, 1992 (“SEBI Act”), and under Section 25 of the Depositories Act, 1996, and in supersession of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI notified FPI Regulations 2019. FPI Regulations 2019, amongst its various other provisions, delineates the process for registration of a Foreign Portfolio Investor, eligibility criteria of a Foreign Portfolio Investor, categories of FPI, investment conditions and restrictions for Foreign Portfolio Investor and general obligations and responsibilities of Foreign Portfolio Investor.

#### **H. Miscellaneous**

In addition to the aforementioned material legislations, various laws and regulations including the Companies Act, 2013, Indian Contract Act, 1872, Negotiable Instruments Act, 1881, Stamp Act, 1899, Income Tax Act 1961, Goods and Service Tax Act, 2017, State-specific legislations in relation to professional tax etc. are also applicable to the operations of the Company.

## HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as ‘Quadrant Cables Private Limited’ on September 18, 2015 at Chandigarh as 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’. The Corporate Identity Number of our Company is U74999PB2015PLC039758.

Our Company is engaged in the business of manufacturing of speciality cables and design, development & manufacturing of embedded systems for railway signalling & train control applications.

For information on our Company’s profile, activities, products, market, growth, technology, managerial competence, standing with reference to prominent competitors, major Vendors and suppliers, please refer the sections titled “Our Business”, “Industry Overview”, “Our Management”, “Restated Financial Information” and “Management Discussion and Analysis of Financial Condition and Results of Operations” on pages 169, 128, 211, 244 and 369 respectively of the Draft Red Herring Prospectus.

### Changes in the name of our Company:

Date of Change	Name Changed		Reason of Change
	From	To	
October 08, 2021	Quadrant Cables Private Limited	Quadrant Future Tek Private Limited	To diversify its focus on future technologies in railway segment
October 21, 2021	Quadrant Future Tek Private Limited	Quadrant Future Tek Limited	Conversion from private limited company to public limited company

### Registered Office and change in Registered Office of our Company

At present our Registered Office is situated at Village Basma, Tehsil Banur, Mohali, Punjab - 140 417.

The details of the change in the registered office are as under:

Date of Change	Address Changed		Reason of Change
	From	To	
April 01, 2017	SCO-534, Second Floor, Sector 70, Mohali, Punjab - 160 071	Village Basma, Tehsil Banur, Mohali, Punjab - 140 417	For operational convenience and better coordination

### Main Objects of our Company

The main objects of our Company, as set forth in our Memorandum of Association, of our company are as follows:

1. To carry on, in India or elsewhere, business of development, manufacture, assemble, buy, sell, import, export, trading or otherwise deal in all kinds of specialty cables, insulated wire and cables, power cables, control and communication cables for use in railways, ships, submarines, aircrafts, defence, renewable energy, electric vehicles and all type of electrical connectors, wiring harness and related accessories.
2. To carry on the business of designing, research and development, manufacture, installation, maintenance, servicing of embedded systems for railway signalling, train control and management applications and other related train protection system including related software and hardware.

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out.



## Changes in Memorandum of Association

The following table sets forth details of the changes in the Registered Office of our Company since incorporation:

Date of Shareholders' resolution	Details of the Amendments
August 06, 2021	Clause I of MoA was amended to reflect the change in name of our company from "Quadrant Cables Private Limited" to "Quadrant Future Tek Private Limited".
October 13, 2021	Clause I of MoA was amended to reflect the change in name of our company from "Quadrant Future Tek Private Limited" to "Quadrant Future Tek Limited" to affect the conversion of private limited company to public limited company.
March 01, 2023	Clause IIIA of MOA was amended to change the objects of the Company.
March 01, 2023	Clause V of MOA was amended to increase the authorised share capital of the Company from Rs. 10,00,00,000 to Rs. 45,00,00,000

## Key events, milestones and achievements

The Table below sets forth some of the major events in the history of our company:

FY	Particulars
2015-16	Incorporation of our Company
2017- 18	Installed the 2.5 MeV Electron Beam Accelerator for manufacturing of irradiated cables Received the License from Atomic Energy Regulation Board for Operation of Irradiation Centre. Installed & commissioned Cable Manufacturing Facility and Electronic Beam Facility. Awarded with the Approval from Rail Design & Standards Organization for Supply of Irradiated Cables for Coaches, EMU's & Locomotives.
2018-19	Invited by Naval (Defence) industry for Supply of Irradiated Silicone Rubber & Polyethylene Cables for Ships & Submarines. Awarded with the Approval from Defence industry for Supply of Cables
2020-21	Set up a Software/Embedded Design & Development centre at Bengaluru and initiated the development of Three Important Safety Critical Solutions for Railway Safety: Train Collision Avoidance System (Now known as KAVACH) Installed dust free, fully automatic electronic manufacturing facility for production of Safety Critical Rail Signalling Hardware Systems Conversion of our Company from private limited to a public limited company
2022-23	Assessment of Infrastructure & capabilities of Train Collision Avoidance System conducted by RDSO & approval was awarded Successfully developed the first Kavach system in-house for proto-type testing by RDSO / Railways.
2023-24	Awarded with the first order of deployment of Kavach system at South Central Railways at 5 stations, 10 locomotives / trains at a stretch of 43.6 kilometer. Development of solar cables in line with 2pfg1169/N50618 for captive solar projects dedicated for electric charging stations, green hydrogen plants planned to be executed Development of low fire hazard, light weight cables for electric vehicles, to cater to the transition of fossil fuel vehicles to Battery / hydrogen electric vehicles.

## Key Awards, Accreditations and Recognition

Our Company has not received any key awards, accreditation, and recognition.

## Time and cost overrun in setting up projects by our Company

We have not encountered any time and cost overruns in respect of our business.

### **Details regarding material acquisitions or divestments of business / undertakings, mergers and amalgamation, and revaluation of assets since incorporation**

Our Company has not acquired any material business or undertaken any mergers or amalgamations or divestments of business or undertaking since incorporation.

### **Launch of key products or services, entry into new geographies or exit from existing markets, capacity / facility creation or location of plants**

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, capacity / facility creation, location of our manufacturing facility, see “Our Business” on page 169.

### **Strategic and financial partners**

As of the date of the Draft Red Herring Prospectus, our Company does not have any strategic and/or financial partners.

### **Memorandum of Understanding entered into between our Company and The President of India acting through Executive Director / Tele-II posted as in the office of the Research Desings and Standard Organisation, Manak Nagar, Lucknow - 226 011, Ministry of Railways, Government of India.**

As part of the development of Kavach System by our Company, we have entered into a Memorandum of Understanding dated October 17, 2022, with The President of India acting through Executive Director / Tele-II posted as in the office of the Research Desings and Standard Organisation, Manak Nagar, Lucknow-226 011, Ministry of Railways, Government of India. In terms of the said agreement, Indian Railways has provided the technical specification and domain knowledge for the ATP system to be developed by RDSO. Certain of the key terms of the said Memorandum of Understand are as under:

- RDSO shall have the right to share the same technical specification and domain knowledge for the ATP system to other agencies developing technology in the same area for achieving multivendor interoperability for the Kavach ATP system.
- The said technology shall not be sold / licensed / transferred by our Company without prior approval of the RDSO. In case of any such sale / licence being given / transfer made, the revenues will be shared by both the parties in the ratio of 60:40.
- In the event of commercial sale of Kavach equipment by our Company to any other railway network or any entity other the Indian Railways, upon written approval from RDSO, our Company will pay an amount equal to 2% of the ex-factory sale price as RDSO’ share of royalty.
- The MOU is effective for a period of 10 years from the date of issue of final approval of the system.

### **Defaults or rescheduling or restructuring of borrowings from financial institutions or banks**

There are no defaults or rescheduling or restructuring of borrowings with financial institutions or banks.

### **Holding Company**

As on the date of the Draft Red Herring Prospectus, our Company is not a subsidiary of any company.

### **Subsidiary Company**

As on the date of the Draft Red Herring Prospectus, our Company does not have any subsidiary company.

### **Joint Ventures**

As on the date of the Draft Red Herring Prospectus, our Company does not have any Joint Venture.

### **Details of Shareholders’ Agreements**

As on the date of the Draft Red Herring Prospectus, our Company does not have any Shareholder's Agreement.

**Dispute amongst the Promoter and Promoter Group and the Settlement Agreement dated February 01, 2023 (“Settlement Agreement”) and Amendment to the Settlement Agreement dated March 01, 2024 (“Amendment to the Settlement Agreement”)**

Historically, in one instance, a dispute has arisen between the four promoter groups in reference to investment in and commencement of compounding facility by International Switchgears Private Limited in their factory and placing of orders for cable extruders as well and usage of the technical know-how developed by our Company over the years. On account of the said dispute, the remaining three Promoter Groups (i.e. Mohit Vohra, Amit Dhawan, Rupinder Singh, Aikjot Singh, Vishesh Abrol and Vivek Abrol) initiated the proceedings to remove Amrit Singh Randhawa and Rajbir Singh Randhawa from the then Board of the Company. In response to the same, Amrit Singh Randhawa and Rajbir Singh Randhawa, alongwith Swinder Kaur and Navneet Kaur Randhawa moved a petition in National Company Law Tribunal, Chandigarh Bench on July 02, 2022 to claim relief under in the matter of Sections 169, 241, 242 and 244 of the Companies Act, 2013. Thereafter, post various hearing in the NCLT, the Promoter Group have amicably arrived at a mutual settlement that International Switchgears Private Limited will not carry on or propose to carry on business competing with the business of our Company and hence all other issues and disputes stand settled between the parties. Further, the proceedings of the Board Meeting held on June 13, 2022, the Extra Ordinary General Meeting held on July 11, 2022 shall stand null and void and the related notice / special notice / intimations for the said meeting shall stand withdrawn and null and void. Post signing of the Settlement Agreement dated February 01, 2023, the said petition stands withdrawn / dismissed.

Key terms of the Settlement Agreement entered into between the Company and all the shareholders of the Company are as under:

- The proceedings of the Board Meeting held on June 13, 2022, the Extra Ordinary General Meeting held on July 11, 2022 shall stand null and void
- The related notice / special notice / intimations for the said meeting shall stand withdrawn and null and void
- The Promoter Group’s shall have right at all times to have their equal representatives on the Board and no such representatives shall be removed from the Board
- The shareholding of the Promoter Group shall be equal unless consented to by all the Promoters
- As and when any salary is to be paid / fixed for any of the promoters / directors, the same shall be equal for all such directors irrespective of the functions performed by them
- All the promoters / directors shall have access to statutory books including books of accounts and also to have extracts / copies of the same and to the premise of the factory / office at all times
- Any two of the four authorise Directors from all the four Groups shall be signatories to the operation of bank account of the Company
- Parties shall file a joint application before the Hon’ble National Company Law Tribunal, Chandigarh Bench for placing on record the terms of the Settlement Deed and pray for dismissal of the Company Petition in the light of the Settlement Deed with a prayer that the terms of the Settlement Deed shall be strictly complied with by the Parties.

Thereafter, on March 01, 2024, the Promoter and Promoter Group has agreed to amend the terms of the Settlement Agreement as under:

- Issue and allotment of 2,00,00,000 Equity Shares of face value Rs. 10 each as fully paid bonus shares by way of capitalisation of Rs. 20,00,00,000 (Rupees Twenty Crores only) from and out of retained earnings / free reserves of the Company, as may be considered appropriate, to the eligible members of the Company whose name(s) appear in the Register of Members on ‘Record Date’ to be determined by the Company for this purpose, in proportion of 2 (Two) new fully paid-up equity share of Rs. 10/- (Rupees ten only) each for every 1 (One) fully paid-up Equity Shares of Rs. 10/- (Rupees ten only) each.
- The Parties have agreed to raise further funds by the Company through issue of equity shares for a total amount of upto Rs. 500 cr (Rupees Five Hundred Crores) through public issue in compliance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018., which may dilute all the existing Promoter and Promoter Group shareholders in the same proportion and the number of shares which have to be issued shall be decided based on market factors and in consultation with the intermediary(ies) appointed for the IPO.
- In partial modification of the Clause No. 7 and 9 of the Settlement Agreement, it is now agreed to modify the settlement terms as under:

**Re-designation of the Directors of the Company, as under:**

Sr. No.	Name of Director	Revised Designation
<b>ISG Group</b>		
1	Amrit Singh Randhawa	Whole Time Director (Promoter Category)
2	Rajbir Singh Randhawa	Non Executive Director (Promoter Category)
<b>MV Group</b>		
3	Mohit Vohra	Managing Director (Promoter Category)
4	Amit Dhawan	Whole Time Director (Promoter Category)
<b>NEC Group</b>		
5	Rupinder Singh	Whole Time Director (Promoter Category)
6	Aikjot Singh	Non Executive Director (Promoter Category)
<b>Abrol Group</b>		
7	Vivek Abrol	Whole Time Director (Promoter Category)
8	Vishesh Abrol	Whole Time Director (Promoter Category)

**Payment of remuneration to the Directors, as under:**

Sr. No.	Name of Director	Total remuneration
<b>ISG Group</b>		
1	Amrit Singh Randhawa	Rs. 10,00,000 per month, including perquisite/s and allowance/s  The said appointment shall be for a period of three (3) years from March 01, 2024 to February 28, 2027, unless variation in terms is approved by all the Promoter Group Directors in writing
<b>MV Group</b>		
2	Mohit Vohra	Rs. 5,00,000 per month, including perquisite/s and allowance/s  The said appointment shall be for a period of three (3) years from March 01, 2024 to February 28, 2027, unless variation in terms is approved by all the Promoter Group Directors in writing
3	Amit Dhawan	Rs. 5,00,000 per month, including perquisite/s and allowance/s  The said appointment shall be for a period of three (3) years from March 01, 2024 to February 28, 2027, unless variation in terms is approved by all the Promoter Group Directors in writing
<b>NEC Group</b>		
4	Rupinder Singh	Rs. 10,00,000 per month, including perquisite/s and allowance/s  The said appointment shall be for a period of three (3) years from March 01, 2024 to February 28, 2027, unless variation in terms is approved by all the Promoter Group Directors in writing
<b>Abrol Group</b>		
5	Vivek Abrol	Rs. 5,00,000 per month, including perquisite/s and allowance/s  The said appointment shall be for a period of three (3) years from March 01, 2024 to February 28, 2027, unless variation in terms is approved by all the Promoter Group Directors in writing
6	Vishesh Abrol	Rs. 5,00,000 per month, including perquisite/s and allowance/s  The said appointment shall be for a period of three (3) years from March 01, 2024 to February 28, 2027, unless variation in terms is approved by all the Promoter Group Directors in writing

- Post Initial Public Offer of equity shares by the Company, any re-appointment of Directors and the remuneration shall also be governed by the various SEBI Regulations and the approval of the shareholders of the Company, including public shareholders, as may be required under applicable regulations / laws.

However, the payment of remuneration proposed for approval by shareholders post IPO shall be inter-se mutually decided by the Promoter and Promoter Group before recommendation of the same to the shareholders.

It is confirmed that there are no special rights available to any of the member or all of the Promoter Group under the Articles of Association of our Company.

Except as disclosed above, there are no other agreement and clauses / covenants which are adverse / pre-judicial to the interest of the public shareholders. Further, there are no other agreements, deeds of assignments, acquisition agreements, shareholders agreements and / or inter-se agreements other than as disclosed above.

#### **Guarantees given by the Promoters**

None of the Promoters are offering their shares in the proposed public issue. Further, the Promoters have not provided any guarantees to third parties on behalf of our Company except to the extent of borrowing undertaken by the Company and disclosed under “Financial Indebtedness” on page 363.

#### **Agreements with Key Managerial Personnel or Senior Management Personnel, Director, Promoters, or any other employee**

Our Key Managerial Personnel or Senior Management Personnel, Director, Promoters, or any other employee have not entered into any agreement with the any shareholder or any third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company except as under:

- Our Company has entered into a Service Provider Non-Disclosure and Confidentiality Agreement dated February 06, 2024 with Mahajin Engineering India Private Limited, in which Surendranath Bopporaju, a Senior Management Personnel of our Company is a Director and holds 51% of its paid up equity capital. In terms of the said agreement, Mahajin Engineering India Private Limited shall perform RAMS (Reliability, Availability, Maintainability, Safety) studies in relation to Company’s KAVACH project. The said agreement is for the period commencing from December 01, 2023 to November 30, 2024 with consideration of ₹ 2,000 per hour for a maximum of 100 hours per month (i.e. aggregating to a maximum of ₹ 0.20 million per month). However, prior to entering into this agreement, our Company had paid an aggregate fees of ₹ 1.50 million to Mahajin Engineering India Private Limited for the period from April 01, 2023 to November 30, 2023.

Further, in the course of our business under Kavach ATP, we are required to enter into appropriate employment contract and / or assignment document to ensure that all Intellectual Property that have been contributed in the Kavash (Indian Railways ATP) belongs to our Company and eventually both, our Company and RDSO.

#### **Other confirmations**

Other than as disclosed above, there are no other agreements, including any deed of assignment, acquisition agreement, shareholders’ agreement, inter-se agreements, agreements of like nature, to which we are a party, which are material and which are required to be disclosed. Further, we confirm that there are no other clauses or covenants which are material, adverse or pre-judicial to the interest of the minority/ public shareholders.

## OUR MANAGEMENT

### Board of Directors

In terms of the Companies Act and the Articles of Association, our Company is authorised to have a minimum of three Directors and a maximum of up to fifteen Directors. As on the date of the Draft Red Herring Prospectus, we have 12 (twelve) Directors on our Board, comprising of 6 (six) Executive Directors, 2 (two) Non-Executive Non Independent Directors and 4 (four) Independent Directors including 1 (one) woman Independent Director. Mr. Satish Gupta, is the Independent Chairman of Board of Directors of our Company.

The following table sets forth the details regarding the Board of Directors of our Company as on the date of filing of the Draft Red Herring Prospectus:

Name, DOB, Father's Name, Designation, Address, Occupation, Term, Period of Directorship, Nationality & DIN	Age (Years)	Other Directorships
<b>Satish Gupta</b> <b>Father's Name:</b> Mr. Inder Sain Gupta <b>Date of Birth:</b> April 14, 1960 <b>Designation:</b> Independent Chairman <b>Address:</b> M-60, Saket, New Delhi – 110017, India. <b>Occupation:</b> Professional <b>Current Term:</b> March 08, 2024 upto ensuing General Meeting <b>Period of Directorship:</b> Director since March 08, 2024 <b>Nationality:</b> Indian <b>DIN:</b> 06574539	64	<b>Indian Companies</b> <ul style="list-style-type: none"> <li>• Solarcore Power Private Limited</li> <li>• Wingswey Digitec Private Limited</li> <li>• Camfyvision Innovations Private Limited</li> </ul> <b>Foreign Companies</b> <ul style="list-style-type: none"> <li>• Nil</li> </ul>
<b>Mohit Vohra</b> <b>Father's Name:</b> Mr. Vinod Kumar Vohra <b>Date of Birth:</b> May 18, 1975 <b>Designation:</b> Managing Director <b>Address:</b> House No.- 3, Sector 31, Amarnagar, Faridabad - 121 003, Haryana, India <b>Occupation:</b> Entrepreneur <b>Current Term:</b> Three years commencing from March 01, 2024 to February 28, 2027 <b>Period of Directorship:</b> Director since August 16, 2017 and Managing director since March 01, 2024 <b>Nationality:</b> Indian <b>DIN:</b> 02534402	49	<b>Indian Companies</b> <ul style="list-style-type: none"> <li>• MV Mobility Limited</li> <li>• MV Electrosystems Limited</li> <li>• Iboard India Limited</li> <li>• MV Greentech Private Limited</li> </ul> <b>Foreign Companies</b> <ul style="list-style-type: none"> <li>• Nil</li> </ul>
<b>Pramod Jain</b> <b>Father's Name:</b> Late Mr. Dharmi Chand Jain <b>Date of Birth:</b> October 12, 1969 <b>Designation:</b> Additional Independent Director <b>Address:</b> 716, C.A. Apartments, Paschim Vihar, Delhi-110063, India. <b>Occupation:</b> Professional <b>Current Term:</b> March 08, 2024 upto ensuing General Meeting <b>Period of Directorship:</b> Director since March 08, 2024 <b>Nationality:</b> Indian <b>DIN:</b> 00002190	54	<b>Indian Companies</b> <ul style="list-style-type: none"> <li>• Maru Investment and Finance Private Limited</li> <li>• Extensible Business Reporting Language (XBRL) India</li> </ul> <b>Foreign Companies</b> <ul style="list-style-type: none"> <li>• Nil</li> </ul>

Name, DOB, Father's Name, Designation, Address, Occupation, Term, Period of Directorship, Nationality & DIN	Age (Years)	Other Directorships
<p><b>Girish Buttan</b>  <b>Father's Name:</b> Mr. Om Prakash Buttan  <b>Date of Birth:</b> August 08, 1968  <b>Designation:</b> Additional Independent Director  <b>Address:</b> 67-68, Gali-4, Guru Ram Dass Nagar, Laxmi Nagar, Delhi – 110092, India  <b>Occupation:</b> Professional  <b>Current Term:</b> March 08, 2024 upto ensuing General Meeting  <b>Period of Directorship:</b> Director since March 08, 2024  <b>Nationality:</b> Indian  <b>DIN:</b> 06988965</p>	55	<p><b>Indian Companies</b></p> <ul style="list-style-type: none"> <li>• Nil</li> </ul> <p><b>Foreign Companies</b></p> <ul style="list-style-type: none"> <li>• Nil</li> </ul>
<p><b>Kanika Bhutani</b>  <b>Father's Name:</b> Mr. Surender Kumar Bhutani  <b>Date of Birth:</b> June 20, 1985  <b>Designation:</b> Additional Independent Director  <b>Address:</b> House No. – 1194, Sector – 23A, Faridabad, Haryana – 121005, India.  <b>Occupation:</b> Professional  <b>Current Term:</b> March 08, 2024 upto ensuing General Meeting  <b>Period of Directorship:</b> Director since March 08, 2024  <b>Nationality:</b> Indian  <b>DIN:</b> 08789609</p>	39	<p><b>Indian Companies</b></p> <ul style="list-style-type: none"> <li>• Nil</li> </ul> <p><b>Foreign Companies</b></p> <ul style="list-style-type: none"> <li>• Nil</li> </ul>
<p><b>Amit Dhawan</b>  <b>Father's Name:</b> Mr. Ravinder Kumar Dhawan  <b>Date of Birth:</b> September 10, 1977  <b>Designation:</b> Whole Time Director  <b>Address:</b> H. No.- 25, Sector 29, Faridabad, Haryana – 121003, India.  <b>Occupation:</b> Entrepreneur  <b>Current Term:</b> Three years commencing from March 01, 2024 to February 28, 2027 and liable to retire by rotation  <b>Period of Directorship:</b> Director since August 16, 2017 and Whole-time director from March 01, 2024  <b>Nationality:</b> Indian  <b>DIN:</b> 03031778</p>	46	<p><b>Indian Companies</b></p> <ul style="list-style-type: none"> <li>• A.M. Speciality Materials Private Limited*</li> <li>• MV Mobility Limited</li> <li>• MV Electrosystems Limited</li> <li>• IBoard India Limited</li> </ul> <p><b>Foreign Companies</b></p> <ul style="list-style-type: none"> <li>• Nil</li> </ul>
<p><b>Amrit Singh Randhawa</b>  <b>Father's Name:</b> Mr. Kishan Singh  <b>Date of Birth:</b> October 03, 1950  <b>Designation:</b> Whole Time Director  <b>Address:</b> Kothi No. 643, Phase – 6, Sector 55, SAS Nagar, Mohali, Punjab – 160055, India  <b>Occupation:</b> Entrepreneur  <b>Current Term:</b> Three years commencing from March 01, 2024 to February 28, 2027 and liable to retire by rotation  <b>Period of Directorship:</b> Director since incorporation of the Company and Whole-time director from March 01, 2024  <b>Nationality:</b> Indian  <b>DIN:</b> 01200522</p>	73	<p><b>Indian Companies</b></p> <ul style="list-style-type: none"> <li>• International Switchgears Private Limited</li> </ul> <p><b>Foreign Companies</b></p> <ul style="list-style-type: none"> <li>• Nil</li> </ul>

Name, DOB, Father's Name, Designation, Address, Occupation, Term, Period of Directorship, Nationality & DIN	Age (Years)	Other Directorships
<p><b>Rupinder Singh</b>  <b>Father's Name:</b> Mr. Balwanti Singh  <b>Date of Birth:</b> March 21, 1957  <b>Designation:</b> Whole Time Director  <b>Address:</b> H. No. 2679, Sector 69, S.A.S. Nagar (Mohali), Punjab-160062, India.  <b>Occupation:</b> Entrepreneur  <b>Current Term:</b> Three years commencing from March 01, 2024 to February 28, 2027 and liable to retire by rotation  <b>Period of Directorship:</b> Director since incorporation of the Company and Whole-time director from March 01, 2024  <b>Nationality:</b> Indian  <b>DIN:</b> 01066128</p>	67	<p><b>Indian Companies</b></p> <ul style="list-style-type: none"> <li>Indo Rail Engineering Systems Private Limited</li> </ul> <p><b>Foreign Companies</b></p> <ul style="list-style-type: none"> <li>Nil</li> </ul>
<p><b>Vishesh Abrol</b>  <b>Father's Name:</b> Mr. Mohan Krishan Abrol  <b>Date of Birth:</b> July 24, 1966  <b>Designation:</b> Whole Time Director  <b>Address:</b> Abrol House, Industrial Area, Kapurthala, Punjab – 144601, India.  <b>Occupation:</b> Entrepreneur  <b>Current Term:</b> Three years commencing from March 01, 2024 to February 28, 2027 and liable to retire by rotation  <b>Period of Directorship:</b> Director since incorporation of the Company and Whole-time director from March 01, 2024  <b>Nationality:</b> Indian  <b>DIN:</b> 01542359</p>	57	<p><b>Indian Companies</b></p> <ul style="list-style-type: none"> <li>Abrol Engineering Company Private Limited</li> <li>Logomotive Private Limited.</li> </ul> <p><b>Foreign Companies</b></p> <ul style="list-style-type: none"> <li>Nil</li> </ul>
<p><b>Vivek Abrol</b>  <b>Father's Name:</b> Mr. Mohan Krishan Abrol  <b>Date of Birth:</b> October 11, 1963  <b>Designation:</b> Whole Time Director  <b>Address:</b> Abrol House, Industrial Area, Kapurthala, Punjab – 144601, India.  <b>Occupation:</b> Entrepreneur  <b>Current Term:</b> Three years commencing from March 01, 2024 to February 28, 2027 and liable to retire by rotation  <b>Period of Directorship:</b> Director since incorporation of the Company and Whole-time director from March 01, 2024  <b>Nationality:</b> Indian  <b>DIN:</b> 01381395</p>	60	<p><b>Indian Companies</b></p> <ul style="list-style-type: none"> <li>Abrol Engineering Company Private Limited.</li> </ul> <p><b>Foreign Companies</b></p> <ul style="list-style-type: none"> <li>Nil</li> </ul>
<p><b>Aikjot Singh</b>  <b>Father's Name:</b> Mr. Rupinder Singh  <b>Date of Birth:</b> November 16, 1983  <b>Designation:</b> Non - Executive Director  <b>Address:</b> H. No.- 2679, Sector 69, SAS Nagar, Mohali, Punjab – 160 062, India.  <b>Occupation:</b> Entrepreneur  <b>Current Term:</b> From March 01, 2024 and Liable to retire by rotation  <b>Period of Directorship:</b> Director since incorporation of the Company and Non- executive director from March 01, 2024  <b>Nationality:</b> Indian  <b>DIN:</b> 06579087</p>	40	<p><b>Indian Companies</b></p> <ul style="list-style-type: none"> <li>Indo Rail Engineering Systems Private Limited</li> </ul> <p><b>Foreign Companies</b></p> <ul style="list-style-type: none"> <li>Nil</li> </ul>



Name, DOB, Father's Name, Designation, Address, Occupation, Term, Period of Directorship, Nationality & DIN	Age (Years)	Other Directorships
<b>Rajbir Singh Randhawa</b> <b>Father's Name:</b> Mr. Amrit Singh Randhawa <b>Date of Birth:</b> January 26, 1981 <b>Designation:</b> Non - Executive Director <b>Address:</b> Kothi No. 643, Phase – 6, Sector 55, SAS Nagar, Mohali, Punjab – 160055, India. <b>Occupation:</b> Entrepreneur <b>Current Term:</b> From March 01, 2024 and liable to retire by rotation <b>Period of Directorship:</b> Director since incorporation of the Company and Non- executive director from March 01, 2024 <b>Nationality:</b> Indian <b>DIN:</b> 01201025	43	<b>Indian Companies</b> <ul style="list-style-type: none"> <li>International Switchgears Private Limited</li> </ul> <b>Foreign Companies</b> <ul style="list-style-type: none"> <li>Nil</li> </ul>

\* Under process of getting strike off

#### Brief Profile of Directors of our Company:

**Satish Gupta** aged 64 years is B. Com (Hons) from Delhi University and is an Associate member of the Institute of Cost Accountant of India. He has an experience of about 29 years in various industries at corporate functions. He had previously worked with Yamaha Motor India, Moser Baer India Limited and super annuated from Tata Power Solar Systems Limited as Chief Financial Officer. Post super annuation, he is working in advisory capacity before he was appointed as Chief Financial Officer at Alpex Solar Limited w.e.f. September 18, 2023. He is the Independent Chairman of our Company.

**Mohit Vohra** aged 49 years is a Mechanical Engineer from YMCA Institute of Engineering, Faridabad. He has an experience of over 26 years and has previously worked with multinational corporations like Thermax Limited, Pouyet Communication India Private Limited and Tyco Electronics Corporation India Private Limited before venturing with his own venture under MV Electrosystems Limited in 2009. In his entrepreneurship journey, he has expanded his business into ventures namely, MV Mobility Limited, MV Greentech Private Limited, Iboard India Limited and is also a Director in these companies and partner in Prime Electronics. He was appointed as Director in our Company on August 16, 2017 and designated as Managing Director w.e.f. March 01, 2024. 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** 54 years is B. Com (H) from Shri Ram College of Commerce, Fellow member of the three professional institutes namely, Institute of Chartered Accountants of India, Institute of Company Secretaries of India and Institute of Cost Accountants of India, degree in Bachelor of Law (LL.B) from CCS University, Meerut, member of The Indian Institute of Insolvency Professional of ICAI and a Qualified Information Systems Auditor (DISA). He has also passed Certificate Course on CSR of Institute of Chartered Accountants of India and is a member of All India Management Association (MIMA). He has been elected as Central Council Member of the Institute of Chartered Accountants of India for the period from 2019 to 2022 and again is a continuing member for the period from 2022 to 2025 and has been nominated as Chairman and member of various committees of the institute. He is the Chairman of Accounting Standards Board (ASB) for 2024-25, 2023-24 & 2022-23 and nominee member of the Council of ICAI of Quality Review Board (QRB) for the period from 2023-2026 and also 2020-2023. He has also been Co-Chairman of Corporate Affairs Committee of PHDCCI for the year 2022-23, Chairman of Accounting & Finance Services Sectional Committee SSD-12 under the Services Sector Division Council (SSDC) of Bureau of Indian Standards (BIS) for 2023-24. He is member of the SME Implementation Group ("SMEIG") of IFRS Foundation, UK for the period from 2023-2026. He is also a Chartered Account in Practice, Partner at Lunawat & Co., speaker at various platforms for education & knowledge sharing and authored multiple books.

**Girish Buttan** aged 55 years is B. Com (P) from University of Delhi, degree in Bachelor of Law (LL.B) from University of Delhi, a Fellow member of the Institute of Company Secretaries of India and hold a Post Graduate Diploma in Business Management from IMT, Ghaziabad. 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 Limited, Turner Morrison Limited, Yamaha Motor India Private Limited, Zee Turner Limited, Neo Sports Broadcast Private

Limited, Times Strategic Solutions Limited and Essel Group. He is working as independent consultant since Fiscal 2022. He is an Independent Director of our Company.

**Kanika Bhutani**, 38 years, is a Fellow member of the Institute of Company Secretaries of India. She has an experience of about 12 years in corporate law, compliances and secretarial department in various industries and had previously worked with Studds Accessories Limited, Asian Oilfield Services Limited, Raghbeer Machinery Private Limited and Integrated Industries Limited as Company Secretary and / or Compliance Officer managing compliances of the said corporates including post listing compliances by a listed company. She is working as independent consultant since Fiscal 2021. She is an Independent Director on the Board of our Company.

**Amit Dhawan**, aged 46 years and is Bachelor in Laws (Professional) from Seth Girdhari Lal Behani S.D. College, Sriganaganagar. 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 Limited, MV Mobility Limited and Iboard India Limited. He was appointed as Director in our Company on August 16, 2017 and designated as Whole Time Director w.e.f. March 01, 2024. He is heading the sales function of the Company.

**Amrit Singh Randhawa**, aged 73 years and has completed his four year (part time) State Board Diploma Course in Electrical Engineering from Punjab State Board of Technical Education. He joined his family business and was later appointed as Director in International Switchgears Private Limited in 1999. He has 24 years of experience in International Switchgears Private Limited in the field of finance and production. He is a Director of our Company since incorporation and designated as Whole Time Director w.e.f. March 01, 2024. He oversees administration, information technology and compliance functions of our Company.

**Rupinder Singh**, aged 67 years, holds a degree of Bachelor of Commerce from Punjabi University, Patiala. Since year 1992, he is associated with manufacturing of power & distribution panel under name of M/s. NEC Switchgears & Controls. He is a Director of our Company since incorporation and designated as Whole Time Director w.e.f. March 01, 2024. He oversees finance, accounts and secretarial functions of our Company.

**Vishesh Abrol**, aged 57 years, holds a degree in Bachelor of Engineering (Production), Panjab University. Since April 1996, he is associated with his family business under the name of Abrol Engineering Company Private Limited and is also a director in Logomotive Private Limited. He is a Director of our Company since incorporation and designated as Whole Time Director w.e.f. March 01, 2024. He oversees purchase function of our Company.

**Vivek Abrol**, aged 60 years, holds a degree of Bachelor of Engineering (Electrical) from Thapar Institute of Engineering & Technology, Patiala. Since April 1996, he is associated with his family business under the name of Abrol Engineering Company Private Limited. He is a Director of our Company since incorporation and designated as Whole Time Director w.e.f. March 01, 2024. He oversees production and human resource functions of our Company.

**Aikjot Singh**, aged 40 years, holds a degree of Bachelor of Technology (Electronics and Communication Engineering) from Punjab Technical University, Jalandhar. In year 2008, he joined his family business as partner in M/s. NEC Switchgears & Controls and presently also a Director in Indo Rail and Engineering Systems Private Limited. He is a Director of our Company since incorporation. He oversees production, planning and control process in our Company.

**Rajbir Singh Randhawa**, aged 43 years, holds a degree of Bachelor of Engineering / Technology (Electrical Engineering) from Punjab Technical University, Jalandhar. He joined his family business and was appointed as Director in International Switchgears Private Limited in 2006. He is a Director of our Company since incorporation. He oversees new business development opportunities in our Company.

#### Relationship between our Directors

Except as mentioned below, none of the Directors are related:

Name of Director	Relation with	Relationship
Amrit Singh Randhawa	Rajbir Singh Randhawa	Father
Vivek Abrol	Vishesh Abrol	Brother
Rupinder Singh	Aikjot Singh	Father
Mohit Vohra	Amit Dhawan	Brother (Cousin)

### **Details of directorship in companies suspended or delisted**

None of our Directors is or was a director of any listed company during the five years immediately preceding the date of the Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on any of the stock exchange during their directorship in the company.

None of our Directors is, or was a director of any listed company, which has been or was delisted from any stock exchange, during the term of his/her directorship in such company.

### **Confirmations**

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested by any person either to induce them to become or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

None of our Director have been declared as wilful defaulters or fraudulent borrower (by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 01, 2016) by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are currently pending against them.

As on date, none of our Director is of age of seventy five years and hence we are in compliance with the requirement under Regulation 17(1A) of the SEBI LODR Regulations.

### **Arrangement or understanding with major shareholders, customers, suppliers or others pursuant to which our Director's were selected as a Director**

Except to the extent disclosed under "History and Other Corporate Affairs - Dispute amongst the Promoter and Promoter Group and the Settlement Agreement dated February 01, 2023 ("Settlement Agreement") and Amendment to the Settlement Agreement dated March 01, 2024 ("Amendment to the Settlement Agreement")" on page 208, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors' has been appointed on the Board.

### **Service contract with Directors**

Our Company has not entered into any service contracts with our Directors which provide for benefits upon the termination of their employment.

### **Terms of appointment of Executive Directors**

(a) Mohit Vohra

Date of original appointment on the Board of the Company	: August 16, 2017
Date of last revision of terms of appointment	: In Extra Ordinary General Meeting of the Company held on March 01, 2024
Tenure of appointment	: 3 years w.e.f. March 01, 2024
Salary	: Total remuneration of ₹ 5,00,000 (Rupees five lakhs only) per month, as under: (a) Salary: upto ₹ 3,00,000/- (Rupees Three Lakhs only) per month. (b) Perquisite & Allowances: Mr. Mohit Vohra will be entitled to a furnished / non-furnished accommodation or house rent allowance, reimbursements of expenses towards gas, electricity, medical expenses, leave travel concession for self and family, club fees, personal accident insurance, company maintained car, telephone and such other perquisites in accordance with the Company's policies and rules, the monetary value of such perquisites to be determined in

	accordance with the Income-Tax Rules, 1962 being restricted to ₹ 2,00,000 (Rupees Two Lakhs only) per month.
	Further, in the event of loss or inadequacy of profits in any financial year, Mr. Mohit Vohra shall be entitled to receive remuneration including perquisites, etc. up to the limit as approved by the members herein above, as minimum remuneration and the same shall be within the limits of payment of remuneration as prescribed under the provisions of the Act.

(b) Amit Dhawan

Date of original appointment on the Board of the Company	: August 16, 2017
Date of last revision of terms of appointment	: In Extra Ordinary General Meeting of the Company held on March 01, 2024
Tenure of appointment	: 3 years w.e.f. March 01, 2024, liable to retire by rotation
Salary	: Total remuneration of ₹ 5,00,000 (Rupees five lakhs only) per month, as under: (a) Salary: upto ₹ 3,00,000/- (Rupees Three Lakhs only) per month. (b) Perquisite & Allowances: Mr. Amit Dhawan will be entitled to a furnished / non-furnished accommodation or house rent allowance, reimbursements of expenses towards gas, electricity, medical expenses, leave travel concession for self and family, club fees, personal accident insurance, company maintained car, telephone and such other perquisites in accordance with the Company's policies and rules, the monetary value of such perquisites to be determined in accordance with the Income-Tax Rules, 1962 being restricted to Rs. 2,00,000 (Rupees Two Lakhs only) per month.
	Further, in the event of loss or inadequacy of profits in any financial year, Mr. Amit Dhawan shall be entitled to receive remuneration including perquisites, etc. up to the limit as approved by the members herein above, as minimum remuneration and the same shall be within the limits of payment of remuneration as prescribed under the provisions of the Act.

(c) Amrit Singh Randhawa

Date of original appointment on the Board of the Company	: September 18, 2015
Date of last revision of terms of appointment	: In Extra Ordinary General Meeting of the Company held on March 01, 2024
Tenure of appointment	: 3 years w.e.f. March 01, 2024, liable to retire by rotation
Salary	: Total remuneration of ₹ 10,00,000 (Rupees ten lakhs only) per month, as under: (a) Salary: upto ₹ 6,00,000/- (Rupees Six Lakhs only) per month. (b) Perquisite & Allowances: Mr. Amrit Singh Randhawa will be entitled to a furnished / non-furnished accommodation or house rent allowance, reimbursements of expenses towards gas, electricity, medical expenses, leave travel concession for self and family, club fees, personal accident insurance, company maintained car, telephone and such other perquisites in accordance with the Company's policies and rules, the monetary value of such perquisites to be determined in accordance with the Income-Tax Rules, 1962 being restricted to ₹ 4,00,000 (Rupees Four Lakhs only) per month.
	Further, in the event of loss or inadequacy of profits in any financial year, Mr. Amrit Singh Randhawa shall be entitled to receive remuneration including perquisites, etc. up to the limit as approved by the members

herein above, as minimum remuneration and the same shall be within the limits of payment of remuneration as prescribed under the provisions of the Act.

(d) Rupinder Singh

Date of original appointment on the Board of the Company	: September 18, 2015
Date of last revision of terms of appointment	: In Extra Ordinary General Meeting of the Company held on March 01, 2024
Tenure of appointment	: 3 years w.e.f. March 01, 2024, liable to retire by rotation
Salary	: Total remuneration of ₹ 10,00,000 (Rupees ten lakhs only) per month, as under: (a) Salary: upto ₹ 6,00,000/- (Rupees Six Lakhs only) per month. (b) Perquisite & Allowances: Mr. Rupinder Singh will be entitled to a furnished / non-furnished accommodation or house rent allowance, reimbursements of expenses towards gas, electricity, medical expenses, leave travel concession for self and family, club fees, personal accident insurance, company maintained car, telephone and such other perquisites in accordance with the Company's policies and rules, the monetary value of such perquisites to be determined in accordance with the Income-Tax Rules, 1962 being restricted to ₹ 4,00,000 (Rupees Four Lakhs only) per month.  Further, in the event of loss or inadequacy of profits in any financial year, Mr. Rupinder Singh shall be entitled to receive remuneration including perquisites, etc. up to the limit as approved by the members herein above, as minimum remuneration and the same shall be within the limits of payment of remuneration as prescribed under the provisions of the Act.

(e) Vishesh Abrol

Date of original appointment on the Board of the Company	: September 18, 2015
Date of last revision of terms of appointment	: In Extra Ordinary General Meeting of the Company held on March 01, 2024
Tenure of appointment	: 3 years w.e.f. March 01, 2024, liable to retire by rotation
Salary	: Total remuneration of ₹ 5,00,000 (Rupees five lakhs only) per month, as under: (a) Salary: upto ₹ 3,00,000/- (Rupees Three Lakhs only) per month. (b) Perquisite & Allowances: Mr. Vishesh Abrol will be entitled to a furnished / non-furnished accommodation or house rent allowance, reimbursements of expenses towards gas, electricity, medical expenses, leave travel concession for self and family, club fees, personal accident insurance, company maintained car, telephone and such other perquisites in accordance with the Company's policies and rules, the monetary value of such perquisites to be determined in accordance with the Income-Tax Rules, 1962 being restricted to ₹ 2,00,000 (Rupees Two Lakhs only) per month.  Further, in the event of loss or inadequacy of profits in any financial year, Mr. Vishesh Abrol shall be entitled to receive remuneration including perquisites, etc. up to the limit as approved by the members herein above, as minimum remuneration and the same shall be within the limits of payment of remuneration as prescribed under the provisions of the Act.

(f) Vivek Abrol

Date of original appointment on the Board of the Company	: September 18, 2015
Date of last revision of terms of appointment	: In Extra Ordinary General Meeting of the Company held on March 01, 2024
Tenure of appointment	: 3 years w.e.f. March 01, 2024, liable to retire by rotation
Salary	: Total remuneration of ₹ 5,00,000 (Rupees five lakhs only) per month, as under: (a) Salary: upto ₹ 3,00,000/- (Rupees Three Lakhs only) per month. (b) Perquisite & Allowances: Mr. Vivek Abrol will be entitled to a furnished / non-furnished accommodation or house rent allowance, reimbursements of expenses towards gas, electricity, medical expenses, leave travel concession for self and family, club fees, personal accident insurance, company maintained car, telephone and such other perquisites in accordance with the Company's policies and rules, the monetary value of such perquisites to be determined in accordance with the Income-Tax Rules, 1962 being restricted to ₹ 2,00,000 (Rupees Two Lakhs only) per month.  Further, in the event of loss or inadequacy of profits in any financial year, Mr. Vivek Abrol shall be entitled to receive remuneration including perquisites, etc. up to the limit as approved by the members herein above, as minimum remuneration and the same shall be within the limits of payment of remuneration as prescribed under the provisions of the Act.

**Sitting fees and commission to Non-executive Directors**

Our Board, pursuant to its resolution dated March 01, 2024, has decided that our Independent Directors are entitled to receive sitting fees of ₹ 0.10 million for attending each meeting of our Board and ₹ 0.025 million for attending each meeting of our Committees constituted of the Board respectively. Further, in terms of the resolution passed by our members in their Extra ordinary General Meeting held on March 01, 2024, Mr. Aikjot Singh and Mr. Rajbir Singh Randhawa may be paid a commission within the overall limit of 1% of the net profits of the Company, subject to the approval of the Board.

**Payment or benefit to Directors of our Company**

The details of the remuneration paid to our Directors during the nine months ended December 31, 2023 and the Fiscal 2023, 2022 and 2021 is as under:

Particulars	Nine months period ended December 31, 2023	Fiscal ended		
		2023 *	2022 *	2021
Mohit Vohra	2.70	-	-	6.00
Amit Dhawan	2.70	-	-	6.00
Amrit Singh Randhawa	2.70	-	-	6.00
Rupinder Singh	2.70	-	-	6.00
Vishesh Abrol	2.70	-	-	6.00
Vivek Abrol	2.70	-	-	6.00
Aikjot Singh	2.70	-	-	6.00
Rajbir Singh Randhawa	2.70	-	-	6.00
<b>Total</b>	<b>21.60</b>	<b>-</b>	<b>-</b>	<b>48.00</b>

\* Due to COVID-19 Pandemic, our Company had decided to conserve the cash flows of our Company and accordingly, no remuneration was paid to the Directors for the Fiscal 2023 and 2022.

Except as above, there is no outstanding contingent or deferred compensation accrued for the Fiscal 2023 and 2024 or any previous Fiscal which is proposed to be paid to our Directors.

### Remuneration paid or payable to our Directors from our Subsidiaries

As on the date of the Draft Red Herring Prospectus, our Company does not have any subsidiaries.

### Bonus or profit-sharing plan of the Directors

None of our Directors are entitled to any bonus or profit-sharing plan of our Company.

### Shareholding of Directors in our Company

As per our Articles of Association, our Directors are not required to hold any qualification shares.

Except as disclosed below, none of our Directors hold any Equity Shares, as on the date of the Draft Red Herring Prospectus:

Sr. No.	Name	No. of Equity Shares	Percentage of the Equity Share Capital	
			Pre Issue	Post Issue
1.	Satish Gupta	-	-	[●]
2.	Mohit Vohra	3,750,000	12.50	[●]
3.	Pramod Jain	-	-	[●]
4.	Girish Buttan	-	-	[●]
5.	Kanika Bhutani	-	-	[●]
6.	Amit Dhawan	3,750,000	12.50	[●]
7.	Amrit Singh Randhawa	4,050,000	13.50	[●]
8.	Rupinder Singh	5,700,000	19.00	[●]
9.	Vishesh Abrol	2,325,000	7.75	[●]
10.	Vivek Abrol	2,325,000	7.75	[●]
11.	Aikjot Singh	1,500,000	5.00	[●]
12.	Rajbir Singh Randhawa	1,800,000	6.00	[●]

### Interests of Directors

- (a) All our Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses, if any, payable to them by our Company as well as sitting fees, if any, payable to them for attending meetings of our Board or Committees thereof. For further details, please see the section entitled “*Terms of Appointment of our Executive Director*” and “*Payment or benefit to Directors of our Company*”.
- (b) Our Directors may also be interested to the extent of Equity Shares, if any (together with dividends in respect of such Equity Shares), held by them in our Company or held by the entities in which they are associated as directors or partners, or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Issue and any dividend and other distributions payable in respect of such Equity Shares. For details, see “*Shareholding of Directors in our Company*” on page 220.
- (c) Further, our Directors are also directors on the boards, or are shareholders, kartas, trustees, proprietors, members or partners, of entities with which our Company has had related party transactions and may be deemed to be interested to the extent of the payments made by our Company, if any, to these entities. For the payments that are made by our Company to such relatives of the Directors, see “*Restated Financial Information - Annexure 31 - Related Party Transactions*” on page 312.
- (d) No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which any of our Directors are interested, by any person, either to induce him to become, or to qualify him as, as a Director, or otherwise for services rendered by our Directors or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

- (e) None of our Directors have any interest in any property acquired or proposed to be acquired of our Company or by our Company.
- (f) None of our Directors have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery.
- (g) No loans have been availed by the Directors from our Company. Further, none of the beneficiaries of loans, advances and sundry debtors are related to the Directors of our Company, except to the extent of related party transactions already disclosed under “Restated Financial Information - Annexure 31 - Related Party Transactions” on page 312.
- (h) There is no material existing or anticipated transaction whereby Directors will receive any portion of the proceeds from the Issue.
- (i) As on the date of the Draft Red Herring Prospectus, except for Mohit Vohra, Amit Dhawan, Amrit Singh Randhawa, Rupinder Singh, Vishesh Abrol and Vivek Abrol, Aikjot Singh and Rajbir Singh Randhawa, who are the Promoters of our Company, none of our other Directors are interested in the promotion of our Company. For further details, see “Our Promoters and Promoter Group” on page 230.

### Changes in Board of Directors in last three years

Except as mentioned below, there have been no changes in our Directors in the last three years:

Name	Designation	Date of appointment	Reason
Satish Gupta	Independent Director	March 08, 2024	Appointment; to broadbase the Board
Pramod Jain	Independent Director	March 08, 2024	Appointment; to broadbase the Board
Girish Buttan	Independent Director	March 08, 2024	Appointment; to broadbase the Board
Kanika Bhutani	Independent Director	March 08, 2024	Appointment; to broadbase the Board

*Note: This table does not include details of modification of the designation or tenure of the Directors of our Company.*

### Details of Borrowing Powers of Directors

Our Company has passed a special resolution in the Annual/Extra-Ordinary General Meeting of the members held on March 01, 2024 authorizing the Directors of the Company under Section 180(1)(a) and (c) of the Companies Act, 2013 to mortgage / create charge on the assets of the Company and to borrow from time to time all such money as they may deem necessary for the purpose of business of our Company notwithstanding that money borrowed by the Company together with the monies already borrowed by our Company may exceed the aggregate of the paid up share capital and free reserves provided that the total amount borrowed by the Board of Directors shall not exceed the sum of ₹ 5,000 million.

### Corporate Governance

In addition to the applicable provisions of the Companies Act, 2013, provisions of the SEBI Listing Regulations, 2015 and SEBI (ICDR) Regulations, 2018 will be applicable to our Company immediately upon the listing of our Company’s Equity Shares on the Stock Exchanges. We are in compliance with the requirements of the SEBI Listing Regulations, the Companies Act, 2013 and other applicable regulations, in respect of corporate governance in respect of the constitution of the Board and Committees thereof, and formulation and adoption of policies.

As on the date of filing of the Draft Red Herring Prospectus, our Board of Directors consist of 12 (twelve) directors of which 4 (four) are Independent Directors, and we have 1 (one) women director on the Board. The constitution of our Board is in compliance with Section 149 of the Companies Act, 2013.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements of SEBI Listing Regulations and the Companies Act, 2013.



## Committees of our Board

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following committees of our Board:

- (a) Audit Committee
- (b) Stakeholders Responsibility Committee
- (c) Nomination and Remuneration Committee
- (d) Corporate Social Responsibility Committee

### (a) Audit Committee

Our Company has re-constituted the Audit Committee (“Audit Committee”) in its Board Meeting held on March 08, 2024 as per the applicable provisions of the Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations. The current re-constituted Audit Committee comprises following members:

Name of the Directors	Status in Committee	Nature of Directorship
Satish Gupta	Chairman	Independent Director
Girish Buttan	Member	Independent Director
Rupinder Sandhu	Member	Whole Time Director

The Company Secretary of our Company shall act as a Secretary to the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to answer shareholder queries. The scope and function of the Audit Committee and its terms of reference shall include the following:

The quorum necessary for the transaction of business shall be two members or one third of the members of the Audit Committee, whichever is greater with at least two independent directors. A duly convened meeting of the Audit Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Audit Committee. The Audit Committee shall meet at least four times in a year and not more than 120 days should lapse between two meetings.

#### *Scope and Terms of Reference:*

The Audit Committee shall have powers, including the following:

- 1) to investigate any activity within its terms of reference;
- 2) to seek information from any employee;
- 3) to obtain outside legal or other professional advice;
- 4) to secure attendance of outsiders with relevant expertise, if it considers necessary; and
- 5) such other powers as may be prescribed under the Companies Act, 2013 and the SEBI Listing Regulations.

The role of the Audit Committee shall include the following:

- 1) Oversight of financial reporting process and the disclosure of financial information relating to the Company to ensure that the financial statements are correct, sufficient and credible;
- 2) recommendation to the Board for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;
- 3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 4) examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - changes, if any, in accounting policies and practices and reasons for the same;
  - major accounting entries involving estimates based on the exercise of judgment by management;
  - significant adjustments made in the financial statements arising out of audit findings;
  - compliance with listing and other legal requirements relating to financial statements;
  - disclosure of any related party transactions;
  - modified opinion(s) in the draft audit report;
- 5) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- 6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated

in the offer document / Draft Red Herring Prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

- 7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- 8) Approval or any subsequent modification of transactions of the listed entity with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed;
- 9) Scrutiny of inter-corporate loans and investments;
- 10) Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- 11) Evaluation of internal financial controls and risk management systems;
- 12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 14) Discussion with internal auditors of any significant findings and follow up there on;
- 15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- 16) Discussing with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 18) To review the functioning of the whistle blower mechanism;
- 19) Approving the appointment of the Chief Financial Officer (i.e. the whole-time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate;
- 20) considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;
- 21) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision; and
- 22) carrying out any other functions required to be carried out by the Audit Committee as may be decided by the Board and/or as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

Further, the Audit Committee shall mandatorily review the following:

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses; and
- e) The appointment, removal and terms of remuneration of the chief internal auditor
- f) Statement of deviations:
  - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - Annual statement of funds utilized for purposes other than those stated in the offer document / Draft Red Herring Prospectus / notice in terms of Regulation 32(7).

The Audit Committee is required to meet at least four times in a year under Regulation 18(2)(a) of the SEBI Listing Regulations. The quorum for a meeting of the Audit Committee shall be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.

#### **(b) Stakeholders Relationship Committee**

Our Company has constituted the Stakeholders Relationship Committee in the meeting of the Board held on March 08, 2024 as per the applicable provisions of the Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI Listing Regulation, 2015. The constituted Stakeholders Relationship Committee comprises the following:

Name of the Directors	Status in Committee	Nature of Directorship
Pramod Jain	Chairman	Independent Director
Vivek Abrol	Member	Whole Time Director
Amit Dhawan	Member	Whole Time Director

The Company Secretary of our Company shall act as a Secretary to the Stakeholders Relationship Committee. The scope and function of the Stakeholders Relationship Committee and its terms of reference shall include the following:

**A. Terms of Reference:** Redressal of shareholders' and investors' complaints, including and in respect of:

The role of the Stakeholders Relationship Committee shall include the following:

- 1) considering and looking into various aspects of interest of shareholders, debenture holders and other security holders
- 2) resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- 3) giving effect to allotment of Equity Shares, approval of transfer or transmission of Equity Shares, debentures or any other securities;
- 4) issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
- 5) review of measures taken for effective exercise of voting rights by shareholders;
- 6) review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- 7) review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company; and
- 8) carrying out any other functions required to be carried out by the Stakeholders' Relationship Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

**(c) Nomination and Remuneration Committee**

Our Company has re-constituted the Nomination and Remuneration Committee ("Nomination and Remuneration Committee") in its Board Meeting held on March 08, 2024 as per the applicable provisions of the Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations. The current re-constituted Audit Committee comprises following members:

Name of the Directors	Status in Committee	Nature of Directorship
Girish Buttan	Chairman	Independent Director
Satish Gupta	Member	Independent Director
Pramod Jain	Member	Independent Director

The Company Secretary of our Company shall act as a Secretary to the Nomination and Remuneration Committee.

*Scope and terms of reference:*

The role of the Nomination and Remuneration Committee shall include the following:

- 1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- 2) The Nomination and Remuneration Committee should, for every appointment of an independent director, evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. For the purpose of identifying suitable candidates as an independent director, the Committee may:
  - a) use the services of an external agencies, if required;
  - b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c) consider the time commitments of the candidates

- 3) Formulation of criteria for evaluation of performance of Independent Directors and the Board;
- 4) Devising a policy on Board diversity;
- 5) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance (including Independent Director);
- 6) Analysing, monitoring and reviewing various human resource and compensation matters;
- 7) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- 8) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- 9) Recommend to the board, all remuneration, in whatever form, payable to senior management and other staff, as deemed necessary;
- 10) The Nomination and Remuneration Committee, while formulating the Remuneration Policy, should ensure that:
  - a) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
  - b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- 11) perform such functions as are required to be performed by the Nomination and Remuneration Committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended,
- 12) frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
  - a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
  - b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable.
- 13) carrying out any other activities as may be delegated by the Board of Directors of the Company functions required to be carried out by the Nomination and Remuneration Committee as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

**(d) Corporate Social Responsibility Committee**

Our Company has constituted the Corporate Social Responsibility Committee as per the applicable provisions of the Section 135 and Schedule VII of the Companies Act, 2013 vide Resolution dated December 30, 2021. The Corporate Social Responsibility Committee comprise the following:

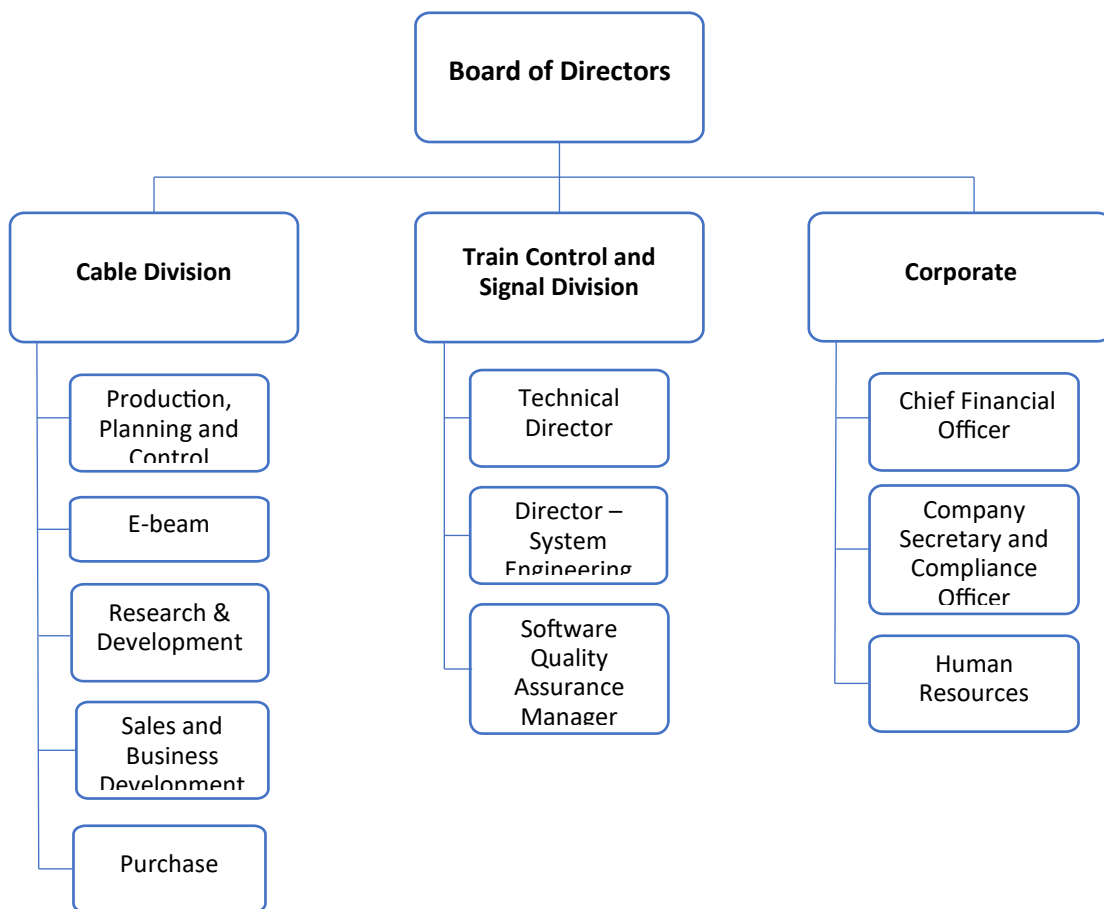
<b>Name of the Directors</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
Kanika Bhutani	Chairperson	Independent Director
Vivek Abrol	Member	Whole Time Director
Rupinder Singh	Member	Whole Time Director

The role of the CSR Committee shall include the following:

- 1) formulate and recommend to the Board, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, as amended and the rules made thereunder, as amended, monitor the implementation of the same from time to time, and make any revisions therein as and when decided by the Board;
- 2) review and recommend the amount of expenditure to be incurred on the activities referred to in clause (1);
- 3) monitor the corporate social responsibility policy of the Company and its implementation from time to time; and
- 4) any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time and/or as may be required under applicable law, as and when amended from time to time.

## MANAGEMENT ORGANISATION STRUCTURE

The following chart depicts our Management Organization Structure:



## KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL

### Brief Profile

**Surendranath Bopparaju** is the Technical Director of our Company. He holds a bachelor’s degree in science and master’s degree in science from Osmania University. He also holds a degree of Master of Technology in Artificial Intelligence and Robotics from University of Hyderabad. He has been associated with our Company since January 01, 2022 and is responsible for design and development of railways signalling products and for the development of TCAS (Train Collision Avoidance System) and EIS (Electronic Interlocking System) as per respective RDSO Specification. He was previously associated with HBL Power Systems Limited. In Fiscal 2024, he received a remuneration of ₹ 4.00 million from our Company.

**Suresh Kumar Bopparaju** is the Director - System Engineering of our Company. He holds degree of Masters of Engineering in Electrical Communication Engineering from Indian Institute of Science, Bangalore. He has been associated with our Company since April 01, 2021 and is responsible for Overall system design for all Train Control Systems products and manpower recruitment. He was previously associated with Green Robot Machinery Private Limited, Ananya High-Tech Farms Private Limited and Cisco Systems India Private Limited. In Fiscal 2024, he received a remuneration of ₹ 5.00 million from our Company.

**Raghavendra Pasupuleti** is the Software Quality Assurance (SQA) Manager of our Company. He holds a bachelor’s degree in Science from Nagarjuna University and holds a diploma in Information Technology from Birla Institute of Information Technology, Hyderabad. He also holds the certificate in Embedded systems from the National Small Industries Corporation Limited. He has been associated with our Company since April 01, 2021 and is responsible for software and firmware development of any product/ system realised by the train controls systems division and oversee and manage projects related to safety-critical projects. He was previously

associated with Alstom Transport India Limited, Checksum Infosoft Private Limited, HBL Power Systems Limited, Spectrochem Instruments Private Limited and Zen Technologies Limited. In Fiscal 2024, he received a remuneration of ₹ 4.00 million from our Company.

**Japneet Singh** is the Assistant Manager in Planning & Technical Sales of Automatic Train Controls division of our Company. He holds a bachelor's degree in Technology in Mechanical Engineering from Punjab Technical University and holds a diploma in Mechanical Engineering from Punjab State Board of Technical education and Industrial Training. He has been associated with our Company since June 29, 2019 and is responsible for production of annealed tinned copper wire plant and developing strategies for improvement of efficiency of plant. He was previously associated with Supreet Enterprises, Amtek Railcar Industries Private Limited and JCT Filaments Limited. In Fiscal 2024, he received a remuneration of ₹ 0.79 million from our Company.

**Bhartendu Kumar** is the Manager, Electron Beam Operation, of our Company. He holds a bachelor's degree in Technology in Mechanical Engineering from Karnataka State Open University and holds a diploma in Mechanical Engineering from Janardan Rai Nagar Rajasthan Vidyapeeth University. He has been associated with our Company since February 07, 2023 and is responsible for operation and maintenance of Electron Beam Accelerator. He also advises and assists on safety aspects to ensure compliance with the provisions of safety rules. He was previously associated with Svarn Infratel Private Limited, Yamuna Cables Accessories Private Limited and Jhunsons Chemical Private Limited. In Fiscal 2024, he received a remuneration of ₹ 1.28 million from our Company.

**Rakesh Kumar** is the Senior Executive in Purchase Division of our Company. He has passed the Bachelors of Arts held by Mumbai Hindi Vidyapeeth. He has been associated with our Company since July 20, 2022 and is responsible for general purchase including procurement of raw material and rubber chemical. He was previously associated with New Swan Sealing Technology Limited and Freudenberg - NOK Private Limited. In Fiscal 2024, he received a remuneration of ₹ 0.62 million from our Company.

**Rakesh Bhatia** is the General Manager - Sales & Business Development of our Company. He has passed the Executive programme in business management from Indian Institute of Management, Calcutta. He has been associated with our Company since July 01, 2021 and is responsible for sales of cable in Indian defence segment and market development. He also overlooks naval audits, tender filings and negotiation. He was previously associated with LG electronics MEA HQ and Jumbo Electronics Company Limited. In Fiscal 2024, he received a remuneration of ₹ 2.44 million from our Company.

**Rahul Kumar** is the Assistant General Manager in Production Planning Control our Company. He holds a bachelor's degree from Raghunath Jha College, Sitamarh. He has been associated with our Company since June 17, 2019 and is responsible for production and planning. He also overlooks the dispatch of the respective product(s) and the Maintenance Department in our Company. He was previously associated with Tamra Dhatu Udyog Private Limited, Chandresh Cables Limited and Bhansali Cables & Conductors Private Limited. In Fiscal 2024, he received a remuneration of ₹ 1.37 million from our Company.

**Amit Gaur** is the Chief Financial Officer of our Company. He holds a bachelor's degree in commerce from Punjab University and is a fellow member of the Institute of Chartered Accountants of India (ICAI). He has been associated with our Company since March 15, 2023 and handles financial functions of the Company including accounts and taxation. He was previously associated with Unitech Limited, HSBC, the Haryana State Cooperative Supply & Marketing Federation Limited, Amit Gaur & Associates, Chartered Accountants, Kamla Retail Limited, QuarkCity India Private Limited and Ind-Swift Laboratories Limited. In Fiscal 2024, he received a remuneration of ₹ 2.10 million from our Company.

**Ankit Kumar** is the Company Secretary and Compliance Officer of our Company. He holds a bachelors' degree in commerce from Kurukshetra University and a masters' degree in commerce from Sikkim Manipal University. He also holds a master's of Business Administration from Maharishi Markandeshwar University. He is a qualified Company Secretary and an associate member of the Institute of Company Secretary of India. He has been associated with our Company since September 01, 2022 and handles secretarial matters of the Company. He was previously associated with the Central Registration Center, Ministry of Corporate Affairs, as CRC Executive, and Sankyu India Logistics & Engineering Private Limited, Gurgaon, as Company Secretary. He was earlier also employed with our Company for the period from March 01, 2017 to February 28, 2019. In fiscal 2024, he received a remuneration of ₹ 0.84 million from our Company.

### **Status of Key Managerial Personnel and Senior Management Personnel**

All the Key Managerial Personnel and Senior Management Personnel are permanent employees of our Company.

### **Service Contracts with Directors, Key Managerial Personnel and Senior Management Personnel and retirement & termination benefits**

Other than statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including our Directors or the Key Managerial Personnel or the Senior Management Personnel is entitled to any benefits upon termination of employment under any service contract with our Company. Further, none of our Directors have entered into a service contract with our Company pursuant to which they have been appointed as a director of our Company or their remuneration has been fixed in the preceding two years.

Further, in the course of our business under KAVACH ATP, we are required to enter into appropriate employment contract and / or assignment document to ensure that all Intellectual Property that have been contributed in the development of KAVACH equipment belongs to our Company and eventually both, our Company and RDSO.

### **Payment or Benefit to Key Managerial Personnel and Senior Management Personnel of our Company**

Except the remuneration as stated in this section and for Surendranath Bopporaju detailed as under, no non-salary amount or benefit has been paid or given to any of our Company's officers including Key Managerial Personnel and Senior Management Personnel within the two preceding years of the date of the Draft Red Herring Prospectus or is intended to be paid or given, other than in the ordinary course of their employment:

Our Company has entered into a Service Provider Non-Disclosure and Confidentiality Agreement dated February 06, 2024 with Mahajin Engineering India Private Limited, in which Surendranath Bopporaju, a Senior Management Personnel of our Company is a Director and holds 51% of its paid up equity capital. In terms of the said agreement, Mahajin Engineering India Private Limited shall perform RAMS (Reliability, Availability, Maintainability, Safety) studies in relation to Company's KAVACH project. The said agreement is for the period commencing from December 01, 2023 to November 30, 2024 with consideration of ₹ 2,000 per hour for a maximum of 100 hours per month (i.e. aggregating to a maximum of ₹ 0.20 million per month). However, prior to entering into this agreement, our Company had paid an aggregate fees of ₹ 1.50 million to Mahajin Engineering India Private Limited for the period from April 01, 2023 to November 30, 2023.

### **Bonus or profit-sharing plan for the Key Managerial Personnel and Senior Management Personnel**

There is no bonus or profit-sharing plan for the Key Managerial Personnel and Senior Management Personnel of our Company.

### **Contingent and deferred compensation payable to Key Managerial Personnel and Senior Management Personnel**

There is no contingent or deferred compensation payable to our Key Managerial Personnel and Senior Management Personnel, which does not form a part of their remuneration.

### **Family relationship of Directors with Key Managerial Personnel and Senior Management Personnel**

None of our Key Managerial Personnel or Senior Management Personnel are related to any of our Directors.

### **Relationship amongst Key Managerial Personnel and Senior Management Personnel**

Except for Surendranath Bopparaju and Suresh Kumar Bopparaju, who are brothers, none of our Key Managerial Personnel and Senior Management Personnel are related to each other.

### **Shareholding of Key Managerial Personnel and Senior Management Personnel in our Company**

None of our Key Managerial Personnel and Senior Management Personnel hold any Equity Shares in our Company as on the date of the Draft Red Herring Prospectus.

### **Arrangements and understanding with major shareholders, customers, suppliers or others**

None of the Key Managerial Personnel and Senior Management Personnel of our Company have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

### **Interest of Key Managerial Personnel and Senior Management Personnel in our Company**

For details of the interest of our Executive Directors in our Company, see “Our Management - Interest of Directors” on page 220.

Other than our Executive Directors, our other Key Managerial Personnel and Senior Management Personnel are interested in our Company only to the extent of the remuneration or benefits to which they are entitled in accordance with the terms of their appointment or reimbursement of expenses incurred by them during the ordinary course of business by our Company or any dividend payable to them.

Further, other than our Executive Directors, our other Key Managerial Personnel and Senior Management Personnel, may also be deemed to be interested to the extent of stock options granted or Equity Shares to be allotted pursuant to the exercise of options granted to them under the ESOP Plans. For details, see “Capital Structure - Employee Stock Option Plan” on page 91.

### **Loans to Key Managerial Personnel and Senior Management Personnel**

Except Ankit Kumar, who has availed a short-term loan (as an advance against his salary) from the Company of which ₹ 0.03 million is outstanding as on the date of the Draft Red Herring Prospectus, no loans have been availed by our Key Managerial Personnel and Senior Management Personnel from our Company.

### **Changes in our Key Managerial Personnel and Senior Management Personnel in the three immediately preceding years**

Except as disclosed in the section entitled “Changes in the Board in the last three years” on page 221, the changes in our Key Managerial Personnel and Senior Management Personnel in the three immediately preceding years are set forth below:

<b>Name</b>	<b>Date of Change</b>	<b>Reason</b>
Amit Gaur	March 15, 2023	Appointment as the Chief Financial Officer
Bhartendu Kumar	February 06, 2023	Appointment as Manager - Electron beam Operation
Ankit Kumar	September 01, 2022	Appointment as Company Secretary
Rakesh Kumar	July 20, 2022	Appointment as Senior Executive - Purchase Division
Anupma Kashyap	May 05, 2022	Resignation as Company Secretary
Surrendranath Bopparaju	January 01, 2022	Chief Technical Officer – Train Control division
Rakesh Bhatia	July 01, 2021	General manager - Sales & Business Development
Raghavendra Pasupuleti	June 01, 2021	Product Safety Validation & Verification Officer
Suresh Kumar Bopparaju	April 01, 2021	Technical Director - Train control division

### **Attrition of Key Managerial Personnel and Senior Management Personnel**

The attrition of Key Managerial Personnel and Senior Management Personnel of our Company cannot be assessed in reference to the industry as none of the competitor is having similar organisation structure and business operations like our Company.

### **Employee stock option plan and employee stock purchase plan**

For details about the ESOP Plans, see “Capital Structure - Employee Stock Option Plan” on page 91.



## OUR PROMOTERS AND PROMOTER GROUP

The Promoters of our Company are (collectively referred to as the “Promoters”):

1. Mohit Vohra
2. Amit Dhawan
3. Amrit Singh Randhawa
4. Rupinder Singh
5. Vishesh Abrol
6. Vivek Abrol
7. Aikjot Singh
8. Rajbir Singh Randhawa

As on the date of the Draft Red Herring Prospectus, our Promoters hold 2,52,00,000 Equity Shares constituting 84.00% of the pre-Issue paid-up Equity Share capital of our Company. In addition, other Promoter Group shareholders together hold 48,00,000 Equity Shares, representing 16.00% of the issued, subscribed and paid-up Equity Share capital of our Company. The details of the shareholding of the Promoter and Promoter Group of our Company is set forth below:

Sr. No.	Name	No. of Equity Shares	Percentage of the Equity Share Capital	
			Pre Issue	Post Issue
<b>Promoters</b>				
1.	Mohit Vohra	37,50,000	12.50	[●]
2.	Amit Dhawan	37,50,000	12.50	[●]
3.	Amrit Singh Randhawa	40,50,000	13.50	[●]
4.	Rupinder Singh	57,00,000	19.00	[●]
5.	Vishesh Abrol	23,25,000	7.75	[●]
6.	Vivek Abrol	23,25,000	7.75	[●]
7.	Aikjot Singh	15,00,000	5.00	[●]
8.	Rajbir Singh Randhawa	18,00,000	6.00	[●]
<b>Subtotal (A)</b>		<b>2,52,00,000</b>	<b>84.00</b>	
<b>Promoter Group</b>				
9.	Mohan Krishan Abrol	25,50,000	8.50	[●]
10	Swinder Kaur	10,50,000	3.50	[●]
11.	Navneet Kaur	6,00,000	2.00	[●]
12.	Vipin Abrol	3,00,000	1.00	[●]
13.	Parminder Kaur	3,00,000	1.00	[●]
<b>Subtotal (B)</b>		<b>48,00,000</b>	<b>16.00</b>	
<b>Grand Total (A) + (B)</b>		<b>3,00,00,000</b>	<b>100.00</b>	

Our Company was incorporated with the collaboration of four independent business groups, comprising of technocrats and entrepreneurs, and the shares in the Company are held equally by each group, i.e. 25% of the Pre-Issue Equity Capital, and are collectively represented by: (i) Mohit Vohra and Amit Dhawan (collectively, “MV Group”); (ii) Rupinder Singh, Aikjot Singh and Parminder Kaur (collectively, “NEC Group”); (iii) Amrit Singh Randhawa, Rajbir Singh Randhawa, Swinder Kaur and Navneet Kaur (collectively, “ISG Group”); and (iv) Mohan Krishan Abrol, Vivek Abrol, Vishesh Abrol and Vipin Abrol (collectively, “Abrol Group”). Being represented by four different business groups helps our Company make collaborated and brainstormed decisions without being influenced or dominated by any one promoter or group of promoters.

For details on shareholding of our Promoters in our Company, please see the section titled “Capital Structure - Build-up of the Promoter shareholding in our Company” on page 93.

Our Company confirms that the permanent account numbers, driving license numbers, bank account numbers, Adhar card number and the passport numbers of the Promoters, as applicable, shall be submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus.

## Details of our Promoters

### 1. Mohit Vohra



**Mohit Vohra**, aged 48 years, is the Managing Director and Promoter of our Company. For complete profile of Mohit Vohra, i.e., his date of birth, residential address, educational qualifications, professional experience in the business, positions / posts held in the past and other directorships, special achievements, business, and other activities, see “Our Management - Brief Profile of Directors” on page 214.

**PAN:** ACOPV2589B

**Date of Birth:** May 18, 1975

**Address:** House No.- 3, Sector 31, Amarnagar, Faridabad - 121 003, Haryana, India

**Other ventures promoted:** MV Electrosystems Limited, MV Mobility Limited, Iboard India Limited, MV Greentech Private Limited and Prime Electronics.

As on the date of the Draft Red Herring Prospectus, Mohit Vohra holds 37,50,000 Equity Shares representing 12.50% of the paid-up Equity Share capital of our Company.

### 2. Amit Dhawan



**Amit Dhawan**, aged 46 years, is the Whole Time Director and the Promoter of our Company. For complete profile of Amit Dhawan, i.e., his date of birth, residential address, educational qualifications, professional experience in the business, positions / posts held in the past and other directorships, special achievements, business, and other activities, see “Our Management - Brief Profile of Directors” on page 215.

**PAN:** AGNPD3515C

**Date of Birth:** September 10, 1977

**Address:** House No. 25, Sector 29, Faridabad, Haryana - 121008

Other ventures promoted: MV Mobility Limited, MV Electrosystems Limited, Iboard India Private Limited, A.M. Speciality Materials Private Limited (under process of striking off) and partnership firms namely Property 24X7, Four Square Buildcon and Global Infotech.

As on the date of the Draft Red Herring Prospectus, Amit Dhawan holds 37,50,000 Equity Shares representing 12.50% of the paid-up Equity Share capital of our Company.

### 3. Amrit Singh Randhawa



**Amrit Singh Randhawa**, aged 73 years, is the Whole Time Director and Promoter of our Company. For complete profile of Amrit Singh Randhawa, i.e., his date of birth, residential address, educational qualifications, professional experience in the business, positions / posts held in the past and other directorships, special achievements, business, and other activities, see “Our Management - Brief Profile of Directors” on page 215.

**PAN:** AAPPR6034C

**Date of Birth:** October 03, 1950

**Address:** Kothi No. 643, Phase-6, Mohali, Chandigarh Sector 55, S.A.S. Nagar (Mohali), Punjab - 160055

**Other ventures promoted:** International Switchgears Private Limited and Dard Infra LLP

As on the date of the Draft Red Herring Prospectus, Amrit Singh Randhawa holds 40,50,000 Equity Shares representing 13.50% of the paid-up Equity Share capital of our Company.

#### 4. Rupinder Singh



**Rupinder Singh**, aged 66 years, is the Whole Time Director and Promoter of our Company. For a complete profile of Rupinder Singh, i.e., his date of birth, residential address, educational qualifications, professional experience in the business, positions / posts held in the past and other directorships, special achievements, business, and other activities, see “Our Management - Brief Profile of Directors” on page 215.

**PAN:** ABXPS8503Q

**Date of Birth:** March 21, 1957

**Address:** #2679, Sector - 69, S.A.S Nagar (Mohali),  
S.A.S Nagar (Mohali), Punjab - 160062

**Other ventures promoted:** Indo Rail Engineering Systems Private Limited and NEC Switchgears

As on the date of the Draft Red Herring Prospectus, Rupinder Singh holds 57,00,000 Equity Shares representing 19.00% of the paid-up Equity Share capital of our Company.

#### 5. Vishesh Abrol



**Vishesh Abrol**, aged 57 years is the Whole Time Director and Promoter of our Company. For complete profile of Vishesh Abrol, i.e., his date of birth, residential address, educational qualifications, professional experience in the business, positions / posts held in the past and other directorships, special achievements, business, and other activities, see “Our Management - Brief Profile of Directors” on page 215.

**PAN:** AAKPA3144M

**Date of Birth:** July 24, 1966

**Address:** Industrial Area Kapurthala, Punjab - 144601

**Other ventures promoted:** Abrol Engineering Company Private Limited and Logomotive Private Limited

As on the date of the Draft Red Herring Prospectus, Vishesh Abrol holds 23,25,000 Equity Shares representing 7.75% of the paid up Equity Share capital of our Company.

#### 6. Vivek Abrol



**Vivek Abrol**, aged 60 years is the Whole Time Director and Promoter of our Company. For a complete profile of Vivek Abrol, i.e., his date of birth, residential address, educational qualifications, professional experience in the business, positions / posts held in the past and other directorships, special achievements, business, and other activities, see “Our Management - Brief Profile of Directors” on page 215.

**PAN:** AAKPA3146K

**Date of Birth:** October 11, 1963

**Address:** Abrol House, Industrial Area Kapurthala, Punjab - 144 601

**Other ventures promoted:** Abrol Engineering Company Private Limited

As on the date of the Draft Red Herring Prospectus, Vivek Abrol holds 23,25,000 Equity Shares representing 7.75% of the paid-up Equity Share capital of our Company.

## 7. Aikjot Singh



**Aikjot Singh**, aged 40 years, is the Non-Executive Director and the Promoter of our Company. For complete profile of Aikjot Singh, i.e., his date of birth, residential address, educational qualifications, professional experience in the business, positions / posts held in the past and other directorships, special achievements, business, and other activities, see “Our Management - Brief Profile of Directors” on page 215.

**PAN:** BKCPS2755M

**Date of Birth:** November 16, 1983

**Address:** #2679, Sector - 69, S.A.S Nagar (Mohali),  
S.A.S Nagar (Mohali), Punjab - 160 062

**Other ventures promoted:** Indo Rail engineering Systems Private Limited and NEC Switchgears

As on the date of the Draft Red Herring Prospectus, Aikjot Singh holds 15,00,000 Equity Shares representing 5.00% of the paid-up Equity Share capital of our Company.

## 8. Rajbir Singh Randhawa



**Rajbir Singh Randhawa**, aged 42 years, is the Non Executive Director and Promoter of our Company. For complete profile of Rajbir Singh Randhawa, i.e., his date of birth, residential address, educational qualifications, professional experience in the business, positions / posts held in the past and other directorships, special achievements, business, and other activities, see “Our Management - Brief Profile of Directors” on page 215.

**PAN:** AFMPR7841B

**Date of Birth:** January 26, 1981

**Address:** Kothi No. 643, Phase-6, Mohali, Chandigarh Sector 55,  
S.A.S. Nagar (Mohali), Punjab - 160 055

**Other ventures promoted:** International Switchgears Private Limited and Dard Infra LLP

As on the date of the Draft Red Herring Prospectus, Rajbir Singh Randhawa holds 18,00,000 Equity Shares representing 6.00% of the paid-up Equity Share capital of our Company.

### Change in control of our Company

There has been no change in the control of our Company since incorporation.

### Interests of Promoters

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their respective shareholding in our Company, their directorship in our Company and the dividends payable and any other distributions in respect of their respective shareholding in our Company. Our Promoters are also interested to the extent of shareholding of their relatives in our Company. For further details of the shareholding of our Promoters in our Company, see “Capital Structure - History of the Equity Share capital held by our Promoter” on page 92.

Additionally, our Promoters may be interested in transactions entered into by our Company with other entities (i) in which our Promoters hold shares, or (ii) controlled by our Promoters.

For further details of interest of our Promoters in our Company, see “Restated Financial Information - Note 31: Related Party Transactions” on page 312.

Our Promoters may also be deemed to be interested to the extent of the remuneration, benefits and reimbursement of expenses payable to them as Directors on our Board. For further details, see “Our Management” on page 211.

Except Mohit Vohra, Amit Dhawan, Amrit Singh Randhawa, Rupinder Singh, Vishesh Abrol, Vivek Abrol, Aikjot Singh and Rajbir Singh Randhawa, who are Promoters and Directors of our Company, none of our other Directors have any interest in the promotion of our Company.

Our Promoters are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to any firm or company in cash or shares or otherwise by any person either to induce him to become, or to qualify him as a directors, promoters or otherwise for services rendered by such Promoters or by such firm or company, in connection with the promotion or formation of our Company.

Except to the extent of their Directorship and shareholding in our Promoter Group Companies and the related party transactions undertaken with them, our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company. For further details, see “Our Promoters and Promoter Group” on page 230.

Our Promoters are not interested in any other entity which holds any intellectual property rights that are used by our Company.

#### **Common Pursuits**

Certain of our Promoter Group companies have common pursuits as per their constitutional documents and are authorised to engage in a similar line of business as we do. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company and Promoter Group, in circumstances where our respective interests diverge.

Our Promoters are engaged various other ventures which are engaged in the railways industry. The details of such ventures and their operations are as under:

<b>Name of Promoters</b>	<b>Name of ventures</b>	<b>Nature of business operations (including common pursuits)</b>
Rupinder Singh and Aikjot Sandhu	NEC Switchgears	(1) Manufacture of wiring harness for rail vehicles and (2) Switchgears & electrical panels for railway coaches
Mohit Vohra and Amit Dhawan	MV Mobility Limited	(1) Production & supply of train interiors & furnishing products
Mohit Vohra and Amit Dhawan	Prime Electronics	Inter-Coach electrical connectors and Earthing Devices
Mohit Vohra and Amit Dhawan	MV Electrosystems Limited	(1) Manufacture of wiring harness for rail vehicles, (2) Switchgears & electrical panels for railway coaches, (3) Flexible conduit & fittings, and (4) Locomotive propulsion systems
Vivek Abrol and Vishesh Abrol	Abrol Engineering Company Private Limited	(1) Manufacture of wiring harness for rail vehicles, (2) Switchgears & electrical panels for railway coaches and (3) Copper wire drawing for electrical cables.
Amrit Singh Randhawa and Rajbir Singh Randhawa	International Switchgears Private Limited	(1) Manufacture of wiring harness for rail vehicles, (2) Switchgears & electrical panels for railway coaches, (3) Flexible conduit & fittings, (4) Electron Beam Irradiation for applications other than electrical cables and (5) Polymer compound production for electrical cables & other applications.

Accordingly, there can be no assurance that these Group Companies will not in future engage in any competing business activity or acquire interests in competing ventures. If so, conflict of interest may arise in the future and in the absence of a non compete arrangement, we may not be able to suitably resolve any such conflict without an adverse effect on our business or operations.

Historically, in one instance, a dispute has arisen between the four promoter groups in reference to investment in and commencement of compounding facility by International Switchgears Private Limited in their factory and placing of orders for cable extruders as well and usage of the technical know-how developed by our Company over the years. In response to the said dispute, the remaining three Promoter Groups (i.e. Mohit Vohra, Amit Dhawan, Rupinder Singh, Aikjot Singh, Vishesh Abrol and Vivek Abrol) initiated the proceedings to remove Amrit Singh Randhawa and Rajbir Singh Randhawa from the then Board of the Company. In response to the same, Amrit Singh Randhawa and Rajbir Singh Randhawa, alongwith Swinder Kaur and Navneet Kaur Randhawa moved a petition in National Company Law Tribunal, Chandigarh Bench on July 02, 2022 to claim relief under in the matter of Sections 169, 241, 242 and 244 of the Companies Act, 2013. Thereafter, post various hearing in the NCLT, the Promoter Group have amicably arrived at a mutual settlement that International Switchgears Private Limited will not carry on or propose to carry on business competing with the business of our Company and hence all other issues and disputes stand settled between the parties. Further, the proceedings of the Board Meeting held on June 13, 2022, the Extra Ordinary General Meeting held on July 11, 2022 shall stand null and void and the related notice / special notice / intimations for the said meeting shall stand withdrawn and null and void. For details of this dispute, refer to “History and Certain Corporate Matters - Dispute amongst the Promoter and Promoter Group and the Settlement Agreement dated February 01, 2023 (“Settlement Agreement”) and Amendment to the Settlement Agreement dated March 01, 2024 (“Amendment to the Settlement Agreement”) on page 208.

#### **Interest in property, land, construction of building and supply of machinery**

Our Promoters have no interest, whether direct or indirect, in any property acquired by our Company within the preceding three years from the date of the Draft Red Herring Prospectus or proposed to be acquired by it, or in any transaction by our Company with respect to the acquisition of land, construction of building or supply of machinery.

#### **Other confirmation**

None of our Promoters and members of the Promoter Group have been declared as wilful defaulters or fraudulent borrower (by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 01, 2016) by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are currently pending against them.

Our Promoters have not been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

None of our Promoters or Promoter Group individuals have been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Our Promoters and members of the Promoter Group are not and have never been promoters, directors or person in control of any other company, which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last 5 (five) years preceding the date of the Issue against our Promoter.

#### **Our Promoter Group**

In addition to our Promoters, the following individuals and entities form part of our Promoter Group in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations:

<b>Relationship</b>	<b>Mohit Vohra</b>
Father	Late Vinod Kumar Vohra
Mother	Late Meena Vohra
Spouse	Anu Vohra
Son	Ranveer Vohra
Daughter	Purva Vohra
Brother	N.A.
Sister	N.A.
Spouse’s father	Late Vijay Sood
Spouse’s mother	Uma Sood
Spouse’s brother	Ramnik Sood

Relationship	Mohit Vohra
Spouse's sister	Ekta Gakhar
Entities forming part of the Promoter Group	<ul style="list-style-type: none"> <li>MV Mobility Limited</li> <li>MV Electrosystems Limited</li> <li>Iboard India Private Limited</li> <li>MV Greentech Private Limited</li> <li>Prime Electronics (Partnership Firm)</li> </ul>

Relationship	Amit Dhawan
Father	Late Ravinder Kumar Dhawan
Mother	Kanta Dhawan
Spouse	Sonali Dhawan
Son	Rajbir Dhawan
Daughter	Saira Dhawan and Purnika Dhawan
Brother	Sumit Dhawan
Sister	Sonali Kapoor
Spouse's father	Late Rajpal Sehgal
Spouse's mother	Parveena Sehgal
Spouse's brother	N.A.
Spouse's sister	N.A.
Entities forming part of the Promoter Group	<ul style="list-style-type: none"> <li>MV Mobility Limited</li> <li>MV Electrosystems Limited</li> <li>Iboard India Private Limited</li> <li>A.M. Speciality Materials Private Limited *</li> <li>Property 24x7 (Partnership firm)</li> <li>Four Square Buildcon (Partnership firm)</li> <li>Global Infotech (Partnership firm)</li> </ul>

\* Under process of getting strike off

Relationship	Name	
	Amrit Singh Randhawa	Rajbir Singh Randhawa
Father	Late Kishan Singh	Amrit Singh Randhawa
Mother	Late Mohinder Kaur	Swinder Kaur
Spouse	Swinder Kaur	Navneet Kaur Randhawa
Son	Rajbir Singh Randhawa	Anhad Singh Randhawa
Daughter	Late Amandeep Kaur	Niyamat Kaur Randhawa
Brother	Late Sham Singh	N.A.
Sister	Kalwant Kaur	Late Amandeep Kaur
Spouse's father	Late Dalip Singh	Harbans Singh Gill
Spouse's mother	Late Gurdial Kaur	Harinder Kaur
Spouse's brother	Kulwant Singh Singha and Iqbal Singh	Gurnishan Singh Gill
Spouse's sister	Davinder Kaur and Late Jeet Kaur	Simran Kaur
Entities forming part of the Promoter Group	<ul style="list-style-type: none"> <li>International Switchgears Private Limited</li> <li>Dard Infra LLP</li> </ul>	

Relationship	Name	
	Rupinder Singh	Aikjot Singh
Father	Late Balwant Singh	Rupinder Singh
Mother	Parmjeet Kaur	Parminder Kaur
Spouse	Parminder Kaur	Amandeep Kaur Sandhu
Son	Aikjot Singh	Adeshveer Singh Sandhu
Daughter	Anumeet Kaur	Hargun Kaur Sandhu
Brother	N.A.	N.A.
Sister	Jaspreet Kaur, Manpreet Kaur and Navtej Kaur	Anumeet Kaur

Relationship	Name	
	Rupinder Singh	Aikjot Singh
Spouse's father	Late R.K. Singh	Harmander Singh
Spouse's mother	Late Kamlesh Kaur	Jagwinder Kaur
Spouse's brother	Surinder Singh and Harneet Singh	Gagandeep Singh
Spouse's sister	N.A.	N.A.
Entities forming part of the Promoter Group	Indo Rail Engineering Systems Private Limited NEC Switchgears	

Relationship	Name	
	Vivek Abrol	Vishesh Abrol
Father	Mohan Krishan Abrol	Mohan Krishan Abrol
Mother	Suman Abrol	Suman Abrol
Spouse	Anita Abrol	Ruchi Abrol
Son	Anivek Abrol and Abel Abrol	N.A.
Daughter	Athena Abrol	Rhea Gayatri Abrol and Nishka Abrol
Brother	Vishesh Abrol and Vipin Abrol	Vivek Abrol and Vipin Abrol
Sister	N.A.	N.A.
Spouse's father	Late Brigadier VK Kapur	Late Vinod Dhir
Spouse's mother	Late Kiran Kapur	Late Reva Dhir
Spouse's brother	Anil Kapur and Deepak Kapur	Vishal Dhir and Sameep Dhir
Spouse's sister	N.A.	N.A.
Entities forming part of the Promoter Group	<ul style="list-style-type: none"> <li>• Abrol Engineering Company Private Limited</li> <li>• Logomotive Private Limited</li> </ul>	

### Material guarantees

Except for personal guarantees given in connection to loans availed by our Company, as on the date of the Draft Red Herring Prospectus, our Promoters have not given any material guarantees to any person or entity with respect to the Equity Shares of our Company.

For further details with respect to personal guarantees given by our Promoters to any third party see 'Financial Indebtedness' on page 363.

### Companies with which our Promoters have disassociated in the last 3 years

Except as stated below, our Promoters have not disassociated themselves from any companies or firms during the preceding three years from the date of filing of the Draft Red Herring Prospectus:

Name of Promoter	Name of the disassociated entity	Date of disassociation	Reason / circumstances leading to the disassociation and terms of disassociation
Vivek Abrol	Logomotive Private Limited	April 20, 2023	Resigned from directorship

Our Promoters are not and have never been a promoter, director or person in control of any other company which is prohibited from accessing or operating in capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.



## GROUP COMPANIES

Under the SEBI ICDR Regulations, the definition of 'group companies' includes (a) such companies (other than the promoters and subsidiaries) with which there were related party transactions in accordance with IndAS 24, during the period for which financial information is disclosed, as covered under applicable accounting standards, and (b) such other companies as are considered material by our Board.

Accordingly, for (a) above, all such entities with which our Company had related party transactions during the period covered in the Restated Financial information, as covered under the applicable accounting standards, are considered as Group Companies in terms of the SEBI ICDR Regulations.

Pursuant to a Board resolution dated March 01, 2024, our Board formulated a policy with respect to companies which it considered material to be identified as group companies. Accordingly, in relation to point (b) above, a company (other than the companies covered in the schedule of related party transactions) shall be considered material and will be disclosed as a Group Company in the Draft Red Herring Prospectus if it is a part of the Promoter Group with which there were one or more transactions during the most recent completed financial year (and the relevant stub period, as applicable) in the Restated Financial Information included in the Draft Red Herring Prospectus, which individually or cumulatively in value, exceeds 1% of the total restated revenues or 0.10% of the net worth of our Company as per the Restated Financial Information for the most recent completed financial year included in the Draft Red Herring Prospectus.

Set forth below, based on the aforementioned criteria, are the detail(s) of our Group Companies as on the date of the Draft Red Herring Prospectus:

1. NEC Switchgears and Controls
2. International Switchgears Private Limited
3. Abrol Engineering Company Private Limited
4. MV Mobility Limited
5. MV Electrosystems Limited
6. Logomotive Private Limited
7. Indo Rail Engineering Systems Private Limited
8. Iboard India Limited
9. A.M. Speciality Materials Private Limited

In accordance with the SEBI ICDR Regulations, certain financial information in relation to our top five Group Companies for the previous three Financial Years, extracted from their respective audited financial statements (as applicable), are required to be hosted on the websites of the respective Group Companies. Such financial information of the Group Companies and other information provided on their respective websites does not constitute a part of this Draft Red Herring Prospectus. Such information should not be considered as part of information that any investor should consider before making any investment decision.

### **A. Details of the top five group companies based on the total revenue as on March 31, 2023 of respective group companies:**

#### **1. International Switchgears Private Limited (ISPL)**

##### ***Registered Office***

The registered office of International Switchgears Private Limited is situated at 925A, Industrial Area, Phase II, Chandigarh - 160002, India. The corporate identification number (CIN) of the company is U31200CH1999PTC022148.

##### ***Financial performance***

The audited financial results of ISPL for the financial years ended on March 31, 2023, March 31, 2022 and March 31, 2021 are set forth below:

	<i>(₹ in million)</i>		
<b>Particulars</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Total Income	900.72	659.01	627.25

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Profit after Tax	44.05	19.38	66.55
Equity share capital	14.00	14.00	14.00
Reserves & Surplus	909.24	911.92	873.36
Net Worth	923.24	925.92	887.36
Book Value/Net Asset Value per share of face value ₹ 10/- each (in ₹)	659.45	661.37	633.83
Earnings per share of face value ₹ 10/- each (in ₹)	31.47	13.84	47.53

As required by the SEBI ICDR Regulations, the above financial information is available on the website of ISPL at [www.internationalswitchgears.com](http://www.internationalswitchgears.com).

## 2. Abrol Engineering Company Private Limited (AECPL)

### Registered Office

The registered office of Abrol Engineering Company Private Limited is situated at Industrial Area, District Kapurthala, Punjab - 144601, India. The corporate identification number (CIN) of the company is U29199PB1975PTC003543.

### Financial Information

The audited financial results of AECPL for the financial years ended on March 31, 2023, March 31, 2022 and March 31, 2021 are set forth below:

Particulars	(₹ in million)		
	March 31, 2023	March 31, 2022	March 31, 2021
Total Income	878.74	753.99	493.63
Profit after Tax	-9.27	-4.02	26.86
Equity share capital	4.95	4.95	4.95
Reserves & Surplus	371.46	380.73	384.75
Net Worth	376.41	385.68	389.70
Book Value/Net Asset Value per share of face value ₹ 100/- each (in ₹)	7,604.32	7,791.60	7,872.75
Earnings per share of face value ₹ 100/- each (in ₹)	-187.28	(81.15)	542.66

As required by the SEBI ICDR Regulations, the above financial information is available on the website of AECPL at [www.aecoindia.com](http://www.aecoindia.com).

## 3. MV Mobility Limited (MVML)

### Registered Office

The registered office of MV Mobility Limited is situated at 118/1 (First Floor), Gali No. 2, Govind Puri, New Delhi - 110019, India. The corporate identification number (CIN) of the company is U24130DL2012PLC240133.

### Financial Information

The audited financial results of MVML for the financial years ended on March 31, 2023, March 31, 2022 and March 31, 2021 are set forth below:

Particulars	(₹ in million)		
	March 31, 2023	March 31, 2022	March 31, 2021
Total Income	842.56	309.65	307.38
Profit after Tax	21.57	3.33	27.49
Equity share capital	25.27	17.00	17.00
Reserves & Surplus	114.04	35.99	33.43
Net Worth	139.31	52.99	50.43
Book Value/Net Asset Value per share of face value ₹ 10/- each (in ₹)	55.13	31.17	29.66

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Earnings per share of face value ₹ 10/- each (in ₹)	8.54	1.96	16.17

As required by the SEBI ICDR Regulations, the above financial information is available on the website of MVML at [www.mvmobility.in](http://www.mvmobility.in).

#### 4. MV Electrosystems Limited (MVEL)

##### **Registered Office**

The registered office of MV Electrosystems Limited is situated at 118/1 (First Floor), Gali No. 2, Govind Puri, New Delhi – 110019, India. The corporate identification number (CIN) of the company is U31401DL2009PLC191847.

##### **Financial Information**

The audited financial results of MVEL for the financial years ended on March 31, 2023, March 31, 2022 and March 31, 2021 are set forth below:

Particulars	(₹ in million)		
	March 31, 2023	March 31, 2022	March 31, 2021
Total Income	681.10	581.17	576.61
Profit after Tax	11.90	5.79	2.11
Equity share capital	2.29	2.29	2.29
Reserves & Surplus	127.30	115.96	110.26
Net Worth	129.58	118.24	112.54
Book Value/Net Asset Value per share of face value ₹ 10/- each (in ₹)	567.09	517.46	492.52
Earnings per share of face value ₹ 10/- each (in ₹)	52.06	25.34	9.22

As required by the SEBI ICDR Regulations, the above financial information is available on the website of MVML at [www.mvelectrosystems.com](http://www.mvelectrosystems.com).

#### 5. NEC Switchgears and Controls

##### **Principal Place of Business**

The Principal Place of Business of NEC Switchgears and Controls, a partnership firm is Plot No. 25/6, Industrial Area, Phase-II, Chandigarh

##### **Financial performance**

The audited financial results of NEC for the financial years ended on March 31, 2023, March 31, 2022 and March 31, 2021 are set forth below:

Particulars	(₹ in million)		
	March 31, 2023	March 31, 2022	March 31, 2021
Total Sales	364.54	420.09	525.74
Net Profit	35.63	59.66	99.73
Partners' Capital	295.15	275.13	282.17

As required by the SEBI ICDR Regulations, the above financial information is available on the website of NEC at [necswitchgears.com](http://necswitchgears.com).

## B. Details of our other Group Companies

### 1. Logomotive Private Limited (LPL)

##### **Registered Office**

The registered office of Logomotive Private Limited is situated at 78-R, Mall Road, Model Town, Jalandhar, Punjab, India - 144 003. The corporate identification number (CIN) of the company is U35999PB2014PTC038428.

## **2. Indo Rail Engineering Systems Private Limited (IRESPL)**

### ***Registered Office***

The registered office of Indo Rail Engineering Systems Private Limited is situated at K. No. 2679, Sector 69, Mohali, Punjab, India - 160 069. The corporate identification number (CIN) of the company is U31200PB1990PTC010244.

## **3. IBoard India Limited (IBIL)**

### ***Registered Office***

The registered office of IBoard India Limited is situated at Plot No. 78, Sector- 59, Pragati Vihar Industrial Area, Faridabad, Haryana, India - 121 004. The corporate identification number (CIN) of the company is U31900HR2020PLC086803.

## **4. A.M. Speciality Materials Private Limited (AMSMPL)**

### ***Registered Office***

The registered office of A.M. Speciality Materials Private Limited is situated at Bypass Satiyawala Chownk Zira Road, Ferozepur Cantt, Punjab, India - 152 001. The corporate identification number (CIN) of the company is U31100PB2011PTC034758. AMSMPL is under the process of striking off.

## **C. Nature and extent of interests of our Group Companies**

### ***a) Business interest of our Group Companies in our Company***

Except as disclosed in the section Restated Financial Information - Notes forming part of the Restated Financial Information - Note 31: Related Party Disclosures” on page 312, our Group Companies have no business interests in our Company.

### ***b) In the promotion of our Company***

None of our Group Companies have any interest in the promotion of our Company.

### ***c) In the properties acquired by our Company in the three years preceding the date of filing of the Draft Red Herring Prospectus or proposed to be acquired by our Company***

None of our Group Companies are interested in the properties acquired by our Company in the three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company.

### ***d) In transactions for acquisition of land, construction of building and supply of machinery, etc.***

None of our Group Companies are interested in any transactions for acquisition of land, construction of building or supply of machinery, etc.

## **D. Litigations**

As on the date of this Draft Red Herring Prospectus, there is no pending litigation involving our Group Companies which will have a material impact on our Company.

## **E. Common Pursuits between our Group Companies and our Company**

Our Promoters are engaged in various other ventures which are engaged in the railways industry. Certain of our Promoter Group companies have common pursuits as per their constitutional documents and are authorised to engage in a similar line of business as we do. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company and Promoter Group, in circumstances where our respective interests diverge. For details of such ventures and their operations refer to “Our Promoters and Promoter Group - Common Pursuits” on page 234.

Accordingly, there can be no assurance that these Group Companies will not in future engage in any competing business activity or acquire interests in competing ventures. If so, conflict of interest may arise in the future and in the absence of a non compete arrangement, we may not be able to suitably resolve any such conflict without an adverse effect on our business or operations. Our Company shall adopt necessary procedures and practices as

permitted by law and regulatory guidelines to address any instances of conflict of interest, if and when they may arise.

**F. Related Business Transactions within our Group Company and significance on the financial performance of our Company**

Except as disclosed under see 'Restated Financial Information - Note 31 - Related Party Disclosures' on page 312, there are no related business transactions with the Group Companies.

**Other confirmations**

Our Group Companies do not have any securities listed on any stock exchange.

Further, our Group Companies have not made any public or rights issue (as defined under the SEBI ICDR Regulations) of securities in the three years preceding the date of this Draft Red Herring Prospectus.

## DIVIDEND POLICY

The declaration and payment of dividend will be recommended by our Board and / or approved by our Shareholders, at their discretion, subject to the provisions of our Articles of Association, the applicable law, including the Companies Act. The dividend policy of our Company was adopted and approved by our Board in its meeting held on March 01, 2024 (Dividend Policy).

The shareholders of the Company may expect dividend only if the Company has surplus funds after providing for all the expenses, investments etc., and after complying with the statutory requirements under the Applicable Laws. The shareholders of the Company may not expect dividend, for a particular period, subject to the discretion of the Board, that is, if the Board is of the view that it would be prudent to conserve capital due to circumstances or factors such as adverse market conditions, business uncertainty, inadequacy of profits earned during the fiscal year, inadequacy of cash balance, large forthcoming capital requirements which are best funded through internal accruals, regulatory / market exigencies, changing regulations, etc.

As a result, we may not declare dividend in the foreseeable future. In terms of our Dividend Policy, our Board shall consider, inter alia, the following internal and external parameters while declaring or recommending dividends to our Shareholders: (i) profits earned during the financial year; (ii) retained earnings; (iii) earnings outlook; (iv) present and future capital expenditure plans / working capital requirements of the our Company; (v) past dividend trends; (vi) restrictive covenants under our current or future loan or financing documents or arrangements; (vii) any other relevant factors and material events as may be deemed fit by our Board; (viii) dividend pay-out ratios of companies in the same industry; (ix) macro-economic environment - significant changes in macro-economic environment materially affecting the businesses in which our Company is engaged in the geographies in which our Company operates; (x) capital markets - dividend pay-out may depend upon the capital market environment and cost of capital to raise fresh funds through alternate resources and (xi) any tax and regulatory changes in the jurisdiction in which our Company operates which significantly affects the business, taxation and other regulatory changes.

Our Company has not paid dividends on its Equity Shares for Fiscal 2023, Fiscal 2022, Fiscal 2021 and during the current Fiscal.

Our Company may from time to time, pay interim dividends. Our past practices in relation to declaration of dividend and, or, the amount of dividend paid is not necessarily indicative of our future dividend declaration. There is no guarantee that any dividends will be declared or paid of any amount, or with any frequency in the future. For further details in relation to the risk involved, see “Risk Factor 57 - Our ability to pay dividends in the future will depend on our future cash flows, working capital requirements, capital expenditures and financial condition.” on page 63.

**SECTION VI - RESTATED FINANCIAL INFORMATION**

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**Independent Auditors' Examination Report on the Restated Summary Statement of Assets and Liabilities as at December 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, Restated Summary Statement of Profit and Loss (including other comprehensive income), the Restated Summary Statement of Changes in Equity and the Restated Summary Statement of Cash Flows for Nine months period ended December 31, 2023 and each of the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, and the Restated Summary Statement of Significant Accounting Policies and other explanatory information of Quadrant Future Tek Limited (Collectively, the "Restated Summary Statements")**

To  
The Board of Directors  
Quadrant Future Tek Limited.  
Village Basma, on Basma Jhajon road, near Banur, Mohali

Dear Sirs,

1. We, SANMARKS & ASSOCIATES have examined the attached Restated Summary Statements of Quadrant Future Tek Limited (the "Company"), as at and for nine months period ended December 31, 2023 and each of the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 annexed to this report and prepared by the Company for the purpose of inclusion of Restated Summary Statement of Quadrant Future Tek Limited ("Statements in the Company") to be included in the Red Herring Prospectus (the "RHP") proposed to be filed with the Securities and Exchange Board of India ("SEBI"), BSE Limited and National Stock Exchange of India Limited (collectively, the "Stock Exchanges") and the Registrar of Companies, in connection with the proposed initial public offer of equity shares of face value of Rs.10 each of the Company (the "Offering"). The Restated Summary Statements, which have been approved by the Board of Directors of the Company at their meeting held on June 02, 2024, have been prepared in accordance with the requirements of:
  - a. section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act");
  - b. relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations"); and
  - c. the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

**Management's Responsibility for the Restated Summary Statements**

2. The preparation of the Restated Summary Statements is the responsibility of the Board of Directors of the Company. The Restated Summary Statements have been prepared by the management of the Company on the basis of preparation stated in Note B (i) of Annexure V to the Restated Summary Statements. The Board of Directors' responsibility includes designing, implementing and maintaining adequate internal controls relevant to the preparation and presentation of the Restated Summary Statements. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Companies Act, 2013 ('the Act'), ICDR Regulations and the Guidance Note.

**Auditors' Responsibilities**

3. We have examined such Restated Summary Statements taking into consideration:
  - a. the terms of reference and terms of our engagement agreed with you vide engagement letter dated March 01, 2024 between the Company and SANMARKS & ASSOCIATES requesting us to carry out the assignment, in connection with the proposed offering of the Company;
  - b. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
  - c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Summary Statements; and



- d. the requirements of Section 26 of the Act and the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the Offering.

4. The Company proposes to make an initial public offering of its equity shares of face value of Rs.10 each, which comprises of fresh issue of equity shares and an offer for sale by certain existing shareholders of the Company at such premium arrived at by the book building process(referred to as the “Offer”), as may be decided by the Company’s Board of Directors.

#### **Restated Summary Statements as per audited financial statements**

5. The Restated Summary Statements have been prepared by the management of the Company from:
  - a) the audited interim financial statements of the Company as at and for the nine months period ended December 31, 2023 prepared in conformity with the accounting principle generally accepted in India including the Indian Accounting Standard (IND AS) 34 specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, which have been approved by the Board of Directors at their meeting held on April 15, 2024 respectively (collectively “Interim Financial Statements”)
  - b) the audited financial statements of the Company as at and for each of the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 prepared in accordance with the accounting principles generally accepted in India specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India which have been approved by the Board of Directors at their meeting held on September 11, 2023, September 21, 2022 and November 20, 2021 respectively (“ Financial Statements”);
6. For the purpose of our examination, we have relied on:
  - a) Auditors’ Report issued by us, dated April 15, 2024 on the interim financial statements as at and for the nine months period ended December 31, 2023 as referred in paragraph 5 above;
  - b) Auditors’ Report issued by us, dated September, 11, 2023 on the Financial Statements as at and for the year ended March 31, 2023 and, on the Auditors’, Report issued by the predecessor auditors “**Mediratta Saini & Associates**” dated September 21, 2022 and “**Aditya A. Jain and Associates**” November 10, 2021, respectively on the Financial Statements as at and for each of the years ended March 31, 2022 and 2021, respectively, as referred in paragraph 5 above.
7. Based on our examination and according to the information and explanations given to us, we report that the Restated Summary Statements:
  - a) have been prepared after incorporating adjustments for changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 to reflect the same accounting treatment as per the accounting policies and groupings/classifications as at and for the period ended December 31, 2023;
  - b) do not require any adjustment for modification as there is no modification in the underlying audit reports for the year ended March 31, 2023, March 31, 2022 and March 31, 2021.
  - c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
8. The Restated Summary Statements do not reflect the effect of events that occurred subsequent to the respective dates of the reports on audited Financial Statements mentioned in paragraph 6 above.
9. We have not audited any financial statements of the Company as of any date or for any period subsequent to December 31, 2023. Accordingly, we express no opinion on the financial position, results of operations, cash

flows and changes in equity of the Company as of any date or for any period subsequent to December 31, 2023.

10. This report should not be in any way construed as a reissuance or re-dating of any of the previous audit reports issued by us nor should this report be construed as a new opinion on any of the financial statements referred to herein.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. Our report is intended solely for use of the management of the Company in connection with the proposed offering for inclusion in the RHP to be filed with SEBI, the Stock Exchanges and the Registrar of Companies in connection with the proposed Offering. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come.

**For SANMARKS & ASSOCIATES**

**Chartered Accountants**

ICAI Firm Registration Number:003343N

Santosh Kumar Agrawal

Partner

Membership Number: 091127

UDIN:24091127BKALVU1831

Place of Signature: Basma

Date:June 02, 2024.

**Annexure I-Restated Information of Assets and Liabilities**
**(All amounts in Indian Rupees in Millions, unless otherwise stated)**

Particulars	Note	31-12-2023	2022-23	2021-22	2020-21
		Restated	Restated	Restated	Restated
<b>ASSETS</b>					
<b>(1) Non-current assets</b>					
<b>Property, Plant and Equipment and Intangible Assets</b>					
(a) Property, Plant and Equipment	1	194.64	209.04	195.72	184.37
(b) Capital work -in- Progress	1.1	-	-	24.35	21.17
(c) Other Intangible Assets	1.2	563.22	0.01	0.01	0.01
(d) Intangible assets under development	1.2	-	484.49	310.24	38.91
<b>(e) Financial Assets</b>					
(i) Trade Receivables	5	27.48	12.22	-	-
(ii) Other Financial Assets	2	1.54	5.11	1.70	2.14
(f) Deferred Tax Assets (Net)	3	2.88	2.58	1.76	1.30
<b>Total non-current Assets</b>		<b>789.76</b>	<b>713.45</b>	<b>533.78</b>	<b>247.89</b>
<b>(2) Current assets</b>					
(a) Inventories	4	260.97	186.53	243.34	152.71
<b>(b) Financial Assets</b>					
(i) Trade receivables	5	213.13	232.59	268.11	168.76
(ii) Cash and cash equivalents	6	2.07	2.00	0.81	1.19
(iii) Bank balances other than (ii) above	7	4.53	3.33	1.72	1.20
iv) Other Financial assets	8	6.05	3.07	2.56	5.17
(c) Current Tax Assets (Net)	9	0.94	6.06	4.05	4.19
(d) Other current assets	10	51.27	41.16	73.29	5.81
<b>Total Current Assets</b>		<b>538.95</b>	<b>474.73</b>	<b>593.88</b>	<b>339.04</b>
<b>Total Assets</b>		<b>1,328.71</b>	<b>1,188.18</b>	<b>1,127.66</b>	<b>586.93</b>
<b>EQUITY</b>					
(a) Equity Share Capital	11	100.00	100.00	100.00	100.00
(b) Other Equity	12	337.55	194.21	56.05	37.11
		<b>437.55</b>	<b>294.21</b>	<b>156.05</b>	<b>137.11</b>
<b>LIABILITIES</b>					
<b>(1) Non-current liabilities</b>					
<b>(a) Financial Liabilities</b>					
(i) Borrowings	13	422.34	488.79	558.35	178.65
(ii) Other financial liabilities		-	-	-	-
(b) Provisions	14	7.12	5.31	2.32	0.71
(c) Deferred tax liabilities (Net)	3	-	-	-	-
(d) Other non-current liabilities		-	-	-	-
<b>Total Non-current Liabilities</b>		<b>429.46</b>	<b>494.11</b>	<b>560.67</b>	<b>179.36</b>
<b>(2) Current liabilities</b>					
<b>(a) Financial Liabilities</b>					
(i) Borrowings	15	336.33	251.16	248.46	230.66
(ii) Trade payables:	16	54.89	63.99	138.40	11.82
(A) Total outstanding dues of micro small and medium enterprises		26.37	15.13	-	-
(B) Total outstanding dues of creditors other than micro, small and medium enterprises		28.52	48.86	138.40	11.82
(iii) Other financial liabilities (other than those specified in item(c))	17	13.20	9.85	7.54	14.32
(b) Provisions	14	1.61	0.36	0.50	0.09
(b) Other current liabilities	18	10.83	18.85	6.90	8.19
(c) Current Tax Liabilities (Net)	19	44.84	55.65	9.15	5.38

<b>Total Current Liabilities</b>	<b>461.70</b>	<b>399.86</b>	<b>410.94</b>	<b>270.46</b>
<b>Total Equity and Liabilities</b>	<b>1,328.71</b>	<b>1,188.18</b>	<b>1,127.66</b>	<b>586.93</b>

The above Statement should be read with Annexure V- Significant accounting policies and explanatory notes to Restated financial information and Annexure VI- Statement of Restatement Adjustment to Audited financial statements.

As per our Report of even date  
For SANMARKS & ASSOCIATES  
**CHARTERED ACCOUNTANTS**

**For and on behalf of the Board of Directors**

**(Santosh Kumar Aggarwal)**  
**Partner**  
**FRN : 003343N, M.No. : 091127**

**Mohit Vohra**  
**Managing Director**  
**DIN: 02534402**

**Satish Gupta**  
**Chairman**  
**DIN: 06574539**

Place: Basma  
Date : 02.06.2024  
UDIN : 24091127BKALVU1831

**Amit Gaur**  
**CFO**

**Ankit Kumar**  
**Company Secretary**  
**M. No. 43714**

**Annexure II-Restated Information of Profit and Loss**  
(All amounts in Indian Rupees in Millions, unless otherwise stated)

Particulars	Note	01-04.2022				
		31-12-2023	to 31-12-2022	2022-23	2021-22	2020-21
		Restated	Restated	Restated	Restated	Restated
<b>INCOME:</b>						
I Income from operations	20	1,003.71	1,148.59	1,528.04	1,042.58	728.28
II Other income	21	0.42	0.02	1.41	0.33	0.65
<b>III Total Income (I+II)</b>		<b>1,004.13</b>	<b>1,148.61</b>	<b>1,529.45</b>	<b>1,042.91</b>	<b>728.93</b>
<b>IV. Expenses:</b>						
Cost of Materials consumed	22	607.23	803.17	1,028.36	884.75	518.07
Changes in inventories of Work in progress and finished goods	23	(66.70)	6.03	73.98	(84.68)	(35.77)
Employee benefits expense	24	80.60	40.32	53.83	69.98	81.23
Finance costs	25	28.77	22.21	29.09	33.64	23.68
Depreciation and amortization expense	26	56.02	27.65	37.08	31.96	30.65
Other expenses	27	91.55	71.33	107.79	77.78	52.49
<b>Total expenses</b>		<b>797.47</b>	<b>970.71</b>	<b>1,330.14</b>	<b>1,013.42</b>	<b>670.34</b>
<b>V. Profit before exceptional items and tax (III-IV)</b>		<b>206.67</b>	<b>177.90</b>	<b>199.32</b>	<b>29.49</b>	<b>58.59</b>
VI. Exceptional items	28	0.32	-	-	-	0.10
<b>VII Profit/(loss) before tax (V-VI)</b>		<b>206.99</b>	<b>177.90</b>	<b>199.32</b>	<b>29.49</b>	<b>58.69</b>
<b>VIII Tax expense:</b>						
(1) Current tax	29	63.14	54.12	61.03	10.30	11.88
(2) Short/ (Excess) Provision for Earlier Years						
(2) Deferred tax		(0.34)	(0.44)	(0.74)	(0.24)	(1.32)
<b>Total Tax Expense</b>		<b>62.80</b>	<b>53.68</b>	<b>60.28</b>	<b>10.06</b>	<b>10.56</b>
<b>IX Profit(loss)for the period from continuing operation (VII-VIII)</b>		<b>144.19</b>	<b>124.22</b>	<b>139.04</b>	<b>19.43</b>	<b>48.12</b>
X Profit/(Loss) from discontinued operations.	-	-	-	-	-	-
XI Tax expense of discontinued operations	-	-	-	-	-	-
XII Profit/(loss) from discontinued operation (X-XI)	-	-	-	-	-	-
<b>XIII Profit(loss) for the period (IX+XII)</b>		<b>144.19</b>	<b>124.22</b>	<b>139.04</b>	<b>19.43</b>	<b>48.12</b>
<b>XIV Other Comprehensive Income</b>						
A (i) Item that will not be reclassified to profit or loss		(0.81)	(0.27)	(0.96)	(0.71)	0.08
(ii) Income tax relating to item that will not be reclassified to profit or loss		0.04	0.12	(0.08)	(0.22)	0.02
<b>XVI Total Comprehensive Income for the period (XIII+XIV) (Comprising profit (loss) and other Comprehensive Income for the period)</b>		<b>143.34</b>	<b>123.84</b>	<b>138.16</b>	<b>18.94</b>	<b>48.19</b>
<b>XVII Earnings per equity share:(for continued Operation):</b>						
(1) Basic	30	14.33	12.38	13.82	1.89	4.82
(2) Diluted	30	14.33	12.38	13.82	1.89	4.82
<b>XVII Earnings per equity share:(for discontinued Operation):</b>						
(1) Basic	-	-	-	-	-	-
(2) Diluted	-	-	-	-	-	-

XVIII Earnings per equity share:(for  
discontinued &  
continuing operations)

(1) Basic	30	-	-	-	-	-
(2) Diluted	-	-	-	-	-	-

The above Statement should be read with Annexure V- Significant accounting policies and explanatory notes to Restated financial information and Annexure VI- Statement of Restatement Adjustment to Audited financial statements.

As per our Report of even date  
For SANMARKS & ASSOCIATES  
**CHARTERED ACCOUNTANTS**

**For and on behalf of the Board of Directors**

**(Santosh Kumar Aggarwal)**  
**Partner**  
**FRN : 003343N, M.No. : 091127**

**Mohit Vohra**  
**Managing Director**  
**DIN: 02534402**

**Satish Gupta**  
**Chairman**  
**DIN: 06574539**

Place: Basma  
Date : 02.06.2024  
UDIN : 24091127BKALVU1831

**Amit Gaur**  
**CFO**

**Ankit Kumar**  
**Company Secretary**  
**M. No. 43714**

Particulars	For the Period ended December 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Net profit before tax</b>	<b>206.18</b>	<b>198.36</b>	<b>28.78</b>	<b>58.77</b>
<b>Adjustments for :</b>				
Depreciation of Property, Plant and Equipment's and Intangible Assets	56.02	37.08	31.96	30.65
Finance costs (other than Interest on lease liabilities)	28.77	29.09	33.64	23.68
Interest Income	(0.18)	(0.13)	-	(0.10)
Profit on Sale of property, plant and equipment	(0.32)	-	-	(0.10)
<b>Operating profit before working capital changes</b>	<b>290.47</b>	<b>264.40</b>	<b>94.37</b>	<b>112.90</b>
<b>Adjustments for :</b>				
(Increase)/Decrease in trade receivables	19.46	35.53	(99.35)	(9.41)
(Increase)/Decrease in Other financial assets	(11.69)	(15.63)	0.44	3.39
(Increase) / Decrease in Other assets	(7.97)	29.62	(64.73)	90.36
(Increase) / Decrease in Inventories	(74.44)	56.82	(90.64)	(5.66)
(Decrease)/increase in other liabilities	-	-	-	-
(Decrease)/Increase in trade payables	(9.10)	(74.41)	126.58	(19.78)
(Decrease)/Increase in Other financial liabilities including Current Laibilities	(4.68)	14.26	(8.07)	(89.57)
(Decrease)/increase in provisions	3.06	2.86	2.02	0.80
<b>Cash generated from operating activities</b>	<b>205.10</b>	<b>313.44</b>	<b>(39.38)</b>	<b>83.04</b>
Extraordinary Item	-	-	-	-
Income Tax Paid	74.01	14.53	6.53	26.74
<b>Net cash generated from operating activities</b>	<b>131.09</b>	<b>298.92</b>	<b>(45.92)</b>	<b>56.30</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment, CWIP including intangible assets, capital advances and capital creditors	(121.26)	(200.30)	(317.82)	(84.73)
Proceeds from sale of property, plant and equipment	1.32	-	-	0.31
Interest Income	0.18	0.13	-	0.10
<b>Net cash used in investing activities</b>	<b>(119.76)</b>	<b>(200.17)</b>	<b>(317.82)</b>	<b>(84.32)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Interest paid (other than on lease liabilities)	(28.77)	(29.09)	(33.64)	(23.68)
Increase/(Decrease) from long term borrowings	(66.45)	(69.55)	353.87	50.76
Increase/(Decrease) from short term borrowings	85.17	2.71	43.64	-
<b>Net cash used in Financing Activities</b>	<b>(10.06)</b>	<b>(95.94)</b>	<b>363.87</b>	<b>27.08</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>1.27</b>	<b>2.80</b>	<b>0.13</b>	<b>(0.94)</b>
Cash and cash equivalents at the beginning of the period/ year	<b>5.33</b>	<b>2.52</b>	<b>2.39</b>	<b>3.33</b>
<b>Cash and cash equivalents at the closing of the period/ year</b>	<b>6.60</b>	<b>5.33</b>	<b>2.52</b>	<b>2.39</b>

**a) Cash and Cash Equivalents included in Cash Flow Statement comprise of following (Refer Note 11(a)):**

Particulars	As at 31-December- 2023	As at 31-March- 2023	As at 31-March- 2022	As at 31-March-2021
Cash on Hand	2.07	2.00	0.81	1.19
<b>Balance with bank</b>				
In current accounts	4.53	3.33	1.72	1.20
<b>Total</b>	<b>6.60</b>	<b>5.33</b>	<b>2.52</b>	<b>2.39</b>

**b) Reconciliation of changes in liabilities arising from financing activities:**

Particulars	As at 1-April-2020	Cashflows	Non Cash Change	As at 31-March-2021
Non Current Borrowings	358.54	50.76	-	409.30
Current Borrowings		-	-	204.82
Interest Accrued (including Interest on lease liabilities)		-	-	-
<b>Total</b>	<b>358.54</b>	<b>50.76</b>	<b>-</b>	<b>614.12</b>

Particulars	As at 1-April 2021	Cashflows	Non Cash Change	As at 31-March-2022
Non Current Borrowings	204.48	353.87	-	558.35
Current Borrowings	204.82	43.64	-	248.46
Interest Accrued (including Interest on lease liabilities)	-	-	-	-
<b>Total</b>	<b>409.30</b>	<b>397.51</b>	<b>-</b>	<b>806.81</b>

Particulars	As at 1-April 2022	Cashflows	Non Cash Change	As at 31-March-2023
Non Current Borrowings	558.35	(69.55)	-	488.79
Current Borrowings	248.46	2.71	-	251.16
Interest Accrued (including Interest on lease liabilities)	-	-	-	-
<b>Total</b>	<b>806.81</b>	<b>(66.85)</b>	<b>-</b>	<b>739.96</b>

Particulars	As at 1-April 2023	Cashflows	Non Cash Change	As at 31- December-2023
Non Current Borrowings	488.79	(66.45)	-	422.34
Current Borrowings	251.16	85.17	-	336.33
Interest Accrued (including Interest on lease liabilities)	-	-	-	-
<b>Total</b>	<b>739.96</b>	<b>18.72</b>	<b>-</b>	<b>758.67</b>

The above Statement should be read with Annexure V- Significant accounting policies and explanatory notes to Restated financial statements and Annexure VI- Statement of Restatement Adjustment to Audited financial statements.

As per our Report of even date  
For SANMARKS & ASSOCIATES  
**CHARTERED ACCOUNTANTS**

**For and on behalf of the Board of Directors**

(Santosh Kumar Aggarwal)  
Partner  
FRN : 003343N, M.No. : 091127

Mohit Vohra  
Managing Director  
DIN: 02534402

Satish Gupta  
Chairman  
DIN: 06574539

Place: Basma  
Date : 02.06.2024  
UDIN : 24091127BKALVU1831

Amit Gaur  
CFO

Ankit Kumar  
Company Secretary  
M. No. 43714



<b>Annexure IV-Restated Statement of changes in equity</b>			
<b>(All amounts in Indian Rupees in Millions, unless otherwise stated)</b>			
<b>(a) Equity share capital*</b>			
<b>At March 31, 2021</b>			
<b>Balance as at April 1, 2020</b>	<b>Changes in Equity Share Capital due to prior period errors</b>	<b>Restated balance as at April 1, 2020</b>	<b>Balance as at March 31, 2021</b>
100.00	-	100.00	100.00
<b>At March 31, 2022</b>			
<b>Balance as at April 1, 2021</b>	<b>Changes in Equity Share Capital due to prior period errors</b>	<b>Restated balance as at April 1, 2021</b>	<b>Balance as at March 31, 2022</b>
100.00	-	100.00	100.00
<b>At March 31, 2023</b>			
<b>Balance as at April 1, 2022</b>	<b>Changes in Equity Share Capital due to prior period errors</b>	<b>Restated balance as at April 1, 2022</b>	<b>Balance as at March 31, 2023</b>
100.00	-	100.00	100.00
<b>At December 31, 2023</b>			
<b>Balance as at April 1, 2022</b>	<b>Changes in Equity Share Capital due to prior period errors</b>	<b>Restated balance as at April 1, 2022</b>	<b>Balance as at December 31, 2023</b>
100.00	-	100.00	100.00
<b>(b) Other equity</b>			
<b>Particulars</b>	<b>Attributable to equity shareholders</b>		<b>Total</b>
	<b>Reserves and surplus</b>		
	<b>Securities premium</b>	<b>Retained earnings</b>	
<b>As at April 01, 2020</b>	-	-11.07	-11.07
Profit for the year		48.12	48.12
Appreciation due to revaluation		-	-
Other comprehensive income, net of income tax		0.06	0.06
Adjustment for previous year		-	-
<b>As at March 31, 2021</b>	-	37.11	37.11
Profit for the year		19.43	19.43
Appreciation due to revaluation		-	-
Other comprehensive income, net of income tax		(0.49)	-0.49
Adjustment for previous year		-	-
<b>As at March 31, 2022</b>	-	56.05	56.05
Profit for the year		139.04	139.04
Appreciation due to revaluation		-	-
Other comprehensive income, net of income tax		-0.88	-0.88
Adjustment for previous year		-	-
<b>As at March 31, 2023</b>	-	194.21	194.21
Profit for the year		144.19	144.19
Appreciation due to revaluation		-	-
Other comprehensive income, net of income tax		-	-
Adjustment for previous year		-	-
<b>As at December 31, 2023</b>	-	338.40	338.40

**Nature and purpose of reserves**  
**Securities Premium :**

Where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares is transferred to “Securities Premium Account” and the utilisation thereof is in accordance with the provisions of Section 52 of the Companies Act, 2013.

**Retained Earnings:-**

Retained Earnings (RE) are the accumulated portion of a business’s profits that are not distributed as dividends to shareholders but instead are reserved for reinvestment back into the business. Normally, these funds are used for working capital and fixed asset purchases (capital expenditures) or allotted for paying off debt obligations.

The above Statement should be read with Annexure V- Significant accounting policies and explanatory notes to Restated financial information and Annexure VI- Statement of Restatement Adjustment to Audited financial statements.

As per our Report of even date  
For SANMARKS & ASSOCIATES  
**CHARTERED ACCOUNTANTS**

**For and on behalf of the Board of Directors**

**(Santosh Kumar Aggarwal)**  
**Partner**  
**FRN : 003343N, M.No. : 091127**

**Mohit Vohra**  
**Managing Director**  
**DIN: 02534402**

**Satish Gupta**  
**Chairman**  
**DIN: 06574539**

Place: Basma  
Date : 02.06.2024  
UDIN : 24091127BKALVU1831

**Amit Gaur**  
**CFO**

**Ankit Kumar**  
**Company Secretary**  
**M. No. 43714**

**Annexure V- Significant accounting policies and explanatory notes to Restated Financial Statements  
(All amounts in Indian Rupees in millions, unless otherwise stated)**

**A) CORPORATE INFORMATION**

Quadrant Future Tek Limited (formerly known as Quadrant Cables Private Limited) ('the Company') is a limited company domiciled in India and incorporated on September 18, 2015 under the provisions of the Companies Act, 2013 having its registered office at Village Basma, Tehsil Banur, District Mohali, Punjab 140417, India. The Company is in the business of manufacturing of Specialised Cable for Railways and Defence etc.

In the Financial Year 2021- 2022 the name of the company got changed in the duly called extraordinary General Meeting held on 06/08/2021 from "Quadrant Cables Private Ltd" to "Quadrant Future Tek Private Limited". Further, the company got converted into Public Limited Company in the duly called Extra-ordinary General Meeting held on 13/10/2021 from "Quadrant Future Tek Private Ltd." to "Quadrant Future Tek Limited"

The Company's Restated Financial Statements for the nine months ended 31<sup>st</sup> December 2023 and for the years ended 31 March 2023, 31 March 2022, and 31 March 2021 were approved for issue by the Board of Directors, in accordance with resolution passed on **June 02, 2024**.

**B) SIGNIFICANT ACCOUNTING POLICIES**

This note provides a list of the significant accounting policies adopted in the preparation of these Financial Statements. These policies have been consistently applied to all the years/ nine months presented, unless otherwise stated.

**(i) Basis of preparation and presentation of restated financial statement**

**a) Compliance with IndAS**

The Restated Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and relevant provisions of the Companies Act, 2013.

These Statements have been prepared by the Management as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time, issued by the Securities and Exchange Board of India ('SEBI') on 11 September 2018, in pursuance of the Securities and Exchange Board of India Act, 1992 ("ICDR Regulations") for the purpose of inclusion in the Draft Red Herring Prospectus ('DRHP') in connection with its proposed initial public offering of equity shares of face value of Rs. 10 each of the Company comprising a fresh issue of equity shares and an offer for sale of equity shares held by the selling shareholders (the "Offer"), prepared by the Company in terms of the requirements of:

- a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act").
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time; and
- c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

- b) The Restated Financial Statements of the Company comprise of the Restated Statement of Assets and Liabilities as at 31<sup>st</sup>December 2023, 31 March 2023 and 31 March 2022 and 31 March 2021, Restated Statement of Profit and Loss (including Other Comprehensive Income) for the nine months ended 31<sup>st</sup>December 2023, 31<sup>st</sup>December 2022 along with year ended 31 March 2023 and 31 March 2022 and 31 March 2021 and Restated Statement of Cash Flow and Restated Statement of Changes in Equity for the nine months ended 31<sup>st</sup>December 2023 along with year ended 31 March 2023 and 31 March 2022 and 31 March 2021, the Summary statement of Significant Accounting Policies and Notes to Restated Financial Information (collectively, the ' Restated Financial Statements' or 'Statements').

- c) The Restated Financial Statements have been compiled from:
- a. Audited Special Purpose Interim Financial Statements of the company as at and for the nine months period ended 31<sup>st</sup>December 2023 and the year ended 31<sup>st</sup> March 2023 prepared in accordance with the Indian Accounting Standard 34 “Interim Financial Reporting” (referred to as ‘Ind AS’) as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other recognized accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on **April 15, 2024**.
  - b. Audited Special Purpose Financial Statements of the Company as at and for the year ended 31 March 2023, 31 March 2022 and 31 March 2021 prepared in accordance with the Indian Accounting Standards (‘Ind AS’) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, to the extent applicable, and the presentation requirements of the Companies Act, 2013 which have been approved by the Board of Directors at their meeting held on **June 02, 2024**.

The financial statement for the period ended 31<sup>st</sup> December 2023 is the first set of Financial Statements prepared in accordance with the requirements of IND AS 101 - First time adoption of Indian Accounting Standards. Accordingly, the transition date to IND AS is 01 April 2023. Upto the Financial year ended March 31, 2023; the Company prepared its financial statements in accordance with accounting standards notified under the Section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (“Indian GAAP” or “Previous GAAP”) due to which the Special purpose Ind AS financial statements were prepared for the purpose of Initial Public Offer (IPO).

The Special purpose Ind AS Financial Statements as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS (April 01, 2023) and as per the presentation, accounting policies and grouping/classifications including revised Schedule III disclosures followed as at and for the nine months period ended December 31, 2023.

- d) In pursuance to ICDR Regulations, the Company is required to provide Financial Statements (FS) prepared in accordance with Indian Accounting Standard (Ind AS) for all the three years and the stub period (if applicable) audited and certified by the statutory auditor(s) who holds a valid certificate by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI). To comply with such requirements, the company has prepared special purpose Ind AS financial statements for the financial years ending March 31, 2023, March 31, 2022 and March 31, 2021. The special purpose Ind AS financial statements with required restatement have been included in the restated financial statements prepared for the purpose of filing the DRHP.
- e) The Restated Financial Statements have been prepared to contain information/disclosures and incorporating adjustments set out below in accordance with the ICDR Regulations:-
  - (i) Adjustments to the profits or losses of the earlier periods for the changes in accounting policies if any to reflect what the profits or losses of those periods would have been if a uniform accounting policy was followed in each of these periods and of material errors, if any;
  - (ii) Adjustments for reclassification/regroupings of the corresponding items of income, expenses, assets and liabilities retrospectively in the years ended March 31, 2023, March 31, 2022 and March 31, 2021 & for the period ended December 31<sup>st</sup>2023, in order to bring them in line with the groupings as per the Restated Financial Information of the Company for the period ended December 31<sup>st</sup> 2023 and the requirements of the SEBI Regulations, if any; and
- f) Historical cost convention  
The Restated Financial Statements have been prepared on a historical cost basis
- g) The Restated Financial Statements are presented in Indian Rupees (‘INR’) and all values are rounded

to nearest millions (INR '000,000) upto two decimal places, except when otherwise indicated.

(ii) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and deferred tax liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(iii) Property, plant and equipment

Property, Plant and equipment including capital work in progress are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of input tax credit availed wherever applicable. Subsequent costs are included in asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Company and the cost of item can be measured reliably. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their respective useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on property, plant and equipment is provided on prorata basis on written-down value method using the useful lives of the assets estimated by management and in the manner prescribed in Schedule II of the Companies Act 2013 along with residual value 5 %

The useful life is as follows:

<b>Assets</b>	<b>Useful life (inyears) As per schedule II.</b>	<b>Estimated usefullife by co. (inyears)*</b>
Land	Nil	Nil
Building	30-60	30
Plant and machinery	15	15
Furniture and fixtures	10	10
Vehicles	8-10	8
Office equipment	5	5-10
Computers and servers	3-6	3
Electrical Equipments	10	5
AC fan and Stabilizers	10	10
Intangible Asset	3-10	10

\*Based on Internal assessment the management believes that the useful life given above bestrepresent the period over which management expects to use these assets

#### **Transition to Ind AS**

For transition to IndAS framework, the Company has elected to continue with the carrying value of all of its PPE recognised as of April 01, 2020 after taking effect of change in life of assets retrospectively as its deemed cost as on the date of transition.

#### (iv) Intangible assets

##### **Separately acquired intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Intangible asset is recognised when it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. New product development expenditure, software licences, technical knowhow fee, etc. are recognised as intangible assets upon completion of development and being considered fit for commercial use.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets are disposed off.

Intangible assets with finite useful life are amortized on a written down value basis over the estimated useful economic life of 10 years, which represents the period over which the Company expects to derive economic benefits from the use of the assets.

Intangible Assets under development includes cost of intangible assets under development as at the balance sheet date.

The Company was under the development of Software named Train Collision Avoidance Software (TCAS) since 2021 and all the expenses specifically attributable to the development of such software was capitalized as Capital Work in progress.

On 18.10.2023, the Company has received approval from Research Designs and Standards Organisation (RDSO) to conduct Type Testing of KAVACH equipment developed by the Company. Based on the said approval, the Company proceeded with the lab test of the KAVACH equipment developed by it, signifying final step towards approval of the combined product (hardware and software) developed and deemed approval for the software developed by the Company for TCAS. On the basis of such approval received from RDSO, the product development phase for TCAS software is deemed to be completed and fit for commercial use, subject to other approvals for complete KAVACH equipment by RDSO. Accordingly, the expenses made after 18.10.2023 towards such TCAS software and KAVACH equipment has been accounted for as revenue expenditure in the profit and Loss Account and all the expenses incurred prior to 18.10.2023 has been capitalized along with the opening capital WIP as 'Intangible Asset'.

#### **Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all the items of intangible assets recognized as at 1 April 2023, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

#### (v) Impairment of non- financial Assets

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for the which there are separately identifiable cash inflows which largely independent of the cash inflows from other assets or group of assets (cash generating units). Non - financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

#### (vi) Compound financial instruments

Compound financial instruments are separated into liability and equity components based on the terms of the contract. On issuance of compound financial instruments, the fair value of the liability component is determined using a market rate for an equivalent instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction cost) until it is extinguished on redemption/ conversion.

#### (vii) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### a) Financial Assets

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- Those measured at amortized cost

The classification depends on entity's business model for managing the financial assets and the contractual terms of the cash flow.

#### Initial recognition and measurement

All financial assets (not recorded at fair value through profit or loss) are recognized initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Transaction cost of financial assets carried at fair value through profit or loss are expensed in profit or loss.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- Debt instruments at fair value through profit and loss (FVTPL)
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments at amortized cost
- Equity instruments

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognized in other comprehensive income (i.e. fair value through other comprehensive income). For investment in debt instruments, this will depend on the business model in which the investment is held. For investment in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for equity instruments at FVTOCI.

#### Debt instruments at amortized cost

A Debt instrument is measured at amortized cost if both the following conditions are met:

- a) **Business Model Test:** The objective is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).
- b) **Cash flow characteristics test:** The contractual terms of the Debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

This category is most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The EIR amortization is included in other income in profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

#### Debt instruments at fair value through OCI

A Debt instrument is measured at fair value through other comprehensive income if following criteria are met:

- a) **Business Model Test :** The objective of financial instrument is achieved by both collecting contractual cash flows and for selling financial assets.
- b) **Cash flow characteristics test:** The contractual terms of the Debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI), except for the recognition of interest income, impairment gains or losses and foreign exchange gains or losses which are recognized in statement of profit and loss. On derecognition of asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to statement of profit & loss. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.



#### Debt instruments at FVTPL

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for amortized cost or FVTOCI, is classified as at FVTPL. A gain or loss on a Debt instrument that is subsequently measured at FVTPL and is not a part of a hedging relationship is recognized in statement of profit or loss and presented net in the statement of profit and loss within other gains or losses in the period in which it arises. Interest income from these Debt instruments is included in other income.

#### Equity investments of other entities

All equity investments in scope of IND AS 109 are measured at fair value. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income all subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and loss.

#### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either:
  - (a) the Company has transferred the rights to receive cash flows from the financial assets or
  - (b) the Company has retained the contractual right to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all the risks and rewards of the ownership of the financial assets. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all the risks and rewards of the ownership of the financial assets, the financial asset is not derecognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

#### Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure

- Financial assets measured at amortized cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI);

The Company follows "simplified approach" for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables;

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every

reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12- months ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases

- (a) when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- (b) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss.

The balance sheet presentation for various financial instruments is described below:-

- (a) **Financial assets measured as at amortized cost:** ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
  - (b) **Debt instruments measured at FVTOCI:** For debt instruments measured at FVTOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the asset was measured at amortised cost is recognised in other comprehensive income as the "accumulated impairment amount".
- b) Financial liabilities:

#### **Initial recognition and measurement**

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, and payables, net of directly attributable transaction costs. the Company financial liabilities include loans and borrowings including bank overdraft, trade payables, trade deposits, retention money, liabilities towards services and other payables.

#### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

#### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the

purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in a hedge relationship as defined

by Ind AS 109. The separated embedded derivative are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

#### Trade Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using Effective interest rate method.

#### Loans and borrowings

Borrowings are initially recognized at fair value, net of transaction cost incurred. After initial recognition, interest-bearing borrowings are subsequently measured at amortized cost using the Effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognised as well as through the Effective interest rate amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective interest rate. The Effective interest rate amortization is included as finance costs in the statement of profit and loss.

Borrowing are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

#### Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

#### Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

#### Reclassification of financial assets/ financial liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or

ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

(viii) Inventories

(a) Basis of Valuation:

Inventories are valued at lower of cost and net realizable value after providing cost of obsolescence, if any. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by-item basis.

(b) Method of Valuation:

(i) **Cost of raw materials and components** has been determined by using FIFO method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

(ii) **Cost of finished goods and work-in-progress** includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

(iii) **Net realizable value** is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(ix) Taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity, respectively.

Current tax:

Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

The Company's management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax:

Deferred income tax is recognized using the balance sheet approach. Deferred tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements.

Deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(x) i) Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company collects Goods and Service Tax on behalf of government, and therefore, these are not consideration to which the Company is entitled, hence, these are excluded from revenue. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

a) Revenue from sale of goods

Revenue from the sale of goods is recognised at the point in time when control of the assets is transferred to the customer, generally on delivery of the goods.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

b) Revenue from sale of services

Revenue from sale of services is recognised over a period of time because the customer simultaneously receives and consumes the benefits provided by the Company and accounted revenue as and when services are rendered and there are no unfulfilled obligation.

c) Consideration of significant financing component in a contract

The Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

d) Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within one year and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value.

e) Contract Assets

A contract asset is the entity's right to consideration in exchange for goods or services that the entity has transferred to the customer. A contract asset becomes a receivable when the entity's right to consideration is unconditional, which is the case when only the passage of time is required before payment of the consideration is due. The impairment of contract assets is measured, presented and disclosed on the same basis as trade receivables.

f) Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If

a customer pays consideration before the Company transfers goods or services to the customer, contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

**g) Impairment**

An impairment is recognised to the extent that the carrying amount of receivable or asset relating to contracts with customers (a) the remaining amount of consideration that the Company expects to receive in exchange for the goods or services to which such asset relates; less (b) the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

**ii) Other Income Interest Income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis by reference to the principal outstanding and effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss.

**(xi) Employee benefits**

**(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related

service are recognized in respect of employee service upto the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. Corresponding liabilities are presented as current employee benefit obligations in the balance sheet.

Accumulated leaves, which are expected to be utilised within the next twelve months, is treated as short-term employee benefits. The company measured the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The company recognises the expected cost of short-term employee benefit as an expense, when an employee renders the related services.

The Company presents the leave encashment as a current liability in the balance sheet to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

**(ii) Defined Contribution Plan**

The Company makes defined contribution to Employees Provident Fund Organization (EPFO), Pension Fund and Employees State Insurance (ESI), which are accounted on accrual basis as expenses in the statement of Profit and Loss in the period during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in future payments is available.

**(iii) Defined Benefit Plan**

Retirement benefit in the form of Gratuity is considered as defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is determined by actuarial valuation as on the balance sheet date, using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (excluding

amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- (i) The date of the plan amendment or curtailment, and
- (ii) The date that the Company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- (i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- (ii) Net interest expense or income

(xii) Leases

**Where the Company is lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(xiii) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

(xiv) Borrowing Costs

Borrowing cost includes interest and other costs incurred in connection with the borrowing of funds and charged to Statement of Profit & Loss on the basis of effective interest rate (EIR) method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. Capitalization of Borrowing Cost is suspended and charged to the statement of profit and loss during extended periods when active development activity on the qualifying asset is interrupted. All other borrowing costs are recognized as expense in the period in which they occur.

(xv) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposit held at call with financial institutions, other short - term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(xvi) Foreign currencies

**(i) Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Company's financial statements are presented in Indian rupee (INR) which is also the Company's functional and presentation currency.

**(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transaction and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are generally recognised in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

**Exchange differences**

Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the period in which they arise with the exception of exchange differences on gain or loss arising on translation of non-monetary items measured at fair value which is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

(xvii) Provisions and Contingent Liabilities Provisions

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

**Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

**Contingent assets**

Contingent assets are not recognized in the financial statements. Contingent assets are disclosed in the financial statements to the extent it is probable that economic benefits will flow to the Company from such assets.



Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

(xviii) Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non- financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1-** Quoted(unadjusted) market prices in active markets for identical assets or liabilities

**Level 2-** Valuation techniques for which the lowest level input that is significant to the fair valuemasurement is directly or indirectly observable

**Level 3-** Valuation techniques for which the lowest level input that is significant to the fair valuemasurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(xix) Exceptional items

Items which are material by virtue of their size and nature are disclosed separately as exceptional items to ensure that financial statements allows an understanding of the underlying performance of the business in the year and to facilitate comparison with prior year.

(xx) Statement of cash flows

Statements of cash flows is made using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferral accruals of past or future cash receipts or payments and item of income or expense associated with investing or financing of cash flows. The cash flows from operating, financing and investing activities of the Company are segregated.

(xxi) Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the Financial Statements.

- i. Recognition of deferred taxes  
The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.
- ii. Impairment of Financial assets  
The impairment provisions of financial assets are based on assumptions about the risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.
- iii. Recognition of revenue  
The price charged from the customer is treated as standalone selling price of the goods transferred to the customer. At each balance sheet date, basis the past trends and management judgment, the Company assesses the requirement of recognising provision against the sales returns for its products and in case, such provision is considered necessary, the management make adjustment in the revenue. However, the actual future outcome may be different from this judgement.
- iv. Impairment of non-financial assets  
The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less cost of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.  
In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

(xxii) Company Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

b) **Gratuity benefit**

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long-term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics. These assumptions translate into an average life expectancy in years at retirement age. Future salary increases and pension increases are based on expected future inflation rates.

c) Fair value measurement of financial instrument

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

d) Property, plant and equipment and intangible assets

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. For management's estimates on useful life of assets refer note 2.03 and note 2.04

**Annexure V- Notes to Restated financial Information**  
**(All amounts in Indian Rupees in Millions, unless otherwise stated)**

**NOTE NO. - 1 PROPERTY, PLANT AND EQUIPMENT**

<b>Particulars</b>	<b>Freehold Land</b>	<b>Freehold Buildings</b>	<b>Plant and Machinery - Main</b>	<b>Furniture and fixtures</b>	<b>Vehicles</b>	<b>Office equipments</b>	<b>Computer</b>	<b>Plant &amp; Machinery - Other</b>	<b>Total</b>
<b>Period ended December 31, 2023</b>									
<b>GROSS CARRYING AMOUNT</b>									
Opening Gross Carrying Amount	13.13	104.61	240.38	5.32	3.81	10.99	7.10	0.16	385.49
Exchange Difference									
Additions/Revaluation	-	-	9.66	0.09	0.20	0.38	1.01	-	11.34
Assets included in a disposal group for sale									
Disposals/Adjustment			4.64		0.38				5.02
<b>Closing Gross Carrying Amount</b>	<b>13.13</b>	<b>104.61</b>	<b>245.40</b>	<b>5.40</b>	<b>3.64</b>	<b>11.37</b>	<b>8.10</b>	<b>0.16</b>	<b>391.81</b>
<b>ACCUMULATED DEPRECIATION</b>									
Opening Accumulated Depreciation	-	32.21	128.03	2.24	0.62	7.61	5.60	0.15	176.45
Depreciation charged during the year		5.16	16.24	0.61	0.77	1.01	1.03	0.00	24.83
Assets included in a disposal group for sale									-
Exchange Difference									
Disposals/Adjustments			3.78	-	0.32	-	-		4.10
<b>Closing Accumulated Depreciation</b>	<b>-</b>	<b>37.37</b>	<b>140.50</b>	<b>2.85</b>	<b>1.06</b>	<b>8.62</b>	<b>6.62</b>	<b>0.15</b>	<b>197.17</b>
<b>Net Carrying Amount</b>	<b>13.13</b>	<b>67.24</b>	<b>104.90</b>	<b>2.55</b>	<b>2.57</b>	<b>2.75</b>	<b>1.48</b>	<b>0.01</b>	<b>194.64</b>
<b>Period ended March 31, 2023</b>									
<b>GROSS CARRYING AMOUNT</b>									
Opening Gross Carrying Amount	13.13	103.41	196.43	4.97	0.38	10.02	6.60	0.16	335.09
Exchange Difference	-	-	-	-	-	-	-	-	-
Additions	-	1.20	43.95	0.35	3.43	0.97	0.50	-	50.40
Assets included in a disposal group for sale	-	-	-	-	-	-	-	-	-
Disposals/Adjustment	-	-	-	-	-	-	-	-	-
<b>Closing Gross Carrying Amount</b>	<b>13.13</b>	<b>104.61</b>	<b>240.38</b>	<b>5.32</b>	<b>3.81</b>	<b>10.99</b>	<b>7.10</b>	<b>0.16</b>	<b>385.49</b>
<b>ACCUMULATED DEPRECIATION</b>									
Opening Accumulated Depreciation	-	24.66	104.11	1.24	0.30	5.72	3.21	0.14	139.37

Particulars	Freehold Land	Freehold Buildings	Plant and Machinery - Main	Furniture and fixtures	Vehicles	Office equipments	Computer	Plant & Machinery - Other	Total
Depreciation charged during the year	-	7.55	23.92	1.00	0.32	1.89	2.39	0.01	37.08
Assets included in a disposal group for sale	-	-	-	-	-	-	-	-	-
Exchange Difference	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	-	-	-	-	-
<b>Closing Accumulated Depreciation</b>	-	32.21	128.03	2.24	0.62	7.61	5.60	0.15	176.45
<b>Net Carrying Amount</b>	<b>13.13</b>	<b>72.40</b>	<b>112.35</b>	<b>3.08</b>	<b>3.19</b>	<b>3.38</b>	<b>1.50</b>	<b>0.01</b>	<b>209.04</b>
<b>Year ended March 31,2022</b>									
<b>GROSS CARRYING AMOUNT</b>									
Opening Gross Carrying Amount	13.13	75.09	190.15	2.34	0.38	7.72	2.83	0.16	291.79
Exchange Difference	-	-	-	-	-	-	-	-	-
Additions	-	28.32	6.29	2.63	-	2.30	3.77	-	43.31
Assets included in a disposal group for sale	-	-	-	-	-	-	-	-	-
Disposals/Adjustment	-	-	-	-	-	-	-	-	-
<b>Closing Gross Carrying Amount</b>	<b>13.13</b>	<b>103.41</b>	<b>196.43</b>	<b>4.97</b>	<b>0.38</b>	<b>10.02</b>	<b>6.60</b>	<b>0.16</b>	<b>335.09</b>
<b>ACCUMULATED DEPRECIATION</b>									
Opening Accumulated Depreciation	-	17.57	84.02	0.48	0.27	3.73	1.22	0.13	107.41
Depreciation charged during the year	-	7.09	20.09	0.75	0.03	1.99	1.98	0.01	31.96
Assets included in a disposal group for sale	-	-	-	-	-	-	-	-	-
Exchange Difference	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	-	-	-	-	-
<b>Closing Accumulated Depreciation</b>	-	24.66	104.11	1.24	0.30	5.72	3.21	0.14	139.37
<b>Net Carrying Amount</b>	<b>13.13</b>	<b>78.75</b>	<b>92.32</b>	<b>3.73</b>	<b>0.08</b>	<b>4.29</b>	<b>3.39</b>	<b>0.02</b>	<b>195.72</b>
<b>Year ended March 31,2021</b>									
<b>GROSS CARRYING AMOUNT</b>									
Opening Gross Carrying Amount	11.67	63.30	184.90	0.92	0.38	4.95	1.19	0.16	267.46
Exchange Difference	-	-	-	-	-	-	-	-	-
Additions	1.46	11.79	5.57	1.43	-	2.76	1.64	-	24.66
Assets included in a disposal group for sale	-	-	-	-	-	-	-	-	-
Disposals/Adjustment	-	-	0.33	-	-	-	-	-	0.33
<b>Closing Gross Carrying Amount</b>	<b>13.13</b>	<b>75.09</b>	<b>190.15</b>	<b>2.34</b>	<b>0.38</b>	<b>7.72</b>	<b>2.83</b>	<b>0.16</b>	<b>91.79</b>
<b>ACCUMULATED DEPRECIATION</b>									

Particulars	Freehold Land	Freehold Buildings	Plant and Machinery - Main	Furniture and fixtures	Vehicles	Office equipments	Computer	Plant & Machinery - Other	Total
Opening Accumulated Depreciation	-	12.66	60.84	0.31	0.21	1.96	0.88	0.10	76.96
Depreciation charged during the year	-	4.91	23.30	0.18	0.05	1.78	0.34	0.03	30.57
Assets included in a disposal group for sale	-	-	-	-	-	-	-	-	-
Exchange Difference	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	0.12	-	-	-	-	-	0.12
<b>Closing Accumulated Depreciation</b>	-	17.57	84.02	0.48	0.27	3.73	1.22	0.13	107.41
<b>Net Carrying Amount</b>	<b>13.13</b>	<b>57.52</b>	<b>106.13</b>	<b>1.86</b>	<b>0.11</b>	<b>3.99</b>	<b>1.61</b>	<b>0.03</b>	184.37

\* Title deeds of immovable properties are held in the name of the Company.

5(i). There are no adjustments to Property, Plant and Equipment on account of borrowing costs and exchange differences.

5(ii) Accumulated Depreciation and net carrying Value as at 1st April 2020 is recognised on the basis of useful life of asset which has been changed during the restatement of financials for the proper presentation of Financial Statements and the difference arises due to such change is adjusted in Reserve and Suplus as at 1st April 2020

**Note No. 1.1 - Capital Work in Progress - Tangible Assets**

All Amt in INR Millions, Unless otherwise Stated

Particulars	Amount
<b>Balance as of March 31, 2020</b>	-
Addition during the year	21.17
Transferred to property plant and equipment	-
<b>Balance as of March 31, 2021</b>	21.17
Addition during the year	3.18
Transferred to property plant and equipment	-
<b>Balance as of March 31, 2022</b>	24.35
Addition during the year	-
Transferred to property plant and equipment	24.35
<b>Balance as of March 31, 2023</b>	-
Addition during the year	-
Transferred to property plant and equipment	-
<b>Balance as of December 31, 2023</b>	-

**Capital work-in-progress ageing schedule**

As at December 31, 2023	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	-	-	-	-	-
As at March 31, 2023	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	-	-	-	-	-
As at March 31, 2022	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	3.18	21.17	-	-	24.35
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	3.18	21.17	-	-	24.35

As at March 31, 2021	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	21.17	-	-	-	21.17
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>21.17</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21.17</b>



**Annexure V- Notes to Restated financial Information**  
**(All amounts in Indian Rupees in Millions, unless otherwise stated)**

**NOTE NO. - 1.2 INTANGIBLE ASSETS**

Particulars	Owned Assets			
	Software	Intangible Asset Under Development	Intangible Asset	Total
<b>Year ended December 31, 2023</b>				
<b>GROSS CARRYING AMOUNT</b>				
Opening Gross Carrying Amount	0.13	484.49		484.63
Additions		109.92	594.41	704.33
Disposals/Adjustment		594.41		594.41
<b>Closing Gross Carrying Amount</b>	<b>0.13</b>	<b>-</b>	<b>594.41</b>	<b>594.54</b>
<b>ACCUMULATED DEPRECIATION</b>				
Opening Accumulated Depreciation	0.13			0.13
Depreciation charged during the year			31.20	31.20
Disposals/Adjustments				
<b>Closing Accumulated Depreciation</b>	<b>0.13</b>	<b>-</b>	<b>31.20</b>	<b>31.32</b>
<b>Net Carrying Amount</b>	<b>0.01</b>	<b>-</b>	<b>563.22</b>	<b>563.22</b>
<b>Year ended March 31,2023</b>				
<b>GROSS CARRYING AMOUNT</b>				
Opening Gross Carrying Amount	0.13	310.24		310.38
Additions		174.25		
Disposals/Adjustment				
<b>Closing Gross Carrying Amount</b>	<b>0.13</b>	<b>484.49</b>		<b>484.63</b>
<b>ACCUMULATED DEPRECIATION</b>				
Opening Accumulated Depreciation	0.13			0.13
Depreciation charged during the year				
Disposals/Adjustments				
<b>Closing Accumulated Depreciation</b>	<b>0.13</b>	<b>-</b>		<b>0.13</b>
<b>Net Carrying Amount</b>	<b>0.01</b>	<b>484.49</b>		<b>484.50</b>
<b>Year ended March 31,2022</b>				
<b>GROSS CARRYING AMOUNT</b>				
Opening Gross Carrying Amount	0.13	38.91		39.04
Additions	-	271.34		271.34
Disposals/Adjustment	-			0.00
<b>Closing Gross Carrying Amount</b>	<b>0.13</b>	<b>310.24</b>		<b>310.38</b>
<b>ACCUMULATED DEPRECIATION</b>				
Opening Accumulated Depreciation	0.13			0.13
Depreciation charged during the year	-			0.00
Disposals/Adjustments	-			0.00
<b>Closing Accumulated Depreciation</b>	<b>0.13</b>	<b>-</b>		<b>0.13</b>
<b>Net Carrying Amount</b>	<b>0.01</b>	<b>310.24</b>		<b>310.25</b>
<b>Year ended March 31,2021</b>				
<b>GROSS CARRYING AMOUNT</b>				
Opening Gross Carrying Amount	0.13	0		0.13
Additions	-	38.91		38.91
Disposals/Adjustment	-	0		0.00
<b>Closing Gross Carrying Amount</b>	<b>0.13</b>	<b>38.91</b>		<b>39.04</b>
<b>ACCUMULATED DEPRECIATION</b>				
				0.00

Particulars	Owned Assets			Total
	Software	Intangible Asset Under Development	Intangible Asset	
Opening Accumulated Depreciation	0.05	0	0	0.05
Depreciation charged during the year	0.07	0	0	0.07
Disposals/Adjustments	-	0	0	0.00
<b>Closing Accumulated Depreciation</b>	<b>0.13</b>	-	-	<b>0.13</b>
<b>Net Carrying Amount</b>	<b>0.01</b>	<b>38.91</b>	<b>38.91</b>	<b>38.91</b>

#### Intangible Assets under development ageing schedule

As on Dec 31, 2023	Amount of Intangible Assets under development for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	109.92	174.25	271.34	38.91	<b>594.41</b>
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>109.92</b>	<b>174.25</b>	<b>271.34</b>	<b>38.91</b>	<b>594.41</b>

As on March 31, 2023	Amount of Intangible Assets under development for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	174.25	271.34	38.91	-	<b>484.49</b>
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>174.25</b>	<b>271.34</b>	<b>38.91</b>	-	<b>484.49</b>

As on March 31, 2022	Amount of Intangible Assets under development for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	271.34	38.91	-	-	<b>310.24</b>
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>271.34</b>	<b>38.91</b>	-	-	<b>310.24</b>

As on March 31, 2021	Amount of Intangible Assets under development for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	38.91	-	-	-	<b>38.91</b>
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>38.91</b>	-	-	-	<b>38.91</b>

<b>Note 2</b>	<b>All Amount in INR Millions, Unless otherwise stated</b>			
<b>OTHER FINANCIAL ASSETS</b>	<b>As at 31.12.2023</b>	<b>As at 31.03.2023</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
Security Deposits				
<i>Unsecured, Considered good</i>	1.54	5.11	1.70	2.14
	<b>1.54</b>	<b>5.11</b>	<b>1.70</b>	<b>2.14</b>

<b>Note 3</b>	<b>All Amount in INR Millions, Unless otherwise stated</b>			
<b>DEFERRED TAX ASSETS (NET)</b>	<b>As at 31.12.2023</b>	<b>As at 31.03.2023</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
<b>Particulars</b>				
Opening Balance for Deferred tax liabilities	2.58	1.76	1.30	-
Add/Less: Deferred Tax Assets/(Liabilities) for the year	0.30	0.83	0.46	1.30
<b>DEFERRED TAX ASSETS/(LIABILITY) - Refer Note 1</b>	<b>2.88</b>	<b>2.58</b>	<b>1.76</b>	<b>1.30</b>
Opening Balance for Deferred tax Assets	-	-	-	-
Add/Less: Deferred Tax Assets/(Liabilities) for the year	-	-	-	-
<b>DEFERRED TAX ASSETS - Refer Note 2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net amount charged to Statement of Profit and Loss</b>	<b>2.88</b>	<b>2.58</b>	<b>1.76</b>	<b>1.30</b>
<b>Deferred tax Assets (net)</b>	<b>2.88</b>	<b>2.58</b>	<b>1.76</b>	<b>1.30</b>
Note -				
1. Deferred tax assets have been recognized to the extent of available and reasonable certainty of future taxable profits which will be available against which temporary differences can be utilised.				

<b>Note 4</b>	<b>All Amount in INR Millions, Unless otherwise stated</b>			
<b>INVENTORIES</b>	<b>As at 31.12.2023</b>	<b>As at 31.03.2023</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
<b>At lower of cost and net realisable value</b>				
Raw material	53.48	45.74	28.58	22.62
Work-in -progress	23.51	99.05	195.47	84.28
Finished Goods	183.98	41.74	19.29	45.81
	<b>260.97</b>	<b>186.53</b>	<b>243.34</b>	<b>152.71</b>

<b>Note 5</b>	<b>All Amount in INR Millions, Unless otherwise stated</b>			
<b>TRADE RECEIVABLE</b>	<b>As at 31.12.2023</b>	<b>As at 31.03.2023</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
(a) Trade Receivables considered good- secured		-	-	-
(b) Trade Receivables Unsecured & considered good				
Debts outstanding for a period not exceeding six months	210.58	231.43	202.21	165.58
6 months – 1 year	2.14	0.91	59.54	0.35
1-2 years	0.51	0.05	6.36	2.83
2-3 years	0.02	-	-	-
More than 3 years	0.29	0.29	-	-
(c) Trade Receivables Unsecured and doubtful				
Less : Loss Allowance	(0.41)	(0.10)	-	-
<b>Total</b>	<b>213.13</b>	<b>232.59</b>	<b>268.11</b>	<b>168.76</b>
Non Current				
Secured, Considered Good				
Unsecured Considered Good	27.48	12.22	-	-
Doubtful	-	-	-	-
<b>Total</b>	<b>27.48</b>	<b>12.22</b>	<b>-</b>	<b>-</b>
<b>Further classified as:</b>				
Receivable from related parties	41.53	21.83	21.89	45.02
Receivable from others	171.60	210.76	246.22	123.75
<b>Total</b>	<b>213.13</b>	<b>232.59</b>	<b>268.11</b>	<b>168.76</b>

<b>Note 6</b>	<b>All Amount in INR Millions, Unless otherwise stated</b>			
<b><u>CASH AND CASH EQUIVALENTS</u></b>	<b>As at 31.12.2023</b>	<b>As at 31.03.2023</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
Cash on hand ;				
In Domestic Currency	0.70	0.63	0.21	0.49
Balances with banks				
On Current Account	1.37	1.37	0.60	0.70
<b>Total</b>	<b>2.07</b>	<b>2.00</b>	<b>0.81</b>	<b>1.19</b>

<b>Note 7</b>	<b>All Amount in INR Millions, Unless otherwise stated</b>			
<b><u>BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT</u></b>	<b>As at 31.12.2023</b>	<b>As at 31.03.2023</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
In Fixed deposit with maturity for less than 12 months from balance sheet date	4.53	3.33	1.72	1.20
	<b>4.53</b>	<b>3.33</b>	<b>1.72</b>	<b>1.20</b>



<b>Note 8</b>	<b>All Amount in INR Millions, Unless otherwise stated</b>			
<b>OTHER CURRENT FINANCIAL ASSETS</b>	<b>As at 31.12.2023</b>	<b>As at 31.03.2023</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
Security deposits	1.77	1.77	1.72	3.11
<i>Unsecured, considered good</i>				
Other receivables (unsecured, considered good)				
Earnest Money(Railway)	3.24	0.84	0.84	1.72
Advance to Employees	0.11	0.45	-	0.04
Imprest Accounts	0.92	-	-	0.31
	<b>6.05</b>	<b>3.07</b>	<b>2.56</b>	<b>5.17</b>

<b>Note 9</b>	<b>All Amount in INR Millions, Unless otherwise stated</b>			
<b><u>CURRENT TAX ASSETS</u></b>	<b>As at 31.12.2023</b>	<b>As at 31.03.2023</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
TDS/TCS recoverable	0.94	2.16	0.15	0.29
Income Tax Assets (Refund Due)	-	3.90	3.90	3.90
	<b>0.94</b>	<b>6.06</b>	<b>4.05</b>	<b>4.19</b>

<b>Note 10</b>	<b>All Amount in INR Millions, Unless otherwise stated</b>			
<b><u>OTHER CURRENT ASSETS</u></b>	<b>As at 31.12.2023</b>	<b>As at 31.03.2023</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
Advance to Suppliers	19.39	21.71	27.06	5.18
Balances with Revenue Authorities	30.70	19.03	39.39	0.64
Prepaid Expenses	1.18	0.43	0.48	-
Goods In Transit	-	-	6.35	-
Other Current Assets	-	-	0.01	-
	<b>51.27</b>	<b>41.16</b>	<b>73.29</b>	<b>5.81</b>

<b>Note 11</b>	<b>All Amount in INR Millions, Unless otherwise stated</b>			
<b>SHARE CAPITAL :</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>31.12.2023</b>	<b>31.03.2023</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
<b>Authorised* :</b>				
10,000,000 Equity Shares of Rs.10/- each	100.00	100.00	100.00	100.00
	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
Issued, subscribed and fully paid				
10,000,000 Equity Shares of Rs.10/- each fully paid up	100.00	100.00	100.00	100.00
	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
<b>Reconciliation of number of equity shares :</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>31.12.2023</b>	<b>31.03.2023</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
Face value per share (Rs.)	10.00	10.00	10.00	10.00
Number of Equity Shares outstanding at the beginning of the reporting period	10.00	10.00	10.00	10.00
No. of Equity Shares issued during the year	-	-	-	-
	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>
Less : Deduction during the year	-	-	-	-
Number of Equity Shares outstanding at the end of the reporting period	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>
Name of the shareholders holding more than 5% shares in the company	<b>As at 31.12.2023</b>			
<b>Name of shareholder</b>	<b>Class</b>	<b>No. of shares</b>	<b>%</b>	
Rupinder Singh	Equity	1900000	19.00	
Amrit Singh Randhawa	Equity	1350000	13.50	
Rajbir Singh Randhawa	Equity	600000	6.00	
Vivek Abrol	Equity	775000	7.75	
Vishesh Abrol	Equity	775000	7.75	
Aikjot Singh	Equity	500000	5.00	
Amit Dhawan	Equity	1250000	12.50	
Mohit Vohra	Equity	1250000	12.50	
Mohan Krishan Abrol	Equity	850000	8.50	
Name of the shareholders holding more than 5% shares in the company	<b>As at 31.03.2023</b>			
<b>Name of shareholder</b>	<b>Class</b>	<b>No. of shares</b>	<b>%</b>	
Rupinder Singh	Equity	1900000	19.00	
Amrit Singh Randhawa	Equity	1350000	13.50	
Rajbir Singh Randhawa	Equity	600000	6.00	
Vivek Abrol	Equity	775000	7.75	
Vishesh Abrol	Equity	775000	7.75	
Aikjot Singh	Equity	500000	5.00	
Amit Dhawan	Equity	1250000	12.50	
Mohit Vohra	Equity	1250000	12.50	
Mohan Krishan Abrol	Equity	850000	8.50	
Name of the shareholders holding more than 5% shares in the company	<b>As at 31.03.2022</b>			
<b>Name of shareholder</b>	<b>Class</b>	<b>No. of shares</b>	<b>%</b>	
Rupinder Singh	Equity	1900000	19.00	
Amrit Singh Randhawa	Equity	1350000	13.50	
Rajbir Singh Randhawa	Equity	600000	6.00	
Vivek Abrol	Equity	775000	7.75	
Vishesh Abrol	Equity	775000	7.75	
Aikjot Singh	Equity	500000	5.00	

Amit Dhawan	Equity	1250000	12.50
Mohit Vohra	Equity	1250000	12.50
Mohan Krishan Abrol	Equity	850000	8.50
Name of the shareholders holding more than 5% shares in the company		<b>As at 31.03.2021</b>	
<b>Name of shareholder</b>	<b>Class</b>	<b>No. of shares</b>	<b>%</b>
Rupinder Singh	Equity	1900000	19.00
Amrit Singh Randhawa	Equity	1350000	13.50
Rajbir Singh Randhawa	Equity	600000	6.00
Vivek Abrol	Equity	775000	7.75
Vishesh Abrol	Equity	775000	7.75
Aikjot Singh	Equity	500000	5.00
Amit Dhawan	Equity	1250000	12.50
Mohit Vohra	Equity	1250000	12.50
Mohan Krishan Abrol	Equity	850000	8.50

**Terms / Rights attached to equity shares**

a) The Company has a single class of Equity Shares having a par value of INR10 per share (Previous Year INR 10 per share). The Company has not allotted any shares pursuant to contract without payment being received in cash. Each holder of equity shares is entitled to one vote per share. There are no call unpaid on equity shares. No shares have been reserved for issue on option. No equity shares have been forfeited.

b) The Company has not declares any dividend during the period.

c) In the event of liquidation of the company, the holders of equity share will be eligible to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**Shareholding of Promoters at the end of the year**

**As at 31.12.2023**

Promoter Name	No. of Shares	% of Total Share	% Change during the year
Rupinder Singh	19,00,000.00	19.00	0
Amrit Singh Randhawa	13,50,000.00	13.50	0
Rajbir Singh Randhawa	6,00,000.00	6.00	0
Vivek Abrol	7,75,000.00	7.75	0
Vishesh Abrol	7,75,000.00	7.75	0
Amit Dhawan	12,50,000.00	12.50	0
Mohit Vohra	12,50,000.00	12.50	0
Aikjot Singh	5,00,000.00	5.00	0

**Shareholding of Promoters at the end of the year**

**As at 31.03.2023**

Promoter Name	No. of Shares	% of Total Share	% Change during the year
Rupinder Singh	19,00,000.00	19.00	0
Amrit Singh Randhawa	13,50,000.00	13.50	0
Rajbir Singh Randhawa	6,00,000.00	6.00	0
Vivek Abrol	7,75,000.00	7.75	0
Vishesh Abrol	7,75,000.00	7.75	0
Amit Dhawan	12,50,000.00	12.50	0
Mohit Vohra	12,50,000.00	12.50	0
Aikjot Singh	5,00,000.00	5.00	0

**Shareholding of Promoters at the end of the year**

**As at 31.03.2022**

Promoter Name	No. of Shares	% of Total Share	% Change during the year
Rupinder Singh	19,00,000.00	19.00	0

Amrit Singh Randhawa	13,50,000.00	13.50	0
Rajbir Singh Randhawa	6,00,000.00	6.00	0
Vivek Abrol	7,75,000.00	7.75	0
Vishesh Abrol	7,75,000.00	7.75	0
Amit Dhawan	12,50,000.00	12.50	0
Mohit Vohra	12,50,000.00	12.50	0
Aikjot Singh	5,00,000.00	5.00	0

**Shareholding of Promoters at the end of the year**

**As at 31.03.2021**

<b>Promoter Name</b>	<b>No. of Shares</b>	<b>% of Total Share</b>	<b>% Change during the year</b>
Rupinder Singh	19,00,000.00	19.00	0
Amrit Singh Randhawa	13,50,000.00	13.50	0
Rajbir Singh Randhawa	6,00,000.00	6.00	0
Vivek Abrol	7,75,000.00	7.75	0
Vishesh Abrol	7,75,000.00	7.75	0
Amit Dhawan	12,50,000.00	12.50	0
Mohit Vohra	12,50,000.00	12.50	0
Aikjot Singh	5,00,000.00	5.00	0

**Note 12****OTHER EQUITY.**

<b>Particulars</b>	<b>As at 31.12.2023</b>	<b>As at 31.03.2023</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
<b>1. SECURITIES PREMIUM</b>				
As per the last year accounts	-	-	-	-
Add: Addition during the year	-	-	-	-
	-	-	-	-
<b>2. RETAINED EARNINGS</b>				
As per the last year accounts	194.21	56.05	37.11	(11.07)
Add: Profit for the year	143.34	138.16	18.94	48.19
Less:- Adjustment for Previous Year	-	-	-	-
	<b>337.55</b>	<b>194.21</b>	<b>56.05</b>	<b>37.11</b>
<b>GRAND TOTAL</b>	<b>337.55</b>	<b>194.21</b>	<b>56.05</b>	<b>37.11</b>

**Note 13**

<b><u>BORROWINGS -NON CURRENT</u></b>	<b>As at 31.12.2023</b>		<b>As at 31.03.2023</b>		<b>As at 31.03.2022</b>		<b>As at 31.03.2021</b>	
:	Current	Non-Current	Current	Non-Current	Current	Non-Current	Current	Non-Current
<b><u>SECURED :</u></b>	-	-						
(a) Term Loans:								
From Bank & Financial Institution:								
HDFCBank Ltd - Term Loan	6.47	22.89	-	29.36	-	29.36	-	-
HDFCBank Ltd - Term Loan	17.86	-	17.29	13.38	16.10	30.68	5.15	46.78
HDFCBank Ltd - Term Loan	-	-	-	-	6.54	-	6.82	6.54
HDFCBank Ltd - Term Loan	15.22	1.78	14.23	13.33	12.01	27.56	13.87	39.57
HDFCBank Ltd - Term Loan	46.18	239.41	25.53	274.47	-	300.00	-	-
<b>SUB TOTAL</b>	<b>85.73</b>	<b>264.09</b>	<b>57.06</b>	<b>330.54</b>	<b>34.66</b>	<b>387.60</b>	<b>25.84</b>	<b>92.89</b>
<b><u>UNSECURED :</u></b>	-							
From Related parties								
A.S. Randhawa	-	19.50	-	19.50	-	18.00	-	8.00
Aikjot Singh	-	10.00	-	10.00	-	10.00	-	10.00
Amit Dhawan	-	23.88	-	23.88	-	22.38	-	9.88
Mohit Vohra	-	17.38	-	17.38	-	17.38	-	9.88
Rajbir Singh Randhawa	-	10.50	-	10.50	-	9.00	-	6.50
Rupinder Singh	-	30.00	-	30.00	-	47.00	-	12.00
Swinder Kaur	-	10.00	-	10.00	-	10.00	-	7.50
Vishesh Abrol	-	12.40	-	12.40	-	12.40	-	7.40
Vivek Abrol	-	24.60	-	24.60	-	24.60	-	14.60
<b>SUB TOTAL</b>		<b>158.25</b>	-	<b>158.25</b>	-	<b>170.75</b>	-	<b>85.75</b>
<b>TOTAL</b>	<b>85.73</b>	<b>422.34</b>	<b>57.06</b>	<b>488.79</b>	<b>34.66</b>	<b>558.35</b>	<b>25.84</b>	<b>178.64</b>

1) The Company has availed various credit facilities from HDFC bank in the form of CC limit of Rs. 180.00 Millions, Working capital loan of Rs. 65.00 Millions performance based BG of Rs. 100.00 Millions, Working Capital term loan of Rs. 20.00 Millions, GECL-I of Rs. 52.00 Millions and GECL-II of Rs. 29.00 Millions and a working capital term Loan of Rs. 300.00 Millions

2) All the above facilities are collaterally secured by following properties

- a) Industrial property Plot No.F 454Phase 8 Industrial Area Focal point of 11700 sq ft. valued at Rs. 120.00 Millions
- b) Residential plot 642, Phase 6 of 300 sq ft. valued at Rs. 24.98 Millions
- c) Residential Flat 602, Uniwords Garden, Sector-47 of 1670 sq.ft. valued at Rs. 20.00 Millions.
- d) Industrial plot at village Basma banur Mohali of 46384 sq.ft. valued at Rs. 60.00 Millions
- e) Commercial Property at Urban Estate Gurugram measuring 667.36 Sq.ft. valued at Rs. 36.11 Millions
- f) House No. 268 Phase 4, Mohali measuring 7675 Sq.ft. valued at Rs. 22.32 Millions
- g) SCO 54, Sector-31, Faridabad measuring 1200 Sq.ft. valued at Rs. 40.00 Millions
- h) Residential House at kapurthala Saffron homes Village Wadala Kalankothi No.7 Wakia rakba Wadala measuring 4313.05 sq ft. Rs. 14.50 Millions
- i) Plot at Kapurthala Saffron Homes Wadala Kalan vadala Kalan Khasra No.26/1/1/5-8, 10/2/5-8, 11/1/5-8, 27//15/2/4 near Hotel Ramada measuring 17802.90 Sq. ft. Rs. 24.42 Millions.



**Note 14**

<b>PROVISIONS</b>	<b>As at 31.12.2023</b>	<b>As at 31.03.2023</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
<b><u>Non Current</u></b>				
Provision for Gratuity and Leave Encashment	7.12	5.31	2.32	0.71
<b><u>Current</u></b>				
Provision for Gratuity and Leave Encashment	1.61	0.36	0.50	0.09
	<b>8.73</b>	<b>5.68</b>	<b>2.81</b>	<b>0.79</b>

**Note 15**

<b>BORROWINGS -CURRENT :</b>	<b>As at 31.12.2023</b>	<b>As at 31.03.2023</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
<b><u>SECURED :</u></b>				
Current maturities of long term borrowings	85.73	57.06	34.66	25.84
<b><u>CASH CREDIT ACCOUNTS:</u></b>				
HDFC Bank Ltd	250.60	194.11	213.80	204.82
<b><u>Nature of Securities :</u></b> Working Capital Loan from HDFC Bank is secured by hypothecation of stocks of Raw Material, Finished Goods, Semi-Finished Goods & Book Debts etc.				
	<b>336.33</b>	<b>251.16</b>	<b>248.46</b>	<b>230.66</b>

1) The Company has availed various credit facilities from HDFC bank in the form of CC limit of Rs. 180.00 Millions, Working capital loan of Rs. 65.00 Millions performance based BG of Rs. 100.00 Millions, Working Capital term loan of Rs. 20.00 Millions, GECL-I of Rs. 52.00 Millions and GECL-II of Rs. 29.00 Millions and a working capital term Loan of Rs. 300.00 Millions

2) All the above facilities are collaterally secured by following properties

- a) Industrial property Plot No.F 454Phase 8 Industrial Area Focal point of 11700 sq ft. valued at Rs. 120.00 Millions
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- c) Residential Flat 602, Uniwords Garden, Sector-47 of 1670 sq.ft. valued at Rs. 20.00 Millions.
- d) Industrial plot at village Basma banur Mohali of 46384 sq.ft. valued at Rs. 60.00 Millions
- e) Commercial Property at Urban Estate Gurugram measuring 667.36 Sq.ft. valued at Rs. 36.11 Millions
- f) House No. 268 Phase 4, Mohali measuring 7675 Sq.ft. valued at Rs. 22.32 Millions
- g) SCO 54, Sector-31, Faridabad measuring 1200 Sq.ft. valued at Rs. 40.00 Millions
- h) Residential House at kapurthala Saffron homes Village Wadala Kalankothi No.7 Wakia rakba Wadala measuring 4313.05 sq ft. Rs. 14.50 Millions
- i) Plot at Kapurthala Saffron Homes Wadala Kalan vadala Kalan Khasra No.26/1/1/5-8, 10/2/5-8, 11/1/5-8, 27//15/2/4 near Hotel Ramada measuring 17802.90 Sq. ft. Rs. 24.42 Millions.

**Note 16**

<b>TRADE PAYABLES</b>	<b>As at 31.12.2023</b>	<b>As at 31.03.2023</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
Total outstanding dues of micro, small and medium enterprises	26.37	15.13	-	-
Total outstanding dues of creditors other than micro, small and medium enterprises	28.52	48.86	138.40	11.82
	<b>54.89</b>	<b>63.99</b>	<b>138.40</b>	<b>11.82</b>

Note : There are no unbilled and Not due trade payables, hence the same are not disclosed in the ageing schedule

**Outstanding for following periods from due date of payment as on 31st December 2023**

<b>PARTICULARS</b>	<b>Less than 1 Year</b>	<b>1-2 Years</b>	<b>2-3 Years</b>	<b>More than 3 Years</b>	<b>Total</b>
(i) Total outstanding dues of micro, small and medium enterprises	25.72	0.65	-	-	<b>26.37</b>
(ii) Total outstanding dues of creditors other than micro, small and medium enterprises	12.03	6.42	9.81	0.26	<b>28.52</b>
(iii) Disputed dues of micro, small and medium enterprises					-
(iv) Disputed dues of creditors other than micro, small and medium enterprises					-
					-

**Outstanding for following periods from due date of payment as on 31st March 2023**

<b>PARTICULARS</b>	<b>Less than 1 Year</b>	<b>1-2 Years</b>	<b>2-3 Years</b>	<b>More than 3 Years</b>	<b>Total</b>
(i) Total outstanding dues of micro, small and medium enterprises	15.13	-	-	-	<b>15.13</b>
(ii) Total outstanding dues of creditors other than micro, small and medium enterprises	39.17	9.44	-	0.26	<b>48.86</b>
(iii) Disputed dues of micro, small and medium enterprises					-
(iv) Disputed dues of creditors other than micro, small and medium enterprises					-
					-

**Outstanding for following periods from due date of payment as on 31st March 2022**

<b>PARTICULARS</b>	<b>Less than 1 Year</b>	<b>1-2 Years</b>	<b>2-3 Years</b>	<b>More than 3 Years</b>	<b>Total</b>
(i) Total outstanding dues of micro, small and medium enterprises					
(ii) Total outstanding dues of creditors other than micro, small and medium enterprises	134.76	3.39	0.26	-	<b>138.40</b>

(iii) Disputed dues of micro, small and medium enterprises	-
(iv) Disputed dues of creditors other than micro, small and medium enterprises	-

**Outstanding for following periods from due date of payment as on 31st March 2021**

PARTICULARS	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Total outstanding dues of micro, small and medium enterprises		-	-	-	-
(ii) Total outstanding dues of creditors other than micro, small and medium enterprises	10.70	1.12	-	-	<b>11.82</b>
(iii) Disputed dues of micro, small and medium enterprises					
(iv) Disputed dues of creditors other than micro, small and medium enterprises		-	-	-	-

Particulars	As at 31.12.2023	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
(a) Amount remaining unpaid to any supplier at the end of each accounting year				
Principal amount	26.37	15.13	-	-
<b>Total</b>	<b>26.37</b>	<b>15.13</b>	-	-

(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year

(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.

(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.

(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.

<b>Total</b>	<b>26.37</b>	<b>15.13</b>	-	-
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**Note 17**

<b>Other Financial Liabilities</b>	<b>As at 31.12.2023</b>	<b>As at 31.03.2023</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
<b>Current</b>				
Salary and Wages Payable	8.85	8.22	7.54	14.32
Interest Accrued but not Due	4.35	1.63	-	-
	<b>13.20</b>	<b>9.85</b>	<b>7.54</b>	<b>14.32</b>

**Note 18**

<b>OTHER CURENT LIABILITIES</b>	<b>As at 31.12.2023</b>	<b>As at 31.03.2023</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
<b>Contract Liabilities</b>				
Advance from Customers	0.08	5.92	2.96	-
Statutory dues payable	6.89	10.91	1.26	7.91
Provision for CSR Expenses	1.83	-	-	-
Other Payables	2.03	2.02	2.69	0.28
	<b>10.83</b>	<b>18.85</b>	<b>6.90</b>	<b>8.19</b>

**Note 19**

<b>CURRENT TAX LIABILITIES</b>	<b>As at 31.12.2023</b>	<b>As at 31.03.2023</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
Current tax ( Net of Tax Paid)	44.84	55.65	9.15	5.38
	<b>44.84</b>	<b>55.65</b>	<b>9.15</b>	<b>5.38</b>

**Note 20**

<b><u>INCOME FROM OPERATIONS</u></b>	<b>For the period ended 31-12-2023</b>	<b>For the period ended 31-12-2022</b>	<b>For the period ended 31.03.2023</b>	<b>For the period ended 31.03.2022</b>	<b>For the period ended 31.03.2021</b>
<b><u>Sale of Products :</u></b>					
- Domestic	995.91	1,147.42	1,527.41	1,052.78	728.23
- Export	-	0.06	0.04	0.07	-
Less: Inter Unit Supply	(0.91)	(1.62)	(2.84)	(10.90)	-
<b>Total (A)</b>	<b>995.00</b>	<b>1,145.87</b>	<b>1,524.61</b>	<b>1,041.94</b>	<b>728.23</b>
<b><u>Other Operating Income :</u></b>					
Job Work Charges Received	8.21	2.72	3.44	0.64	0.05
Other Operating Income	0.50	-	-	-	-
<b>Total (B)</b>	<b>8.71</b>	<b>2.72</b>	<b>3.44</b>	<b>0.64</b>	<b>0.05</b>
<b>Total (A+B)</b>	<b>1,003.71</b>	<b>1,148.59</b>	<b>1,528.04</b>	<b>1,042.58</b>	<b>728.28</b>



**Note 21**

<b><u>OTHER INCOME</u></b>	<b>For the period ended 31-12-2023</b>	<b>For the period ended 31-12-2022</b>	<b>For the period ended 31.03.2023</b>	<b>For the period ended 31.03.2022</b>	<b>For the period ended 31.03.2021</b>
Interest Income					
- On fixed deposits	0.18	-	0.13	-	0.10
Gain on Exchange Fluctuation	(0.19)	0.02	1.27	0.07	0.02
Other Income	0.04	-	0.00	0.05	0.52
Interest on Income Tax Refund	0.39	-	-	0.22	-
	<b>0.42</b>	<b>0.02</b>	<b>1.40</b>	<b>0.33</b>	<b>0.65</b>

**Note 22**

<b><u>COST OF MATERIAL CONSUMED</u></b>	<b>For the period ended 31- 12-2023</b>	<b>For the period ended 31-12-2022</b>	<b>For the period ended 31.03.2023</b>	<b>For the period ended 31.03.2022</b>	<b>For the period ended 31.03.2021</b>
Opening Stock	45.74	28.58	28.58	22.62	52.73
Purchases of Material and Consumables	603.44	800.19	1,024.32	877.40	478.26
Packing Material	12.44	18.47	24.05	24.22	9.69
Inter Unit Supply	(0.91)	(1.62)	(2.84)	(10.90)	-
	<b>660.71</b>	<b>845.62</b>	<b>1,074.10</b>	<b>913.33</b>	<b>540.68</b>
Less: Closing Stock	53.48	42.45	45.74	28.58	22.62
	<b>607.23</b>	<b>803.17</b>	<b>1,028.36</b>	<b>884.75</b>	<b>518.07</b>

**Note 23**

<b><u>CHANGES IN INVENTORIES OF WORK IN PROGRESS AND FINISHED GOODS</u></b>	<b>For the period ended 31- 12-2023</b>	<b>For the period ended 31- 12-2022</b>	<b>For the period ended 31.03.2023</b>	<b>For the period ended 31.03.2022</b>	<b>For the period ended 31.03.2021</b>
<b>Opening Stock :</b>					
Finished Goods	41.74	19.29	19.29	45.81	36.76
Work-in-progress	99.05	195.47	195.47	84.28	57.56
	<b>140.79</b>	<b>214.76</b>	<b>214.77</b>	<b>130.09</b>	<b>94.32</b>
<b>Less :Closing Stock :</b>					
Finished Goods	183.98	136.69	41.74	19.29	45.81
Work-in-progress	23.51	72.05	99.05	195.47	84.28
	<b>207.49</b>	<b>208.73</b>	<b>140.79</b>	<b>214.77</b>	<b>130.09</b>
	<b>(66.70)</b>	<b>6.03</b>	<b>73.98</b>	<b>(84.68)</b>	<b>(35.77)</b>

**Note 24**

<b><u>EMPLOYEE</u></b> <b><u>BENEFITS</u></b>	<b>For the</b> <b>period ended</b> <b>31-12-2023</b>	<b>For the</b> <b>period ended</b> <b>31-12-2022</b>	<b>For the</b> <b>period ended</b> <b>31.03.2023</b>	<b>For the</b> <b>period</b> <b>ended</b> <b>31.03.2022</b>	<b>For the</b> <b>period</b> <b>ended</b> <b>31.03.2021</b>
Salaries, Wages, Bonus and Other Allowances	52.42	34.33	47.27	65.31	30.02
Director's Remuneration	21.60	-	-	-	48.00
Contribution to Provident Fund and ESI and Professional tax	2.78	1.77	3.15	2.48	1.98
Gratuity and compensated absences expenses	0.50	0.44	0.56	-	0.22
Provision for Gratuity and Leave Encashment	2.24	2.84	1.91	1.31	0.88
Staff welfare expenses	1.05	0.94	0.95	0.87	0.13
	<b>80.60</b>	<b>40.32</b>	<b>53.83</b>	<b>69.98</b>	<b>81.23</b>

**Note 25**

<b><u>FINANCE</u></b>	<b>For the</b>	<b>For the</b>	<b>For the period</b>	<b>For the period</b>	<b>For the period</b>
<b><u>COSTS</u></b>	<b>period ended</b>	<b>period ended</b>	<b>ended</b>	<b>ended</b>	<b>ended</b>
	<b>31-12-2023</b>	<b>31-12-2022</b>	<b>31.03.2023</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
Interest on borrowing ;					
- To Bank	27.50	22.21	28.26	32.32	23.20
Bank Charges	1.27	-	0.83	1.32	0.48
	<b>28.77</b>	<b>22.21</b>	<b>29.09</b>	<b>33.64</b>	<b>23.68</b>

**Note 26**

<b><u>Depreciation and Amortization</u></b>	<b>For the period ended 31-12-2023</b>	<b>For the period ended 31-12-2022</b>	<b>For the period ended 31.03.2023</b>	<b>For the period ended 31.03.2022</b>	<b>For the period ended 31.03.2021</b>
(i) Depreciation and Amortisation :					
(a) Depreciation expense	24.83	27.65	37.08	31.96	30.57
(b) Amortization expense	31.20	-	-	-	0.07
	<b>56.02</b>	<b>27.65</b>	<b>37.08</b>	<b>31.96</b>	<b>30.65</b>

**Note 27**

<b><u>OTHER EXPENSES</u></b>	<b>For the period ended 31-12-2023</b>	<b>For the period ended 31-12-2022</b>	<b>For the period ended 31.03.2023</b>	<b>For the period ended 31.03.2022</b>	<b>For the period ended 31.03.2021</b>
<b><u>Direct Expenses</u></b>					
Power & Fuel	13.02	13.60	18.73	14.38	8.89
Freight and Cartage	8.05	8.66	14.60	8.95	7.78
	<b>21.06</b>	<b>22.26</b>	<b>33.34</b>	<b>23.33</b>	<b>16.67</b>
<b><u>Indirect Expenses</u></b>					
Legal and Professional Charges	7.19	1.48	1.66	3.08	0.21
Repair & Maintenance	10.43	5.66	9.69	10.41	12.29
Commission Paid	5.40	8.71	10.40	3.74	1.08
Conveyance & Travelling	6.69	3.47	4.28	3.02	0.88
Insurance	1.21	0.92	1.20	0.39	0.67
Income Tax Paid	8.44	-	1.25	1.14	-
Security Expenses	3.47	3.93	4.44	3.32	1.94
CSR Expenses	1.83	0.39	1.46	1.18	-
Business Promotion	2.84	2.97	3.73	4.47	0.77
Payment to Auditors					
Audit Fees	-	-	0.45	0.20	0.15
Other Professional Services	-	-	-	-	0.04
Installation Charges	-	2.39	2.39	1.01	-
Liquidated Damage Charges	10.76	7.50	14.33	3.01	0.09
Printing & Stationary	0.43	0.47	0.62	0.79	0.33
Provision for Doubtful Debts	0.41	-	0.10	-	-
Testing Charges	0.84	3.00	4.69	6.06	6.12
Telephone & Internet	1.38	0.89	1.61	0.37	0.39
Rates , Fees, Duties & Taxes	1.03	1.89	3.14	2.87	2.76
Rent	4.01	3.15	5.01	6.16	5.72
Other Expenses	4.12	2.23	4.01	3.24	2.40
	<b>91.55</b>	<b>71.33</b>	<b>107.79</b>	<b>77.78</b>	<b>52.49</b>

**Note 28**

<b>Exceptional Items</b>	<b>For the period ended 31-12-2023</b>	<b>For the period ended 31-12-2022</b>	<b>For the period ended 31.03.2023</b>	<b>For the year ended 31.03.2022</b>	<b>For the year ended 31.03.2021</b>
Profit/(Loss) on sale of Fixed Assets	0.32	-	-	-	0.10
	<b>0.32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.10</b>



**Note 29**

<b><u>Tax Effects</u></b>	<b>For the period ended 31- 12-2023</b>	<b>For the period ended 31.03.2023</b>	<b>For the period ended 31.03.2022</b>	<b>For the period ended 31.03.2021</b>
Current tax	63.14	61.03	10.30	11.88
Short/ (Excess) Provision for Earlier Years	-	-	-	-
Deferred tax	(0.30)	(0.83)	(0.46)	(1.30)
	<b>62.84</b>	<b>60.20</b>	<b>9.84</b>	<b>10.59</b>
<b>A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit / (loss) before income taxes is as below:</b>	<b>For the period ended 31- 12-2023</b>	<b>For the period ended 31.03.2023</b>	<b>For the period ended 31.03.2022</b>	<b>For the period ended 31.03.2021</b>
Restated Profit/ (loss) before Income Tax	206.99	199.32	29.49	58.69
Effect of Losses of Subsidiary	-	-	-	-
Effects of Temporary (Allowance)/Disallowance	8.91	7.32	4.31	-22.32
Effects of Permanent (Allowance)/Disallowance	-	-	-	-
Effect of Differential Calculation of Capital Gains in Income Tax	-	-	-	-
Adjustment of Brought Forward Losses	-	-	-	-
Net Taxable Income	215.90	206.64	33.80	36.37
Applicable income tax rate	29.12%	29.12%	29.12%	29.12%
<b>Current Tax Expense/(Credit)</b>	<b>62.87</b>	<b>60.17</b>	<b>9.84</b>	<b>10.59</b>
<b>Current Tax Expense/(Reversal)</b>	-	-	-	-

**Note 30**

<b>Earnings per share</b>				
<b>Particulars</b>	<b>All Amount in INR Million, Unless otherwise stated</b>			
	<b>For the period ended 31-12-2023</b>	<b>For the period ended 31.03.2023</b>	<b>For the period ended 31.03.2022</b>	<b>For the period ended 31.03.2021</b>
Earnings per share has been computed as under				
(a) Profit for the year/period	143.34	138.16	18.94	48.19
(b) Weighted average number of Ordinary shares outstanding for the purpose of basic earnings per share	1,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000
(c) Effect of potential Equity shares on conversion of outstanding share warrants	-	-	-	-
(d) Weighted average number of equity shares in computing diluted earnings per share [(b) + (c)]	1,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000
(e) Earnings per share on profit for the year/period (Face Value Rs. 10.00 per share) –				
-Basic (a/b)	14.33	13.82	1.89	4.82
-Diluted (a/d)	14.33	13.82	1.89	4.82
(f) Restated Earnings per share on profit for the year (Face Value Rs. 10.00 per share)* –				
-Basic (a/b)	14.33	13.82	1.89	4.82
-Diluted (a/d)	14.33	13.82	1.89	4.82

**Note 31****(i) List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures**

<b>Name of Related Party</b>	<b>Nature of Relationship</b>	<b>Country of Incorporation/ Residency</b>
Amrit Singh Randhawa	-Director	India
Rajbir Singh Randhawa	-Director	India
Rupinder Singh	-Director	India
Amit Dhawan	-Director	India
Vivek Abrol	-Director	India
Vishesh Abrol	-Director	India
Mohit Vohra	-Director	India
Aikjot Singh	-Director	India
Amit Gaur	-CFO	India
Ankit Kumar	-Company Secretary	India
Anupma Kashyap	-Company Secretary	India
International Swithgear Private Limited	Common Director	India
MV Electrosystem Limited	Common Director	India
Indo Rail Engineering System Private Limited	Common Director	India
Prime Electronics	Director is Partner in Firm	India
NEC Swithgear & Controls	Director is Partner in Firm	India
Abrol Engineering Co Pvt ltd	Common Director	India
MV Mobility Limited	Common Director	India
Iboard India Private Limited	Common Director	India
A.M. Speciality Material Private Limited	Common Director	India
Vernuff Technology Private Limited	Common Director	India
Logomotive Private Limited	Common Director	India
Anita Abrol	Wife of Director (Vivek Abrol)	India
Navneet Kaur	Wife of Director (Rajbir Singh Randhawa)	India
Swinder Kaur	Wife of Director (Amrit Singh Randhawa)	India
Parminder Kaur	Wife of Director	India

**(ii) Transactions with related parties**

The following transactions occurred with related parties

**All Amount in INR Millions, Unless otherwise stated**

<b>Name</b>	<b>Nature of Relationship</b>	<b>Nature of Transaction</b>	<b>31- Dec-23</b>	<b>31- Mar-23</b>	<b>31- Mar-22</b>	<b>31- Mar-21</b>
Abrol Engineering Co Pvt ltd	Common Directors	<b>Sale</b>	26.24	50.29	117.52	57.79
International Swithgear Private Limited	Common Directors	<b>Sale</b>	73.54	82.02	57.91	46.61
MV Electrosystem Limited	Common Directors	<b>Sale</b>	18.50	25.93	73.36	102.00
NEC Swithgear & Controls	Director is partner in the Firm	<b>Sale</b>	11.24	82.70	48.56	66.81
Prime Electronics	Director is partner in the Firm	<b>Sale</b>	17.12	65.51	59.14	31.61
MV Mobility Limited	Common Directors	<b>Sale</b>	0.12	0.60	-	-
Abrol Engineering Co Pvt ltd	Common Directors	<b>Purchase</b>	68.07	151.66	92.33	34.11

Name	Nature of Relationship	Nature of Transaction	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
MV Electrosystem Limited	Common Directors	<b>Purchase</b>	-	8.88	9.52	24.54
NEC Swithgear & Controls	Director is partner in the Firm	<b>Purchase</b>	0.02	29.83	2.73	0.20
International Swithgear Private Limited	Common Directors	<b>Purchase</b>	0.08	59.27	104.36	1.18
				-	-	-
Amrit Singh Randhawa	Director	Director Remuneration	2.70	-	-	6.00
Rajbir Singh Randhawa	Director	Director Remuneration	2.70	-	-	6.00
Rupinder Singh	Director	Director Remuneration	2.70	-	-	6.00
Amit Dhawan	Director	Director Remuneration	2.70	-	-	6.00
Vivek Abrol	Director	Director Remuneration	2.70	-	-	6.00
Vishesh Abrol	Director	Director Remuneration	2.70	-	-	6.00
Mohit Vohra	Director	Director Remuneration	2.70	-	-	6.00
Aikjot Singh	Director	Director Remuneration	2.70	-	-	6.00
Amit Gaur	CFO	Salary	1.58	-	-	-
Ankit Kumar	Company Secretary	Salary	0.59	-	-	-
Anupma Kashyap	Company Secretary	Salary			0.23	0.23
-Amrit Singh Randhawa	Director	Loan Received	-	1.50	10.00	4.00
-Rajbir Singh Randhawa	Director	Loan Received	-	1.50	2.50	2.00
-Rupinder Singh	Director	Loan Received	-	12.00	35.00	12.00
-Amit Dhawan	Director	Loan Received	-	1.50	17.50	6.00
-Vivek Abrol	Director	Loan Received	-	-	10.00	6.00
-Vishesh Abrol	Director	Loan Received	-	-	5.00	6.00
-Mohit Vohra	Director	Loan Received	-	-	7.50	6.00
-Swinder kaur	Wife of Director (Amrit Singh Randhawa)	Loan Received	-	-	2.50	9.50
-Amrit Singh Randhawa	Director	Loan Repaid	-	-	-	3.60
-Amit Dhawan	Director	Loan Repaid	-	-	5.00	-
-Aikjot Singh	Director	Loan Repaid	-	-	-	0.50
-Navneet Kaur	Wife of Director (Rajbir Singh Randhawa)	Loan Repaid	-	-	-	1.45
-Parminder Kaur		Loan Repaid	-	-	-	0.50
-Rupinder Singh	Director	Loan Repaid	-	29.00	-	35.25
-Swinder kaur	Wife of Director (Amrit Singh Randhawa)	Loan Repaid	-	-	-	7.15

Name	Nature of Relationship	Nature of Transaction	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
-Vishesh Abrol	Director	Loan Repaid	-	-	-	6.75
-Vivek Abrol	Director	Loan Repaid	-	-	-	10.00
-Rajbir Singh Randhawa	Director	Loan Repaid	-	-	-	1.65

**(iii) Outstanding balances:**

**All Amount in INR Millions, Unless otherwise stated**

Name	Nature of Transaction	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
-Abrol Engineering Co Pvt Ltd	Creditors	-	4.64	0.69	-
MV Electrosystems Limited	Creditors	-	1.25	2.25	0.10
-Amit Dhawan	Creditors	-	-	-	0.05
-NEC Swithgear & Controls	Creditors	-	-	-	-
-International Swithgear Private Limited	Creditors	-	-	105.55	-
-Abrol Engineering Co Pvt Ltd	Debtors	2.39	-	-	7.28
MV Mobility Limited	Debtors	0.60	2.10	-	-
MV Electrosystems Limited	Debtors	3.19	0.71	-	-
-International Swithgear Private Limited	Debtors	28.86	1.11	-	7.61
-NEC Swithgear & Controls	Debtors	1.57	0.08	0.12	11.83
-Prime Electronics	Debtors	4.93	20.63	14.70	25.91
A.S. RANDHAWA (U/L)	Outstanding Loan Balances	19.50	19.50	18.00	8.00
AIKJOT SINGH (U/L)	Outstanding Loan Balances	10.00	10.00	10.00	10.00
AMIT DHAWAN (U/L)	Outstanding Loan Balances	23.88	23.88	22.38	9.88
MOHIT VOHRA (U/L)	Outstanding Loan Balances	17.38	17.38	17.38	9.88
RAJBIR SINGH RANDHAWA (U/L)	Outstanding Loan Balances	10.50	10.50	9.00	6.50
RUPINDER SINGH (U/L)	Outstanding Loan Balances	30.00	30.00	47.00	12.00
SWINDER KAUR (U/L)	Outstanding Loan Balances	10.00	10.00	10.00	7.50
VISHESH ABROL (U/L)	Outstanding Loan Balances	12.40	12.40	12.40	7.40
VIVEK ABROL (U/L)	Outstanding Loan Balances	24.60	24.60	24.60	14.60

**Note 32**

<b>Fair value measurements</b>				
<b>Financial instruments by category:</b>				
<b>December 31, 2023</b>				
	<b>FVTPL</b>	<b>FVTOCI</b>	<b>Amortised Cost</b>	<b>Total</b>
<b>Financial assets</b>				
Trade receivables	-	-	213.13	213.13
Cash and cash equivalents	-	-	2.07	2.07
Bank balances other than cash and cash equivalents	-	-	4.53	4.53
<b>Total financial assets</b>	-	-	<b>220.03</b>	<b>220.03</b>
<b>Financial liabilities</b>				
Borrowings	-	-	336.33	336.33
Trade payables	-	-	54.89	54.89
Other Financial Liabilities	-	-	13.20	13.20
<b>Total financial liabilities</b>	-	-	<b>404.42</b>	<b>404.42</b>
<b>March, 31, 2023</b>				
	<b>FVTPL</b>	<b>FVTOCI</b>	<b>Amortised Cost</b>	<b>Total</b>
<b>Financial assets</b>				
Trade receivables	-	-	232.59	232.59
Cash and cash equivalents	-	-	2.00	2.00
Bank balances other than cash and cash equivalents	-	-	3.33	3.33
<b>Total financial assets</b>	-	-	<b>237.72</b>	<b>237.72</b>
<b>Financial liabilities</b>				
Borrowings	-	-	251.16	251.16
Trade payables	-	-	63.99	63.99
Other Financial Liabilities	-	-	9.85	9.85
<b>Total financial liabilities</b>	-	-	<b>325.00</b>	<b>325.00</b>
<b>March, 31, 2022</b>				
	<b>FVTPL</b>	<b>FVTOCI</b>	<b>Amortised Cost</b>	<b>Total</b>
<b>Financial assets</b>				
Trade receivables	-	-	268.11	268.11
Cash and cash equivalents	-	-	0.81	0.81
Bank balances other than cash and cash equivalents	-	-	1.72	1.72
<b>Total financial assets</b>	-	-	<b>270.44</b>	<b>270.44</b>
<b>Financial liabilities</b>				
Borrowings	-	-	248.46	248.46
Trade payables	-	-	138.40	138.40
Other Financial Liabilities	-	-	7.54	7.54
<b>Total financial liabilities</b>	-	-	<b>394.40</b>	<b>394.40</b>
<b>March, 31, 2021</b>				
	<b>FVTPL</b>	<b>FVTOCI</b>	<b>Amortised Cost</b>	<b>Total</b>
<b>Financial assets</b>				
Trade receivables	-	-	168.76	168.76
Cash and cash equivalents	-	-	1.19	1.19
Bank balances other than cash and cash equivalents	-	-	1.20	1.20
<b>Total financial assets</b>	-	-	<b>170.95</b>	<b>170.95</b>
<b>Financial liabilities</b>				
Borrowings	-	-	230.66	230.66

Trade payables	-	-	11.82	11.82
Other Financial Liabilities	-	-	14.32	14.32
<b>Total financial liabilities</b>	-	-	<b>256.80</b>	<b>256.80</b>

**(i) Fair Value Hierarchy**

This section explains the judgements and estimates made in determining fair values of the financial instruments that are

- (a) recognised and measured at fair value and
- (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the company has classified financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

<b>December 31, 2023</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>				
Trade receivables	-	-	213.13	213.13
<b>Total financial assets</b>	-	-	<b>213.13</b>	<b>213.13</b>
<b>March 31, 2023</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>				
Trade receivables	-	-	232.59	232.59
<b>Total financial assets</b>	-	-	<b>232.59</b>	<b>232.59</b>
<b>March 31, 2022</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>				
Trade receivables	-	-	268.11	268.11
<b>Total financial assets</b>	-	-	<b>268.11</b>	<b>268.11</b>
<b>March 31, 2021</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>				
Trade receivables	-	-	168.76	168.76
<b>Total financial assets</b>	-	-	<b>168.76</b>	<b>168.76</b>

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example traded bonds) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**(iii) Fair value of financial assets and liabilities measured at amortized cost**

As of Dec 31, 2023, March, 31 2023, March, 31 2022 and March,31 2022 the fair value of cash and bank balances, trade receivables, other current financial assets, trade payables and other current financial liabilities approximate their carrying amount largely due to the short term nature of these instruments. For other financial assets that are measured at amortised cost, the carrying amounts approximate the fair value.

**Note 33****Financial risk management**

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk in the financial statements.

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Management</b>
Credit risk	Cash and cash equivalents	Credit ratings	Diversification of Bank Accounts
Credit risk	Trade receivables	Ageing analysis	Part of daily business management
Credit risk	Financial assets measured at amortised cost	Ageing analysis	Credit limits
Market risk - Interest Rate risk	Borrowings	Sensitivity Analysis	Regularly assessing the market
Market risk - Commodity price risk	Inventories	Sensitivity Analysis	Part of daily business management
Liquidity risk	Borrowings, Trade payables, other financial liabilities	Maturity analysis	Part of daily business management



**a) Credit Risk**

Credit risk is the risk that a counterparty fails to discharge its obligation to our Group. Our exposure to credit risk is influenced mainly by cash and cash equivalents and trade receivables. We continuously monitor defaults of customers and other counterparties and incorporate this information into its credit risk controls. However, majority of our total sales comprises of sales to Indian Railways or PSUs, details of which are as under:

Nature of customers	December 31, 2023		March 31, 2023		December 31, 2022		March 31, 2022		March 31, 2021	
	Sales	%age*	Sales	%age*	Sales	%age*	Sales	%age*	Sales	%age*
Wires and Cables (Railways)										
Indian Railways (through Zonal railways / their divisions / production units)	485.12	48.33%	737.56	48.27%	597.16	51.99%	562.47	53.95%	198.20	27.22%
Wires and Cables (Defence)										
Public Sector Undertakings	251.75	25.08%	369.16	24.16%	222.39	19.36%	30.45	2.92%	3.06	0.42%

\* As %age to total revenue from operations.

Furthermore, we are also exposed to credit risk in relation to the corporate guarantee or retention money or earnest money given / retained on behalf of our Company for business generated from Indian Railways and defence PSUs to secure the obligations as per the requirement of tender under which such contracts were awarded.

Credit risk on cash and cash equivalents is limited as the Company utilises its cash credit facility for reducing borrowings in short term.

**b) Market risk** is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three type of risks: Currency risk, Interest rate risk and other price risk. Financial instruments affected by market risk include loans, borrowings, term deposits, and investments.

**Foreign Currency Risk**

A significant portion of the payments are made by the Company towards consideration for acquiring rights to use intellectual properties, reference designs and engineering services from abroad for development of its TCAS software and KAVACH equipments. Such payments are denominated in foreign currency, mostly the Euro. Accordingly, we have currency exposures relating to forex payments, other than in Indian Rupees, particularly the Euro. During the nine months ended December 31, 2023, Fiscal 2023, Fiscal 2022 and Fiscal 2021, our net imports of services amounted to ₹ 37.93 millions, ₹ 55.26 millions, ₹ 186.13 millions and ₹ 18.69 millions, respectively, which constituted 70.08%, 66.89%, 92.29% and 43.89%, respectively, of the aggregate of expenditure incurred on development of intangible assets.

The %age of import of services from various countries is as under:

(₹ million)

Division Wise: County Wise Import	December 31, 2023		March 31, 2023		March 31, 2022		March 31, 2021	
	Amount	%age*	Amount	%age	Amount	%age	Amount	%age
<b>a) CABLE DIVISION</b>								
Material								

Division Wise: County Wise Import	December 31, 2023		March 31, 2023		March 31, 2022		March 31, 2021	
	Amount	%age*	Amount	%age	Amount	%age	Amount	%age
China	-	-	2.24	2.33%	0.10	0.04%	25.55	48.21%
Singapore	-	-	0.43	0.45%			4.11	7.75%
Germany	-	-					0.08	0.15%
<b>a) TCAS DIVISION</b>								
<b>Material</b>								
USA	11.17	20.64%	19.87	20.64%	9.46	3.96%	-	-
Italy	-	-	0.55	0.57%	2.8	1.17%	-	-
China	1.84	3.40%	8.79	9.13%	5.52	2.31%	-	-
Singapore	1.23	2.28%	-	-	0.44	0.18%	-	-
Germany	-	-	-	-	0.05	0.02%	-	-
Hong Kong	1.95	3.60%	-	-	-	-	-	-
<b>Services</b>								
Italy	37.93	70.08%	55.26	57.42%	186.13	78.00%	18.69	35.27%
Spain	-	-	9.11	9.47%	34.09	14.29%	4.57	8.62%
Switzerland	-	-	-	-	0.04	0.02%	-	-
<b>Total value of imports made by the Company</b>	<b>54.12</b>	<b>100%</b>	<b>96.25</b>	<b>100%</b>	<b>238.63</b>	<b>100%</b>	<b>53.00</b>	<b>100%</b>

\* As a percentage to the total value of import of Material and services

### Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. We are exposed to interest rate risk because funds are borrowed at floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate, projected debt servicing capability and view on future interest rate. Our borrowings are denominated in Indian Rupees with a mix of fixed and floating rates of interest.

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:-

Particulars	As at Dec 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>Loans - Variable Rates</b>				
Long Term Loan	264.09	330.54	387.60	92.89
Short Term Loan	336.33	251.16	248.46	230.66
<b>Total</b>	<b>600.42</b>	<b>581.71</b>	<b>636.06</b>	<b>323.55</b>

\* Does not include non fund based limits outstanding on these dates.

# Does not include the loans extended by the Promoter and Promoter Group as these do not carry any interest.

Impact on Interest Expenses for the year on 1% change in Interest rate

<b>Particulars</b>	<b>As at Dec 31, 2023</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Impact on P&L	6.00	5.82	6.36	3.24
<b>Total</b>	<b>6.00</b>	<b>5.82</b>	<b>6.36</b>	<b>3.24</b>

**Commodity Price Risk**

We are exposed to risks in respect of price and availability of copper and PVC Compounds used for our manufacturing operations. The prices of copper are linked to the international prices on the London Metal Exchange (LME) and the price of PVC Compounds are directly linked the price of crude oil globally. As a result, our procurement cost and costs of goods sold tend to be impacted by the movements of the LME and of crude oil benchmarks. Since the majority of our business is with government division or PSU, most of the orders being executed by us contains price variation clause which may allow us to pass on changes in the cost of our primary raw materials to our customers. However, we may not be able to do so immediately or fully, and so strong and rapid fluctuations in the prices of these raw materials could affect our operating results.

**c) Liquidity Risk**

Liquidity risk is the risk that our Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash. Our approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due. Our management monitors rolling forecasts of our liquidity position and cash and cash equivalents on the basis of expected cash flows and the due dates for repayment of term loans. We are confident of managing our financial obligation through available cash and bank balances, short term borrowings and liquidity management.

**Note 34****Capital Management**

The Company's objective with respect to capital management is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic investments. Sourcing of capital is done through judicious combination of equity/internal accruals and borrowings, both short term and long term. Net debt (total borrowings less investments and cash and cash equivalents) to equity ratio is used to monitor capital.

<b>Particulars</b>	<b>As at Dec 31, 2023</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Debt	758.67	739.96	806.81	409.31
Less: Cash & Cash equivalents	2.07	2.00	0.81	1.19
<b>Net Debt</b>	<b>756.60</b>	<b>737.95</b>	<b>806.00</b>	<b>408.12</b>
<b>Total Equity</b>	<b>337.55</b>	<b>194.21</b>	<b>56.05</b>	<b>37.11</b>
<b>Net Debt to Equity Ratio</b>	<b>2.24</b>	<b>3.80</b>	<b>14.38</b>	<b>11.00</b>

**Note 35****Contingent liabilities and Commitments**

<b>Particulars</b>	<b>As at Dec 31, 2023</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Claims against the company not acknowledged as debts		-	-	-
Bank gurantee issued	40.44	29.36	9.74	1.90
<b>Total contingent liabilities</b>	<b>40.44</b>	<b>29.36</b>	<b>9.74</b>	<b>1.90</b>

**Note 36****Dues to micro, small and medium enterprises**

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act 2006 ('MSMED Act'). Disclosures pursuant to the said MSMED Act are as follows :

<b>Particulars</b>	<b>As at Dec 31, 2023</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Principal Amount Due to suppliers registered under the MSMED Act and remaining unpaid as at year end	26.37	15.13	-	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-	-
Interest paid, other than under Section 16 of MSMED Act, to supplier registered under the MSMED Act, beyond the appointment day during the year	-	-	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-	-	-
Interest accrued and remaining unpaid at the end of each accounting year	-	-	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of MSMED Act	-	-	-	-

**Note 37****Corporate Social Responsibility**

1. As per Section 135 of the Companies Act, 2013 the following expenses have been incurred by the company on CSR activities:

Particulars	As at Dec 31, 2023	As at Mar ch 31, 2023	As at March 31, 2022	As at March 31, 2021	
<b>Amount required to be spent as per section 135 of the Act</b>					
- amount unspent for previous years	-	0.39	0.39	-	
- for current year	1.83	1.06	1.18	0.39	
<b>Amount spent during the year on</b>					
i) Construction/acquisition of an asset	-	-	-	-	
ii) on purpose other than (i) above	-	1.46	1.18	-	
<b>Details of CSR Expenditure</b>					
Year	PBT	Average (preceding 3 years )	2% to be spent in succeedi ng FY.	Actual Amt Spent	Amount Unspent at the end of FY
2019-20	65.34				
2020-21	71.18	58.91	0.39	-	0.39
2021-22	22.59	53.04	1.18	1.18	0.39
2022-23	180.05	91.28	1.06	1.46	0.00
01-04-2023-31-12-2023	194.24	132.29	1.83	-	1.83

An amount of Rs. 3.95 lakhs unspent during the FY 2020-21 related to CSR has been spent during the FY 2022-23 and the same has been spent in accordance with rules made for CSR under Companies Act 2013

The Company does not have any ongoing projects as at 31st Dec, 2023

**Note 38**

**Dividend**

The Company has not declares and pays dividends in during the period.



### **Note 39**

#### **Employee benefits**

##### **(i) Defined benefit plan**

###### **a) Gratuity**

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. In case of death while in service, the gratuity is payable irrespective of vesting. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of service. The gratuity plan is a funded plan and the Group makes contribution to recognised funds in India i.e. Life Insurance Corporation of India and Group Gratuity scheme.

###### **Risk exposure:**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow -

- A) Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability
- B) Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- C) Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.
- D) Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- E) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

###### **Details of the Company's defined benefit plans are as follows:**

###### **Change in Net Defined Benefit Obligation**

	31/12/2023	31/03/2023	31/03/2022	31/03/2021
a) Present value of obligation as at the beginning of the period	4.06	1.63	0.56	0.31
b) Acquisition adjustment	-	-	-	-
c) Interest Cost	0.22	0.10	0.03	0.02
d) Service Cost	1.18	---	0.78	0.21
e) Past Service Cost including curtailment Gains/Losses	--	1.40	-	-
f) Benefits Paid	(0.05)	(0.15)	-	-
g) Total Actuarial (Gain)/Loss on Obligation	(0.25)	1.08	0.26	0.03
h) Present value of obligation as at the End of the period	5.16	4.06	1.63	0.56

###### **Change in plan assets**

	31/12/2023	31/03/2023	31/03/2022	31/03/2021
a) Fair value of plan assets at the beginning of the period	-	-	-	-
b) Actual return on plan assets	-	-	-	-
c) Employer contribution	-	-	-	-
d) Benefits paid	-	-	-	-

###### **Bifurcation of Actuarial Gain/Loss on Obligation**

	31/12/2023	31/03/2023	31/03/2022	31/03/2021
a) Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	-	-	-
b) Actuarial (Gain)/Loss on arising from Change in Financial Assumption	0.04	(0.39)	(0.04)	(0.01)
c) Actuarial (Gain)/Loss on arising from Experience Adjustment	(0.29)	1.47	0.30	0.04

**Balance Sheet and related analysis**

	31/12/2023	31/03/2023	31/03/2022	31/03/2021
a) Present Value of the obligation at end	5.16	4.06	1.63	0.56
b) Fair value of plan assets	--	--	--	--
c) Unfunded Liability/provision in Balance Sheet	(5.16)	(4.06)	(1.63)	(0.56)

**The amounts recognized in the income statement.**

	31/12/2023	31/03/2023	31/03/2022	31/03/2021
a) Total Service Cost	1.18	1.40	0.78	0.21
b) Net Interest Cost	0.22	0.10	0.03	0.02
c) Expense recognized in the Income Statement	1.40	1.50	0.81	0.23

**Other Comprehensive Income (OCI)**

	31/12/2023	31/03/2023	31/03/2022	31/03/2021
a) Net cumulative unrecognized actuarial gain/(loss) opening	--	--	--	-
b) Actuarial gain / (loss) for the year on PBO	0.25	(1.08)	(0.26)	(0.03)
c) Actuarial gain / (loss) for the year on Asset	--	--	--	-
d) Unrecognized actuarial gain/(loss) for the year	0.25	(1.08)	(0.26)	(0.03)

**Bifurcation of PBO at the end of year in current and non-current.**

	31/12/2023	31/03/2023	31/03/2022	31/03/2021
a) Current liability (Amount due within one year)	0.55	0.17	0.11	0.01
b) Non-Current liability (Amount due over one year)	4.62	3.88	1.51	0.54
<b>Total PBO at the end of year</b>	<b>5.16</b>	<b>4.06</b>	<b>1.63</b>	<b>0.56</b>

**b) Compensated Leave Absences**

The Company has provided for Actuarial Liability for Earned Leave Liability of the Employees.

**Risk exposure:**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow -

- A) Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- B) Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- C) Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.
- D) Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- E) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

**Details of the Company's defined benefit plans are as follows:****Change in Benefit Obligation**

	31/12/2023	31/03/2023	31/03/2022	31/03/2021
a) Present value of obligation as at the beginning of the period	1.62	1.19	0.24	-
b) Acquisition adjustment	-	-	-	-
c) Interest Cost	0.09	0.07	0.01	-
d) Service Cost	0.98	0.65	0.73	0.10
e) Past Service Cost including curtailment Gains/Losses	-	-	-	0.26
f) Benefits Paid	(0.18)	(0.41)	(0.24)	(0.12)
g) Total Actuarial (Gain)/Loss on Obligation	1.06	0.12	0.45	-

h)	Present value of obligation as at the End of the period	3.57	1.62	1.19	0.24
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#### **Change in Net defined Benefit Obligation**

	31/12/2023	31/03/2023	31/03/2022	31/03/2021	
a)	Present value of obligation as at the beginning of the period	1.62	1.19	0.24	-
b)	Acquisition adjustment	-	-	-	-
c)	Total Service cost	0.98	0.65	0.73	0.36
d)	Net Interest Cost (Income)	0.09	0.07	0.01	-
e)	Re-measurements	1.06	0.12	0.45	-
f)	Contribution Paid to the fund	-	-	-	-
g)	Benefits paid directly by the enterprise	(0.18)	(0.41)	(0.24)	(0.12)
h)	Present value of obligation as at the End of the period	3.57	1.62	1.19	0.24

#### **Bifurcation of Actuarial Gain/Loss on Obligation**

	31/12/2023	31/03/2023	31/03/2022	31/03/2021	
a)	Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	-	-	-
b)	Actuarial (Gain)/Loss on arising from Change in Financial Assumption	0.04	(0.07)	(0.01)	-
c)	Actuarial (Gain)/Loss on arising from Experience Adjustment	1.02	0.19	0.46	-

#### **Balance Sheet and related analysis**

	31/12/2023	31/03/2023	31/03/2022	31/03/2021	
a)	Present Value of the obligation at end	3.57	1.62	1.19	0.24
b)	Fair value of plan assets				
c)	Unfunded Liability/provision inBalance Sheet	(3.57)	(1.62)	(1.19)	(0.24)

#### **The amounts recognized in the income statement.**

	31/12/2023	31/03/2023	31/03/2022	31/03/2021	
a)	Total Service Cost	0.98	0.65	0.73	0.36
b)	Net Interest Cost	0.09	0.07	0.01	-
c)	Net Actuarial (gain)/ loss recognized in the period	1.06	0.12	0.45	-
d)	Expense recognized in the Income Statement	2.13	0.84	1.19	0.36

#### **Bifurcation of PBO at the end of year in current and non current.**

	31/12/2023	31/03/2023	31/03/2022	31/03/2021	
a)	Current liability (Amount due within one year)	1.06	0.19	0.38	0.07
b)	Non-Current liability (Amount due over one year)	2.50	1.43	0.80	0.16
	<b>Total PBO at the end of year</b>	<b>3.57</b>	<b>1.62</b>	<b>1.19</b>	<b>0.24</b>

**Note 40****LEASES****Where the Company is lessee**

The Company has taken various assets on lease such as, plant & equipment, buildings, office premises, vehicles and computer equipment. Generally, leases are renewed only on mutual consent and at a prevalent market price and sub-lease is restricted.

The expense relating to payments not included in the measurement of lease liability and recognised as expense in the Statement of Profit and Loss during the year are as follows:

		<b>31/12/2023</b>	<b>31/12/2022</b>	<b>31/03/2023</b>	<b>31/03/2022</b>	<b>31/03/2021</b>
a)	Short term Leases	4.01	3.15	5.01	6.16	5.72

**Note 41****Disaggregation of revenue into Operating Segments and Geographical areas**

Sector-wise Sales Category	Nine months ending 31.12.2023		FY 2022-23		Nine months ending 31.12.2022		FY 2020-21		FY 2020-21	
	Amount (₹ in mn)	% of total sales	Amount (₹ in mn)	% of total sales	Amount (₹ in mn)	% of total sales	Amount (₹ in mn)	% of total sales	Amount (₹ in mn)	% of total sales
<b>Wires and Cables (Railways)</b>										
Indian Railways	485.12	48.33%	737.56	48.27%	597.16	51.99%	562.47	53.95%	98.20	27.22%
Private Sector (other than Group Companies)	111.37	11.10%	96.60	6.32%	65.12	5.67%	92.52	8.87%	222.16	30.50%
Private Sector (Group Companies)	146.76	14.62%	307.04	20.09%	261.20	22.74%	356.49	34.19%	304.81	41.85%
<b>Sub-total (A)</b>	<b>743.25</b>	<b>74.05%</b>	<b>1,141.21</b>	<b>74.68%</b>	<b>923.48</b>	<b>80.40%</b>	<b>1,011.49</b>	<b>97.02%</b>	<b>725.17</b>	<b>99.57%</b>
<b>Wires and Cables (Defence)</b>										
Public Sector Undertakings	251.75	25.08%	369.16	24.16%	222.39	19.36%	30.45	2.92%	3.06	0.42%
Private Sector (other than Group Companies)	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
<b>Sub-total (B)</b>	<b>251.75</b>	<b>25.08%</b>	<b>369.16</b>	<b>24.16%</b>	<b>222.39</b>	<b>19.36%</b>	<b>30.45</b>	<b>2.92%</b>	<b>3.06</b>	<b>0.42%</b>
<b>Train Control Systems Division</b>										
Indian Railways	-	0.00%	14.25	0.93%	-	0.00%	-	0.00%	-	0.00%
<b>Sub-total (C)</b>	<b>-</b>	<b>0.00%</b>	<b>14.25</b>	<b>0.93%</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>0.00%</b>
<b>Other operational income</b>										
Job work charges	8.21	0.82%	3.44	0.23%	2.72	0.24%	0.64	0.06%	0.05	0.01%
Other Income	0.50	0.05%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
<b>Sub-total (E)</b>	<b>8.71</b>	<b>0.87%</b>	<b>3.44</b>	<b>0.23%</b>	<b>2.72</b>	<b>0.24%</b>	<b>0.64</b>	<b>0.06%</b>	<b>0.05</b>	<b>0.01%</b>
<b>Total (A)+(B)+(C)+(D)+(E)</b>	<b>1,003.71</b>	<b>100.00%</b>	<b>1,528.05</b>	<b>100.00%</b>	<b>1,148.59</b>	<b>100.00%</b>	<b>1,042.58</b>	<b>100.00%</b>	<b>728.28</b>	<b>100.00%</b>

**Note 42****Movement in Contract Liabilities**

	<b>31/12/2023</b>	<b>31/03/2023</b>	<b>31/03/2022</b>	<b>31/03/2021</b>
Opening Balance	5.92	2.96	-	-
Closing Balance	0.08	5.92	2.96	-
Net Increase / (Decrease)	-5.84	2.96	2.96	-

**Note 43****Foreign Currency Exposure**

	<b>31/12/2023</b>	<b>31/03/2023</b>	<b>31/03/2022</b>	<b>31/03/2021</b>
Amount Spent	49.96	82.03	216.47	59.67
Amount Received	-	-	-	-

#### **Note 44**

##### **Additional Regulatory Information**

- a. Title deeds of immovable properties not held in the name of Company.  
Details of all the immovable properties (other than properties where the Company is the lessee of and the lease agreements are duly executed in favour of the lessee) whose deeds are not held in the name of the Company:  
**NIL**
- b. There are no investment in properties
- c. The Company has not revalued its property Plant and Equipment in any of the period considered for restatement
- d. The Company has not revalued its intangible assets during the year.
- e. The Company had not granted any Loans or advances to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person
- f. No proceedings have been initiated or pending against Company for holding any Benami Property under Prohibitions of Benami Transactions Act,1988 (Earlier titled as Benami transactions (Prohibitions) Act,1988
- g. The quarterly returns/statement of current assets filed by Company with Banks for Borrowings are in agreement with the books of accounts
- h. The Company is not declared a wilful defaulter by any Bank or Financial Institution or any other lender
- i. The Company has no transaction with Companies which are stuck off under section 248 of the Companies Act,2013 or under section 530 of Companies Act,1956
- j. No charges of satisfaction are pending for registration with the Registrar of Companies (ROC)
- k. The Statutory audit report for the FY 21-22 contained following qualifications as under:

a) " We have conducted the audit for the opening balance as per SA 510 of the prior period Financial Statements which were audited by a predecessor auditor and have observed a difference of Rs. 54.84 Lakhs in opening balance of current year books of accounts and prior period audited financial statements, the Company is unable to provide us sufficient appropriate information regarding the Opening balance difference. However in current year adjustment for the difference amount has been passed under RESERVE and SURPLUS Note 2.o f financial statements as PREVIOUS YEAR ADJUSTMENT."

The above difference of Rs. 5.48 millions was on account of the followings:

- a) TDS on Import of Services of Rs. 5.83 million was considered as Other Expenses during FY 2020-21 which was the amount of withholding tax on Import of Services which need to be capitalised as Intangiible Assets Under development. Suitable correction has been made in the restatement by increasing the amount of Intangible asset Under development and by reducing the amount of other expenses.
- b) During the FY 2021-22 Opening balance of Advance to suppliers has wrongly increased by Rs. 5.83 Million as if the amount of TDS was recoverable from the supplier whereas it was borne by the Company. The corresponding increase was made in reserve and Surplus as "PREVIOUS YEAR ADJUSTMENT". Suitable Correction has been made in the restatement by decreasing the amount of Advance to Suppliers and subsequently adjusting the amount of Prior period adjustment amount.
- c) During the FY 2020-21 an amount of Rs. 0.26 million which was Employer Contribution to PF was not booked due to which Employee benefit expenses were understated by Rs. 0.26 million correspondingly Other current liabilities was also understated by Rs.0.26 million. Suitable correction has been made in the restatement.
- d) During the FY 21-22 opening balance of PF payable was increased by Rs. 0.26 million and corresponding decrease has been made in Reserve and Surplus as "PRIOR PERIOD ADJUSTMENT". Suitable Correction has been made in the restatement.
- e) During the FY 20-21 expenses were understated by Rs. 0.09 million with a corresponding reduction in expenses Payable by the same amount. Suitable adjustment has been made during restatement.

In FY 20-21 the above differences in the opening balance resulting in Rs.5.48 million (5.83-0.26-0.09) was taken as difference in opening balance which was further adjusted as "PREVIOUS YEAR ADJUSTMENT".



**Note 45****Financial Ratios**

<b>Particulars</b>	<b>Numerator</b>	<b>Denominator</b>	<b>Ratios</b>
<b>Current Ratio (In times)</b>	<b>Current Assets</b>	<b>Current liabilities</b>	
31/12/2023	538.95	461.70	1.17
31/03/2023	474.73	399.86	1.19
31/03/2022	593.88	410.94	1.45
31/03/2021	339.04	270.46	1.25
<b>Debt – Equity Ratio (In times)</b>	<b>Total Debt</b>	<b>Total equity</b>	
31/12/2023	758.67	437.55	1.73
31/03/2023	739.96	294.21	2.52
31/03/2022	806.81	156.05	5.17
31/03/2021	409.31	137.11	2.99
<b>Debt Service Coverage Ratio (In times)</b>	<b>EBITDA</b>	<b>Interest &amp; Lease Payments + Principal Repayments</b>	
31/12/2023	291.46	85.83	3.40
31/03/2023	265.49	63.75	4.16
31/03/2022	95.08	59.48	1.60
31/03/2021	112.92	62.29	1.81
<b>Return on Equity (ROE) (In %)</b>	<b>Net Profit after Tax</b>	<b>Average Shareholder's Equity</b>	
31/12/2023	144.19	365.88	39.41%
31/03/2023	139.04	225.13	61.76%
31/03/2022	19.43	146.58	13.25%
31/03/2021	48.12	113.02	42.58%
<b>Inventory Turnover Ratio</b>	<b>Cost of Goods Sold</b>	<b>Average Inventory</b>	
31/12/2023	621.13	223.75	2.78
31/03/2023	1,156.18	214.94	5.38
31/03/2022	870.05	198.03	4.39
31/03/2021	563.52	149.88	3.76
<b>Trade receivables turnover ratio (In times)</b>	<b>Turnover</b>	<b>Average Trade Receivable</b>	
31/12/2023	1,003.71	222.86	4.50
31/03/2023	1,528.04	250.35	6.10
31/03/2022	1,042.58	218.44	4.77
31/03/2021	728.28	164.06	4.44
<b>Trade payables turnover ratio (In times)</b>	<b>Net Credit Purchases</b>	<b>Average Trade Payables</b>	
31/12/2023	615.88	59.44	10.36
31/03/2023	1,048.37	101.19	10.36
31/03/2022	901.61	75.11	12.00
31/03/2021	487.95	21.71	22.48
<b>Net capital turnover ratio (In times)</b>	<b>Net Sales</b>	<b>Average Working Capital</b>	
31/12/2023	1,003.71	76.06	13.20
31/03/2023	1,528.04	128.90	11.85
31/03/2022	1,042.58	125.75	8.29
31/03/2021	728.28	60.34	12.07
<b>Net profit ratio (In %)</b>	<b>Net Profit after Tax</b>	<b>Net Sales</b>	
31/12/2023	144.19	1,003.71	14.37%
31/03/2023	139.04	1,528.04	9.10%
31/03/2022	19.43	1,042.58	1.86%
31/03/2021	48.12	728.28	6.61%

<b>Particulars</b>	<b>Numerator</b>	<b>Denominator</b>	<b>Ratios</b>
<b>Return on capital employed (ROCE)</b>	<b>EBIT</b>	<b>Capital employed</b>	
<b>(In %)</b>			
31/12/2023	235.44	945.62	24.90%
31/03/2023	228.41	840.06	27.19%
31/03/2022	63.12	749.06	8.43%
31/03/2021	82.27	341.60	24.08%
<b>Return on Investment(ROI) (In %)*</b>			
31/12/2023	-	-	
31/03/2023	-	-	
31/03/2022	-	-	
31/03/2021	-	-	

\* Return on investment is NIL as no investments made by the company

**Note 46**

**Details of Crypto Currency or Virtual Currency**

The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year

As per our Report of even date  
For SANMARKS & ASSOCIATES  
**CHARTERED ACCOUNTANTS**

**For and on behalf of the Board of Directors**

**(Santosh Kumar Aggarwal)**  
**Partner**  
**FRN : 003343N, M.No. : 091127**

**Mohit Vohra**  
**Managing Director**  
**DIN: 02534402**

**Satish Gupta**  
**Chairman**  
**DIN: 06574539**

Place: Basmā  
Date : 02.06.2024  
UDIN : 24091127BKALVU1831

**Amit Gaur**  
**CFO**

**Ankit Kumar**  
**Company Secretary**  
**M. No. 43714**

**Annexure VI- Statement of Restatement Adjustment to Audited financial statements  
(All amounts in Indian Rupees in millions, unless otherwise stated)**

**Note 47**

**First time adoption of Ind AS**

Upto the Financial year ended March 31, 2023, the Company prepared its financial statements in accordance with accounting standards notified under the Section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (“Indian GAAP” or “Previous GAAP”).

The financial statement for the period ended 31st December 2023 is the first set of Financial Statements prepared in accordance with the requirements of IND AS 101 - First time adoption of Indian Accounting Standards. Accordingly, the transition date to IND AS is 01 April 2023.

The Special purpose Ind AS Financial Statements as at and for the year ended 31 March 2023, 31 March 2022 and 31 March 2021 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS (01 April 2023) and as per the presentation, accounting policies and grouping/classifications including revised Schedule III disclosures followed as at and for the nine months period ended 31st December 2023

In addition to the adjustments carried herein, the Company has also made material restatement adjustments in accordance with SEBI Circular and Guidance Note. Together these constitute the restated financial information.

The impact of above to the equity as at 31 March 2023, 31 March 2022, 31 March 2021 and 1 April 2020 (Opening balance sheet date for Special purpose financial statements) and on total comprehensive income for the years ended 31 March 2023, 31 March 2022 and 31 March 2021 has been explained as under.

**A) Exemptions availed on first time adoption of Ind AS**

Ind AS 101, First-time Adoption of Indian Accounting Standards, allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions.

**i) Deemed Cost**

Since there is no change in the functional currency, the Company has elected to continue with carrying value for Land and building as recognized in its Indian GAAP financial statements as its deemed cost at the date of transition after making adjustments for decommissioning liabilities. However for other Property Plant and Equipments the company has re-assessed the useful life of the assets and taken the effect of Depreciation retrospectively. Thus the carrying value of the Property plant and equipments has been changed accordingly. This exemption can also be used for intangible assets covered by Ind AS 38, Intangible Assets and investment properties. Accordingly the management has elected to measure all of its intangible assets at their Indian GAAP carrying value.

**B) Mandatory Exemption on first-time adoption of Ind AS**

**i) Estimates**

An entity’s estimates in accordance with Ind AS at the date of transition to Ind AS i.e. 01 April 2023 shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates are consistent with the estimates as at the same date made in conformity with Indian GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Indian GAAP:

(i) Impairment of financial assets based on expected credit loss model.

**ii) Derecognition of financial assets and financial liabilities**

A first-time adopter should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively to transactions occurring on or after the date of transition. Therefore, if a first-time adopter

derecognized non-derivative financial assets or non-derivative financial liabilities under its Indian GAAP as a result of a transaction that occurred before the date of transition, it should not recognize those financial assets and liabilities under Ind AS (unless they qualify for recognition as a result of a later transaction or event). A first-time adopter that wants to apply the derecognition requirements in Ind AS 109, Financial Instruments, retrospectively from a date of the entity's choosing may only do so, provided that the information needed to apply Ind AS 109, Financial Instruments, to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognize provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

iii) **Classification and measurement of financial assets**

Ind AS 101, First-time Adoption of Indian Accounting Standards, requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

C) **Reconciliations**

The following reconciliations provides the effect of transition to Ind AS from Indian GAAP in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards:

<b>(i) Reconciliation of Equity as at December, 23</b>					
<b>Particulars</b>	<b>Notes</b>	<b>Indian GAAP *</b>	<b>IND AS Adjustment</b>	<b>Prior Period Adjustments</b>	<b>IND AS</b>
<b>ASSETS</b>					
<b>1 Non-current assets</b>					
(a) Property, plant and equipment	<b>A1</b>	223.03	-	28.39	194.64
(b) Capital work-in-progress		-	-	-	-
(c) Other intangible assets	<b>A11 &amp; A13</b>	560.55	-	(2.67)	563.22
(d) Intangible Assets under development		-	-	-	-
(e) Financial assets		-	-	-	-
(i) Trade receivables		27.48	-	-	27.48
(ii) Other financial assets		1.54	-	-	1.54
(g) Deferred tax assets (net)	<b>A1</b>	-	-	(2.88)	2.88
(h) Other non-current assets		-	-	-	-
<b>Total non-current assets (1)</b>		<b>812.60</b>	<b>-</b>	<b>22.84</b>	<b>789.76</b>
<b>2 Current assets</b>					
(a) Inventories		260.97	-	-	260.97
(b) Financial assets		-	-	-	-
(i) Trade receivables		213.13	-	-	213.13
(ii) Cash and cash equivalents		2.07	-	-	2.07
(iii) Bank balances other than cash and cash equivalents		4.53	-	-	4.53
(iv) Other financial assets		6.05	-	-	6.05
(c) Current Tax Assets (Net)	<b>A18</b>	-	-	(0.94)	0.94
(d) Other current assets	<b>A18 &amp; A20</b>	58.05	-	6.79	51.27
<b>Total current assets (2)</b>		<b>544.80</b>	<b>-</b>	<b>5.85</b>	<b>538.95</b>
<b>Total assets (1+2)</b>		<b>1,357.40</b>	<b>-</b>	<b>28.69</b>	<b>1,328.71</b>
<b>EQUITY AND LIABILITIES</b>					
<b>1 Equity</b>					
(i) Equity share capital		100.00	-	-	100.00
(ii) Other equity		362.86	-	25.31	337.55
<b>Total equity (1)</b>		<b>462.86</b>	<b>-</b>	<b>25.31</b>	<b>437.55</b>
<b>Liabilities</b>					
<b>2 Non-current liabilities</b>					

(a) Financial liabilities				
(i) Borrowings	422.34	-	(0.00)	422.34
(b) Deferred tax liabilities (net)	3.40	-	3.40	-
(c) Provisions	7.12		(0.00)	7.12
<b>Total non-current liabilities (2)</b>	<b>432.85</b>	<b>-</b>	<b>3.40</b>	<b>429.46</b>
<b>3 Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	336.33	-	-	336.33
(iii) Trade payables				
-Total outstanding dues of micro enterprises and small enterprises	26.37	-	-	26.37
-Total outstanding dues of creditors other than micro enterprises and small enterprises	28.52	-	-	28.52
(iv) Other financial liabilities	13.28	-	-	13.28
(b) Other current liabilities	8.92	-	(1.83)	10.75
(c) Provisions	3.43	-	1.82	1.61
(d) Current Tax Liabilities (net)	44.84	-	-	44.84
<b>Total current liabilities (3)</b>	<b>461.69</b>	<b>-</b>	<b>(0.01)</b>	<b>461.70</b>
<b>Total equity and liabilities (1+2+3)</b>	<b>1,357.40</b>	<b>-</b>	<b>28.70</b>	<b>1,328.71</b>

<b>(ii) Reconciliation of Profit or loss for the period ended 31st December 2023</b>					
<b>Particulars</b>	<b>Notes</b>	<b>Indian GAAP *</b>	<b>IND AS Adjustment</b>	<b>Prior Period Adjustments</b>	<b>IND AS</b>
<b>I Income</b>					
Revenue from operations		1,003.71		-	1,003.71
Other income	<b>A12</b>	0.61		0.19	0.42
<b>Total income (I)</b>		<b>1,004.32</b>		<b>0.19</b>	<b>1,004.13</b>
<b>II Expenses</b>					
Cost of materials consumed		607.23		-	607.23
Change in inventories of finished goods and work-in-progress		(66.70)		-	(66.70)
Employee benefits expense		80.60		-	80.60
Finance costs		28.77		-	28.77
Depreciation and amortisation expenses	<b>A1</b>	65.51		9.49	56.02
Other expenses	<b>A25 &amp; A27</b>	92.26		0.72	91.55
<b>Total expenses (II)</b>		<b>807.67</b>		<b>10.21</b>	<b>797.47</b>

<b>III Profit before exceptional items and tax (I - II)</b>		196.65	(10.02)	206.67
<b>IV Exceptional items (net)</b>		0.32	-	0.32
<b>V Profit before tax (III + IV)</b>		196.97	(10.02)	206.99
<b>VI Tax expense</b>				
(a) Current tax		63.14	-	63.14
(b ) Deferred tax	<b>A15</b>	19.34	19.68	(0.34)
<b>Total tax expense</b>		<b>82.48</b>	<b>19.68</b>	<b>62.80</b>
<b>VII Profit for the period(V - VI)</b>		<b>114.49</b>	<b>(29.70)</b>	<b>144.19</b>
<b>VIII Other comprehensive income</b>				
<b>Items that will not be reclassified to Profit or Loss :</b>				
(i) Re-measurement gains / (losses) on defined benefit plans		(0.81)	-	(0.81)
(ii) Income tax effect on above	<b>A15</b>	0.24	0.28	(0.04)
<b>Total other comprehensive income for the period / year (net of tax)</b>		<b>(0.57)</b>	<b>0.28</b>	<b>(0.85)</b>
<b>IX Total comprehensive income for the period / year(VII + VIII)</b>		<b>113.92</b>	<b>(29.42)</b>	<b>143.34</b>

(iii) Reconciliation of Cash flow as at December 2023

	<b>Indian GAAP *</b>	<b>Difference due to change in IND AS and Prior Period Adjustments</b>	<b>IND AS</b>
Net cash (used in) operating activities	166.96	35.86	131.09
Cash flow from investing activities	(155.62)	(35.86)	(119.76)
Cash flow from financing activities	(10.07)	0.00	(10.06)
Net (decrease)/increase in cash and cash equivalents	1.27	0.00	1.27
Cash and cash equivalents at the beginning of the year	5.33	-	5.33
<b>Cash and cash equivalents at the end of the year</b>	<b>6.60</b>	<b>-</b>	<b>6.60</b>

(iv) Reconciliation of total equity between previous GAAP and Ind AS as at 31 December 2023

<b>Particulars</b>	<b>Notes</b>	<b>December, 31 2023</b>
Shareholder's equity as per Indian GAAP		<b>462.86</b>
<b>Prior Period Adjustments</b>		
Other Income	<b>A12</b>	(0.19)
Depreciation	<b>A1</b>	9.49
Other Expenses	<b>A25 &amp; A27</b>	0.72
Deferred tax impact on above adjustments	<b>A15</b>	19.68
Re-measurement gains / (losses) on defined benefit plans		-
Income tax effect on above	<b>A15</b>	(0.28)
Changes in Opening Balance of Other Equity		(54.73)
<b>Total Adjustments</b>		<b>(25.31)</b>



<b>Shareholder's equity as per Ind AS</b>	<b>437.55</b>
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<b>(v) Reconciliation of total comprehensive income for the year period 31 December 2023</b>		
<b>Particulars</b>	<b>Notes</b>	<b>December, 31 2023</b>
<b>Profit/ (loss) after tax as per Indian GAAP</b>		113.92
<b>Prior Period Adjustments</b>		
Other Income	A12	(0.19)
Depreciation	A1	9.49
Other Expenses	A25 & A27	0.72
Deferred tax impact on above adjustments	A15	19.68
Re-measurement gains / (losses) on defined benefit plans		-
Income tax effect on above	A15	(0.28)
<b>Total Adjustments</b>		<b>29.42</b>
<b>Profit as per Ind AS</b>		<b>143.34</b>

<b>(i) Reconciliation of Equity as at March 31, 2023</b>						
<b>Particulars</b>	<b>Notes</b>	<b>Indian GAAP *</b>	<b>IND AS Adjustment</b>	<b>Prior Period Adjustments</b>	<b>IND AS</b>	
<b>ASSETS</b>						
<b>1 Non-current assets</b>						
(a) Property, plant and equipment	<b>A1</b>	247.15	-	38.11	209.04	
(b) Capital work-in-progress		-	-	-	-	
(c) Other intangible assets		0.01	-	-	0.01	
(d) Intangible Assets under development	<b>A11 &amp; A13</b>	445.40	-	(39.09)	484.49	
<b>(e) Financial assets</b>						
(i) Trade receivables		12.22	-	-	12.22	
(ii) Other financial assets		5.11	-	-	5.11	
(g) Deferred tax assets (net)	<b>A1</b>	15.70	-	13.12	2.58	
(h) Other non-current assets	<b>A13</b>	36.28	-	36.28	-	
<b>Total non-current assets (1)</b>		<b>761.88</b>	<b>-</b>	<b>48.43</b>	<b>713.45</b>	
<b>2 Current assets</b>						
(a) Inventories		186.53	-	-	186.53	
<b>(b) Financial assets</b>						
(i) Trade receivables		232.58	-	(0.00)	232.59	
(ii) Cash and cash equivalents		2.00	-	-	2.00	
(iii) Bank balances other than cash and cash equivalents		3.33	-	-	3.33	
(iv) Other financial assets		3.07	-	-	3.07	
(c) Current Tax Assets (Net)	<b>A2</b>	-	-	(6.06)	6.06	
(d) Other current assets	<b>A20 &amp; A18</b>	49.15	-	7.99	41.16	
<b>Total current assets (2)</b>		<b>476.67</b>	<b>-</b>	<b>1.93</b>	<b>474.73</b>	
<b>Total assets (1+2)</b>		<b>1,238.55</b>	<b>-</b>	<b>50.36</b>	<b>1,188.18</b>	
<b>EQUITY AND LIABILITIES</b>						
<b>1 Equity</b>						
(i) Equity share capital		100.00	-	-	100.00	
(ii) Other equity		248.93	-	54.72	194.21	
<b>Total equity (1)</b>		<b>348.93</b>	<b>-</b>	<b>54.72</b>	<b>294.21</b>	
<b>Liabilities</b>						
<b>2 Non-current liabilities</b>						
<b>(a) Financial liabilities</b>						
(i) Borrowings		488.79	-	-	488.79	
(b) Other non current liabilities		-	-	-	-	

(c) Provisions		5.31	-	-	5.31
<b>Total non-current liabilities (2)</b>		<b>494.10</b>	-	-	<b>494.11</b>
<b>3 Current liabilities</b>					
(a) Financial liabilities					
(i) Borrowings		251.16	-	-	251.16
(iii) Trade payables		-	-	-	-
-Total outstanding dues of micro enterprises and small enterprises		15.13	-	-	15.13
-Total outstanding dues of creditors other than micro enterprises and small enterprises		48.86	-	-	48.86
(iv) Other financial liabilities		15.77	-	-	15.77
(b) Other current liabilities	<b>A25 &amp; A9</b>	12.85	-	(0.08)	12.93
(c) Provisions	<b>A9</b>	-	-	(0.36)	0.36
(d) Current Tax Liabilities (net)	<b>A2 &amp; A18</b>	51.75	-	(3.90)	55.65
<b>Total current liabilities (3)</b>		<b>395.52</b>	-	<b>(4.34)</b>	<b>399.86</b>
<b>Total equity and liabilities (1+2+3)</b>		<b>1,238.55</b>	-	<b>50.38</b>	<b>1,188.18</b>

#### Reconciliation of Profit or loss for the year ended 31 March 2023

Particulars	Notes	Indian GAAP *	IND AS Adjustment	Prior Period Adjustments	IND AS
<b>I Income</b>					
Revenue from operations	<b>A24</b>	1,528.06	-	0.02	1,528.04
Other income		1.40	-	(0.01)	1.41
<b>Total income (I)</b>		<b>1,529.46</b>	-	<b>0.01</b>	<b>1,529.45</b>
<b>II Expenses</b>					
Cost of materials consumed		1,028.36	-	-	1,028.36
Change in inventories of finished goods and work-in-progress		73.97	-	-	73.98
Employee benefits expense	<b>A8 &amp; A9</b>	57.69	-	3.86	53.83
Finance costs		29.09	-	-	29.09
Depreciation and amortisation expenses	<b>A1</b>	54.38	-	17.30	37.08
Other expenses	<b>A2, A8 , A24 &amp; A25</b>	116.54	-	8.75	107.79
<b>Total expenses (II)</b>		<b>1,360.03</b>	-	<b>29.91</b>	<b>1,330.13</b>
<b>III Profit before exceptional items and tax (I - II)</b>		<b>169.43</b>	-	<b>(29.90)</b>	<b>199.32</b>
<b>IV Exceptional items (net)</b>		-	-	-	-
<b>V Profit before tax (III + IV)</b>		<b>169.43</b>	-	<b>(29.90)</b>	<b>199.32</b>
<b>VI Tax expense</b>					
(a) Current tax		61.03	-	-	61.03

(b) Adjustment of tax relating to earlier period			-	-
(b ) Deferred tax	A1	(11.68)	-	(10.94) (0.74)
<b>Total tax expense</b>		<b>49.34</b>	-	<b>(10.94) 60.29</b>
<b>VII Profit for the year (V - VI)</b>		<b>120.08</b>	-	<b>(18.96) 139.03</b>
<b>VIII Other comprehensive income</b>				
<b>Items that will not be reclassified to Profit or Loss :</b>				
(i) Re-measurement gains / (losses) on defined benefit plans	A9	-	-	0.96 (0.96)
(ii) Income tax effect on above	A15	-	-	0.08 (0.08)
<b>Total other comprehensive income for the year (net of tax)</b>		-	-	<b>0.88 (0.88)</b>
<b>IX Total comprehensive income for the year(VII + VIII)</b>		<b>120.08</b>	-	<b>(18.08) 138.16</b>

**(viii) Reconciliation of Cash flow as at March 31, 2023**

	Indian GAAP *	Difference due to change in IND AS and Prior Period Adjustments	IND AS
Net cash (used in) operating activities	298.91	0.01	298.92
Cash flow from investing activities	(200.17)	-	(200.17)
Cash flow from financing activities	(95.94)	(0.01)	(95.95)
Net (decrease)/increase in cash and cash equivalents	2.80	-0.00	2.80
Cash and cash equivalents at the beginning of the year	2.52	-	2.52
<b>Cash and cash equivalents at the end of the year</b>	<b>5.32</b>	-	<b>5.32</b>

**Reconciliation of total equity between previous GAAP and Ind AS as at 31 March 2023**

Particulars	Notes	March 31, 2023
Shareholder's equity as per Indian GAAP		348.93
<b>Total IND AS Adjustment</b>		-
<b>Prior Period Adjustments</b>		
Revenue from operations	A24	(0.02)
Cost of Material Consumed	A7	-
Change in closing Stock of Goods in Transit and Finished Goods	A7	-
Employee Benefit expenses	A8 & A9	3.86
Depreciation	A1	17.30
Other Expenses & other Income	A2, A8 , A24 & A25	8.75
Deferred tax impact on above adjustments	A1	(10.94)
Re-measurement gains / (losses) on defined benefit plans		(0.96)
Income tax effect on above		0.08
Changes in Opening Balance of Other Equity		(72.80)
<b>Total Prior Period Adjustments</b>		<b>(54.73)</b>

<b>Shareholder's equity as per Ind AS</b>		<b>294.20</b>
<b>Reconciliation of total comprehensive income for the year ended 31 March 2023</b>		
<b>Particulars</b>	<b>Notes</b>	<b>March 31, 2023</b>
<b>Profit/ (loss) after tax as per Indian GAAP</b>		<b>120.08</b>
<b>Total IND AS Adjustment</b>		<b>-</b>
<b>Prior Period Adjustments</b>		
Revenue from operations	A24	(0.02)
Cost of Material Consumed	A7	-
Change in closing Stock of Goods in Transit and Finished Goods	A7	-
Employee Benefit expenses	A8 & A9	3.86
Depreciation	A1	17.30
Other Expenses & other Income	A2, A8 , A24 & A25	8.75
Deferred tax impact on above adjustments	A1	(10.94)
Re-measurement gains / (losses) on defined benefit plans		(0.96)
Income tax effect on above		0.08
<b>Total Prior Period Adjustments</b>		<b>18.08</b>
<b>Profit as per Ind AS</b>		<b>138.16</b>

<b>(ii) Reconciliation of Equity as at March 31, 2022</b>						
<b>Particulars</b>	<b>Notes</b>	<b>Indian GAAP *</b>	<b>IND AS Adjustment</b>	<b>Prior Period Adjustments</b>	<b>IND AS</b>	
<b>ASSETS</b>						
<b>1 Non-current assets</b>						
(a) Property, plant and equipment	<b>A1</b>	251.13	-	55.41	195.72	
(b) Capital work-in-progress		24.35	-	-	24.35	
(d) Other intangible assets		0.01	-	-	0.01	
(e) Intangible Assets under development	<b>A11 &amp; A13</b>	271.15	-	(39.09)	310.24	
(f) Financial assets						
(ii) Other financial assets		1.70	-	-	1.70	
(g) Deferred tax assets (net)	<b>A15</b>	4.02	-	2.26	1.76	
(h) Other non-current assets	<b>A13</b>	36.28	-	36.28	-	
<b>Total non-current assets (1)</b>		<b>588.64</b>	<b>-</b>	<b>54.86</b>	<b>533.78</b>	
<b>2 Current assets</b>						
(a) Inventories		243.34	-	-	243.34	
(b) Financial assets						
(i) Trade receivables		268.11	-	-	268.11	
(ii) Cash and cash equivalents		0.81	-	-	0.81	
(iii) Bank balances other than cash and cash equivalents		1.72	-	-	1.72	
(iv) Other financial assets		2.60	-	-	2.56	
(c) Current Tax Assets (Net)	<b>A18</b>	-	-	(4.05)	4.05	
(c) Other current assets	<b>A2, A18 &amp; A20</b>	89.71	-	16.42	73.30	
<b>Total current assets (2)</b>		<b>606.28</b>	<b>-</b>	<b>12.36</b>	<b>593.88</b>	
<b>Total assets (1+2)</b>		<b>1,194.92</b>	<b>-</b>	<b>67.22</b>	<b>1,127.66</b>	
<b>EQUITY AND LIABILITIES</b>						
<b>1 Equity</b>						
(i) Equity share capital		100.00	-	-	100.00	
(ii) Other equity		128.85	-	72.80	56.05	
<b>Total equity (1)</b>		<b>228.85</b>	<b>-</b>	<b>72.80</b>	<b>156.05</b>	
<b>Liabilities</b>						
<b>2 Non-current liabilities</b>						
(a) Financial liabilities						
(i) Borrowings		558.35	-	0.00	558.35	
(b) Other non current liabilities		-	-	-	-	

(c) Provisions	A9	-	-	(2.32)	2.32
<b>Total non-current liabilities (2)</b>		<b>558.35</b>	-	<b>(2.32)</b>	<b>560.67</b>
<b>3 Current liabilities</b>					
(a) Financial liabilities					
(i) Borrowings		248.46	-	-	248.46
(ii) Trade payables		-	-	-	-
-Total outstanding dues of micro enterprises and small enterprises		-	-	-	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises		138.40	-	-	138.40
(iii) Other financial liabilities		10.50	-	-	10.50
(b) Other current liabilities		3.95	-	-	3.95
(c) Provisions	A9	-	-	(0.50)	0.50
(d) Current Tax Liabilities (net)	A2	6.40	-	(2.75)	9.15
<b>Total current liabilities (3)</b>		<b>407.71</b>	-	<b>(3.25)</b>	<b>410.94</b>
<b>Total equity and liabilities (1+2+3)</b>		<b>1,194.91</b>	-	<b>67.24</b>	<b>1,127.66</b>

**Reconciliation of Profit or loss for the year ended 31 March 2022**

Particulars	Notes	Indian GAAP *	IND AS Adjustment	Prior Period Adjustments	IND AS
<b>I Income</b>					
Revenue from operations	A23 & A24	1,051.56	-	8.98	1,042.58
Other income	A24	1.89	-	1.56	0.33
<b>Total income (I)</b>		<b>1,053.46</b>	-	<b>10.55</b>	<b>1,042.91</b>
<b>II Expenses</b>					
Cost of materials consumed	A23 & A24	894.95	-	10.20	884.75
Change in inventories of finished goods and work-in-progress		(84.67)	-	0.00	(84.67)
Employee benefits expense	A8 & A9	68.81	-	(1.18)	69.98
Finance costs		33.64	-	-	33.64
Depreciation and amortisation expenses	A1	40.96	-	9.00	31.96
Other expenses	A8, A11, A24 & A27	90.06	-	12.28	77.78
<b>Total expenses (II)</b>		<b>1,043.74</b>	-	<b>30.31</b>	<b>1,013.42</b>
<b>III Profit before exceptional items and tax (I - II)</b>		<b>9.72</b>	-	<b>(19.76)</b>	<b>29.49</b>
<b>IV Exceptional items (net)</b>		-	-	-	-
<b>V Profit before tax (III + IV)</b>		<b>9.72</b>	-	<b>(19.76)</b>	<b>29.49</b>
<b>VI Tax expense</b>		-	-	-	-

(a) Current tax		10.30	-	-	10.30
(b) Adjustment of tax relating to earlier period					-
(b ) Deferred tax	<b>A1</b>	(4.02)	-	(3.78)	(0.24)
<b>Total tax expense</b>		<b>6.28</b>	-	<b>(3.78)</b>	<b>10.06</b>
<b>VII Profit for the year (V - VI)</b>		<b>3.44</b>	-	<b>(15.98)</b>	<b>19.42</b>
<b>VIII Other comprehensive income</b>					
<b>Items that will not be reclassified to Profit or Loss :</b>					
(i) Re-measurement gains / (losses) on defined benefit plans	<b>A9</b>	-	-	0.71	(0.71)
(ii) Income tax effect on above	<b>A15</b>	-	-	0.22	(0.22)
<b>Total other comprehensive income for the year (net of tax)</b>		<b>-</b>	<b>-</b>	<b>0.49</b>	<b>(0.49)</b>
<b>IX Total comprehensive income for the year(VII + VIII)</b>		<b>3.44</b>	<b>-</b>	<b>(15.49)</b>	<b>18.93</b>

(xiii) **Reconciliation of Cash flow as at March 31, 2022**

	<b>Indian GAAP *</b>	<b>Difference due to change in IND AS and Prior Period Adjustments</b>	<b>IND AS</b>
Net cash (used in) operating activities	(47.94)		2.02 (45.92)
Cash flow from investing activities	(315.80)		(2.02) (317.82)
Cash flow from financing activities	363.87		- 363.87
Net (decrease)/increase in cash and cash equivalents	0.13		-0.00 0.13
Cash and cash equivalents at the beginning of the year	2.39		- 2.39
<b>Cash and cash equivalents at the end of the year</b>	<b>2.52</b>		<b>- 2.52</b>

**Reconciliation of total equity between previous GAAP and Ind AS as at 31 March 2022**

<b>Particulars</b>	<b>Notes</b>	<b>March 31, 2022</b>
Shareholder's equity as per Indian GAAP		<b>228.85</b>
<b>Total IND AS Adjustment</b>		<b>-</b>
<b>Prior Period Adjustments</b>		
Revenue from operations	<b>A23 &amp; A24</b>	(8.98)
Other Income	<b>A24</b>	(1.56)
Change in Cost of Material Consumed	<b>A23 &amp; A24</b>	10.20
Change in closing Stock of Goods in Transit and Finished Goods	<b>0</b>	0.00
Employee Benefit expenses	<b>A8 &amp; A9</b>	(1.18)
Depreciation	<b>A1</b>	9.00
Other Expenses	<b>A8, A11, A24 &amp; A27</b>	12.28
Deferred tax impact on above adjustments	<b>A1</b>	(3.78)
Re-measurement gains / (losses) on defined benefit plans	<b>A1</b>	(0.71)
Income tax effect on above	<b>A9</b>	0.22
Changes in Opening Balance of Other Equity		(82.82)



Other Adjustments	(5.48)
<b>Total Prior Period Adjustments</b>	<b>(72.80)</b>
<b>Shareholder's equity as per Ind AS</b>	<b>156.05</b>

<b>Reconciliation of total comprehensive income for the year ended 31 March 2022</b>		
<b>Particulars</b>	<b>Notes</b>	<b>March 31, 2022</b>
<b>Profit/ (loss) after tax as per Indian GAAP</b>		3.44
<b>Total IND AS Adjustment</b>		-
<b>Prior Period Adjustments</b>		
Revenue from operations	<b>A23 &amp; A24</b>	(8.98)
Other income	<b>A24</b>	(1.56)
Change in Cost of Material Consumed	<b>A23 &amp; A24</b>	10.20
Change in closing Stock of Goods in Transit and Finished Goods	<b>0</b>	0.00
Employee Benefit expenses	<b>A8 &amp; A9</b>	(1.18)
Depreciation	<b>A1</b>	9.00
Other Expenses	<b>A8, A11, A24 &amp; A27</b>	12.28
Deferred tax impact on above adjustments	<b>A1</b>	(3.78)
Re-measurement gains / (losses) on defined benefit plans	<b>A9</b>	(0.71)
Income tax effect on above	<b>A15</b>	0.22
<b>Total Prior Period Adjustments</b>		<b>15.49</b>
<b>Profit as per Ind AS</b>		<b>18.93</b>

<b>(iii) Reconciliation of Equity as at March 31, 2021</b>					
<b>Particulars</b>	<b>Notes</b>	<b>Indian GAAP *</b>	<b>IND AS Adjustment</b>	<b>Prior Period Adjustments</b>	<b>IND AS</b>
<b>ASSETS</b>					
<b>1 Non-current assets</b>					
(a) Property, plant and equipment	<b>A1 &amp; A14</b>	248.78	-	64.41	184.37
(b) Capital work-in-progress		21.17	-	-	21.17
(c) Other intangible assets		0.01	-	-	0.01
(d) Intangible Assets under development	<b>A11 &amp; A13</b>	-	-	(38.91)	38.91
(e) Financial assets		-	-	-	-
(i) Other financial assets		2.14	-	-	2.14
(g) Deferred tax assets (net)	<b>A15</b>	-	-	(1.30)	1.30
(h) Other non-current assets	<b>A13</b>	36.28	-	36.28	-
<b>Total non-current assets (1)</b>		<b>308.38</b>	<b>-</b>	<b>60.48</b>	<b>247.90</b>
<b>2 Current assets</b>					
(a) Inventories		152.71	-	-	152.71
(b) Financial assets		-	-	-	-
(i) Trade receivables	<b>A17</b>	173.94	-	5.18	168.76
(ii) Cash and cash equivalents		1.19	-	-	1.19
(iii) Bank balances other than cash and cash equivalents		1.20	-	-	1.20
(iv) Other financial assets		5.17	-	-	5.17
(c) Current tax Assets (Net)	<b>A18</b>	10.40	-	6.21	4.19
(d) Other current assets	<b>A4, A17, A18,</b>	10.06	-	4.25	5.81
<b>Total current assets (2)</b>		<b>354.68</b>	<b>-</b>	<b>15.65</b>	<b>339.03</b>
<b>Total assets (1+2)</b>		<b>663.06</b>	<b>-</b>	<b>76.13</b>	<b>586.93</b>
<b>EQUITY AND LIABILITIES</b>					
<b>1 Equity</b>					
(i) Equity share capital		100.00	-	-	100.00
(ii) Other equity		119.93	-	82.82	37.11
<b>Total equity (1)</b>		<b>219.93</b>	<b>-</b>	<b>82.82</b>	<b>137.11</b>
<b>Liabilities</b>					
<b>2 Non-current liabilities</b>					
(a) Financial liabilities					
(i) Borrowings		178.65	-	-	178.65
(b) Other non current liabilities		-	-	-	-
(c) Provisions	<b>A9</b>	-	-	(0.71)	0.71

<b>Total non-current liabilities (2)</b>		<b>178.65</b>	-	<b>(0.71)</b>	<b>179.36</b>
<b>3 Current liabilities</b>					
(a) Financial liabilities					
(i) Borrowings		230.66	-	-	230.66
(ii) Trade payables		-	-	-	-
-Total outstanding dues of micro enterprises and small enterprises		-	-	-	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises		11.82	-	-	11.82
(iii) Other financial liabilities		14.32	-	-	14.32
(b) Other current liabilities	<b>A10, A25 &amp; A28</b>	7.69	-	(0.50)	8.19
(c) Provisions	<b>A9</b>	-	-	(0.09)	0.09
(d) Current Tax Liabilities (net)	<b>A2, A4 &amp; A18</b>	-	-	(5.38)	5.38
<b>Total current liabilities (3)</b>		<b>264.48</b>	-	<b>(5.97)</b>	<b>270.46</b>
<b>Total equity and liabilities (1+2+3)</b>		<b>663.06</b>	-	<b>76.14</b>	<b>586.93</b>

#### Reconciliation of Profit or loss for the year ended 31 March 2021

Particulars	Notes	Indian GAAP *	IND AS Adjustment	Prior Period Adjustments	IND AS
<b>I Income</b>					
Revenue from operations		728.28	-	-	728.28
Other income		0.65	-	-	0.65
<b>Total income (I)</b>		<b>728.93</b>	-	-	<b>728.93</b>
<b>II Expenses</b>					
Cost of materials consumed		518.07	-	-	518.07
Change in inventories of finished goods and work-in-progress		(35.77)	-	-	(35.77)
Employee benefits expense	<b>A9 &amp; A10</b>	80.00	-	(1.23)	81.23
Finance costs		23.68	-	-	23.68
Depreciation and amortisation expenses	<b>A1</b>	16.82	-	(13.83)	30.65
Other expenses	<b>A11, A13, A27 &amp; A25</b>	56.98	-	4.49	52.49
<b>Total expenses (II)</b>		<b>659.77</b>	-	<b>(10.57)</b>	<b>670.34</b>
<b>III Profit before exceptional items and tax (I - II)</b>		<b>69.16</b>	-	<b>10.57</b>	<b>58.59</b>
<b>IV Exceptional items (net)</b>	<b>A14</b>	-	-	<b>(0.10)</b>	<b>0.10</b>
<b>V Profit before tax (III + IV)</b>		<b>69.16</b>	-	<b>10.47</b>	<b>58.69</b>
<b>VI Tax expense</b>					
(a) Current tax	<b>A15</b>	-	-	(11.88)	11.88

	(b) Adjustment of tax relating to earlier period	-	-	-	-
	(b ) Deferred tax	A15	-	-	1.32 (1.32)
	<b>Total tax expense</b>		-	-	<b>(10.57) 10.57</b>
<b>VII</b>	<b>Profit for the year (V - VI)</b>		<b>69.16</b>	-	<b>21.04 48.12</b>
<b>VIII</b>	<b>Other comprehensive income</b>				
	<b>Items that will not be reclassified to Profit or Loss :</b>				
	(i) Re-measurement gains / (losses) on defined benefit plans	A9	-	-	(0.08) 0.08
	(ii) Income tax effect on above	A15	-	-	(0.02) 0.02
	<b>Total other comprehensive income for the year (net of tax)</b>		-	-	<b>(0.06) 0.06</b>
<b>IX</b>	<b>Total comprehensive income for the year(VII + VIII)</b>		<b>69.16</b>	-	<b>20.98 48.18</b>

<b>(xviii) Reconciliation of Cash flow as at March 31, 2021</b>				
	<b>Indian GAAP *</b>	<b>Difference due to change in IND AS and Prior Period Adjustments</b>		<b>IND AS</b>
	Net cash (used in) operating activities	17.39		38.90 56.30
	Cash flow from investing activities	(45.42)		(38.90) (84.32)
	Cash flow from financing activities	27.09		(0.01) 27.08
	Net (decrease)/increase in cash and cash equivalents	<b>-0.94</b>		- <b>(0.94)</b>
	Cash and cash equivalents at the beginning of the year	3.33		- 3.33
	<b>Cash and cash equivalents at the end of the year</b>	<b>2.39</b>		- <b>2.39</b>

<b>Reconciliation of total equity between previous GAAP and Ind AS as at 31 March 2021</b>		
<b>Particulars</b>	<b>Notes</b>	<b>March 31,2021</b>
Shareholder's equity as per Indian GAAP		<b>119.93</b>
<b>Total IND AS Adjustment</b>		<b>-</b>
<b>Prior Period Adjustments</b>		
Revenue from operations	-	-
Purchase of Goods	-	-
Change in Inventory of raw material due to above	-	-
Employee Benefit expenses	<b>A9 &amp; A10</b>	(1.23)
Change in Depreciation	<b>A1</b>	(13.83)
Other Expenses	<b>A11,A13,A27 &amp; A25</b>	4.49
Exceptional item	<b>A14</b>	0.10
Deferred tax on above adjustments	<b>A15</b>	1.32
Provision for Tax	<b>A15</b>	(11.88)
Re-measurement gains / (losses) on defined benefit plans	<b>A9</b>	0.08
Income tax effect on above	<b>A15</b>	-0.02

Changes in Opening Balance of Other Equity	A1 & A2	(61.82)
<b>Total Prior Period Adjustments</b>		<b>(82.82)</b>
<b>Shareholder's equity as per Ind AS</b>		<b>37.11</b>
<b>Reconciliation of total comprehensive income for the year ended 31 March 2021</b>		
<b>Particulars</b>	<b>Notes</b>	<b>March 31,2021</b>
<b>Profit/ (loss) after tax as per Indian GAAP</b>		69.16
<b>Prior Period Adjustments</b>		
Revenue from operations		-
Purchase of Goods		-
Change in closing Stock of Goods in Transit and Finished Goods		-
Employee Benefit expenses	A9 & A10	(1.23)
Change in Depreciation	A1	(13.83)
Other Expenses	A11,A13,A27 & A25	4.49
Exceptional item	A14	0.10
Deferred tax impact on above adjustments	A15	1.32
Provision for Tax	A15	(11.88)
Re-measurement gains / (losses) on defined benefit plans	A9	0.08
Income tax effect on above	A15	(0.02)
<b>Total Prior Period Adjustments</b>		<b>(20.98)</b>
<b>Profit as per Ind AS</b>		<b>48.18</b>

<b>(iv) Reconciliation of Equity as at April 1, 2020</b>					
<b>Particulars</b>	<b>Notes</b>	<b>Indian GAAP *</b>	<b>IND AS Adjustment</b>	<b>Prior Period Adjustments</b>	<b>IND AS</b>
<b>ASSETS</b>					
<b>1 Non-current assets</b>					
(a) Property, plant and equipment	A1	241.17	-	50.67	190.50
(b) Capital work-in-progress		-	-	-	-
(c) Financial assets		0.08	-	-	0.08
(ii) Other financial assets		4.03	-	-	4.03
(g) Deferred tax assets (net)		-	-	-	-
(h) Other non-current assets		-	-	-	-
<b>Total non-current assets (1)</b>		<b>245.28</b>	<b>-</b>	<b>50.67</b>	<b>194.61</b>
<b>2 Current assets</b>					
(a) Inventories		147.05	-	-	147.05
(b) Financial assets					
(i) Trade receivables		159.36	-	-	159.36
(ii) Cash and cash equivalents		2.08	-	-	2.08

(iii) Bank balances other than cash and cash equivalents		1.25	-	-	1.25
(iv) Other financial assets		10.31	-	-	10.31
(c) Current tax Assets		5.90	-	-	5.90
(d) Other current assets	<b>A1 &amp; A2</b>	81.72	-	11.14	70.58
<b>Total current assets (2)</b>		<b>407.67</b>	-	<b>11.14</b>	<b>396.54</b>
<b>Total assets (1+2)</b>		<b>652.96</b>	-	<b>61.82</b>	<b>591.15</b>

## **EQUITY AND LIABILITIES**

<b>1 Equity</b>					
(i) Equity share capital		100.00	-	-	100.00
(ii) Other equity	<b>A1 &amp; A2</b>	50.75	-	(61.82)	(11.07)
<b>Total equity (1)</b>		<b>150.75</b>	-	<b>(61.82)</b>	<b>88.93</b>
<b>Liabilities</b>					
<b>2 Non-current liabilities</b>					
(a) Financial liabilities					
(i) Borrowings		142.61	-	-	142.61
(b) Other non current liabilities		-	-	-	-
(c) Provisions		-	-	-	-
<b>Total non-current liabilities (2)</b>		<b>142.61</b>	-	-	<b>142.61</b>
<b>3 Current liabilities</b>					
(a) Financial liabilities					
(i) Borrowings		215.93	-	-	215.93
(iii) Trade payables					
-Total outstanding dues of micro enterprises and small enterprises		-	-	-	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises		31.60	-	-	31.60
(iv) Other financial liabilities		110.72	-	-	110.72
(b) Other current liabilities		1.36	-	-	1.36
(c) Provisions		-	-	-	-
(d) Current Tax Liabilities (net)	<b>A4</b>	-	-	-	-
<b>Total current liabilities (3)</b>		<b>359.61</b>	-	-	<b>359.61</b>
<b>Total equity and liabilities (1+2+3)</b>		<b>652.96</b>	-	<b>(61.82)</b>	<b>591.15</b>

### **Reconciliation of total equity between previous GAAP and Ind AS as at 1 April 2020**

<b>Particulars</b>			<b>Notes</b>		<b>April 1, 2020</b>
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Shareholder's equity as per Indian GAAP		<b>150.75</b>
<b>Prior Period Adjustments</b>		
Change in Equity due to change in Life of Asset	<b>A1</b>	(50.67)
Adjustment of Previous year balances of Tax paid stands under the head Other Current Assets	<b>A2</b>	(11.14)
<b>Total Prior Period Adjustments</b>		<b>(61.82)</b>
<b>Shareholder's equity as per Ind AS</b>		<b>88.93</b>

\* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

## Notes to the reconciliation between previous GAAP and Ind AS

### A Prior Period Adjustments

The Company has made certain errors in adoption of accounting policies under Previous GAAP. During the current year, on transition to IndAS, the Company has rectified these errors by restating the financial Statement for the respective years/period. These adjustments are on account of:-

- A1 The Company has changed its life of asset during the FY 22-23 but the retrospective effect of depreciation has not been taken into account. The same has been considered during the restatement.
- A2 The Company has not adjusted its Income tax paid amount against its tax liability and the whole balance stands under the head Other Current Assets. The same has been adjusted against Current tax Liability and the balance has been included in Other Expenses as Income tax paid.
- A3 Bifurcation of Security Deposits has been made in Current and Non Current but the same was taken care while conversion to Ind As Balance sheet so will not be the part of Reconciliation.
- A4 The Company has not Made Current Tax Provision during the FY 2021-22 which was provided while restated financials and the same has been adjusted against Advance tax stands as Current tax Assets
- A5 Freight and Cartage Outward charged on Sale Invoices has been reclassified from Revenue from Operations to Other Expenses and the effect of the same was taken during conversion also.
- A6 Consumables and Packing material were reclassified under Cost of Material Consumed from Other Expenses during Conversion of Balance sheet to IND AS.
- A7 Bifurcation of Inventory into Raw Material, Work in Progress and Finished Goods during Conversion of Balance sheets to IND AS.
- A8 Training Expenses during the FY 21-22 of Rs.0.14 millions has been transferred from Employee Benefit Expenses to Other Expenses.
- A9 Provision for Gratuity and Leave Encashment has been recognised during restatement. The Same will also Impact the Provision for Gratuity made during the year 22-23 as Rs. 2.81 Millions has already been recognised as provision during last two years so the same will be reduced from the Provision reflected in Employee Benefit Expenses during 22-23
- A10 An Amount of Rs. 0.26 Millions on Account of Employer Contribution to PF for the month of March has not been booked.
- A11 The Company has recognised TDS Paid on Import of Services amounting to Rs. 5.83 Millions during FY 20-21 and Rs.0.19 Millions during FY 2021-22 as other expenses were capitalised as Intangible Asset under Development
- A12 Exchange Fluctuation Expenses has been regrouped to Other Income in Negative Figure for Dec 2023
- A13 Expenses of Rs. 3.20 Millions has been charged to Other Expenses out of Amount of Rs. 36.28 Millions recognised as Pre operative Expenses in FY 20-21 and Balance amount of Pre operative Expenses were capitalised to intangible Asset Under development
- A14 Profit on Sale of Asset has been classified as Exceptional Items
- A15 Provision for Tax and Deferred tax Asset/Liabilities has not been provided earlier. And where it has been provided earlier the same has been adjusted as per the updated balances of Property Plant and Equipment as per restated information.
- A16 Software Included in Property Plant and Equipment has been reclassified as Intangible Assets during conversion to IND AS.
- A17 Advance to Suppliers amounting to Rs. 5.18 Millions as on 31.03.2021 has been transferred to Other Current Assets from Trade Receivables
- A18 Current Assets related to Income Tax i.e. TDS Recoverable and refund Due has been recognised as Current tax Assets instead of Adjusted from Current Tax Liabilities
- A19 During the FY 2021-22 Direct Production Expenses were charged in Cost of Material Consumed which has been Transferred to other Expenses during Conversion to IND AS
- A20 An amount of Rs. 5.83 Millions has also been deducted from Advance to Suppliers as the same was TDS on import of services which should not affect the ledger of Suppliers as the same was paid by applying the concept of Grossing up.
- A21 During FY 22-23 Balance of a Party was reflected in Trade Receivable and Trade Payables as well. Thus the Net balance of the party was shown as Trade receivable during conversion to IND AS.
- A22 The Company has not bifurcated its Long term Borrowings into Current maturities and Non Current maturities. The same has been rectified during conversion to IND AS.
- A23 Inter Unit Supply has been deducted from Revenue from Operations as well as from Cost of Material Consumed.
- A24 Discount received has been adjusted from Purchase instead of showing under Other income and Discount allowed has also been adjusted from sales instead of showing it under Other Expenses.



- A25** Provision for Audit fees has not provided earlier now provided during restatement and Amount paid against it has been adjusted in Next Year.
- A26** Retention Money Included Under Other Current Assets has been transferred to Financial Non Current Assets (Trade receivables) during conversion to IND AS.
- A27** Amount of Income Tax paid included in profit and Loss Account as Other Expenses has been varied in Audited and Restated Balance sheet as No Provision has been provided in Audited Balance sheet so the whole amount of tax has been considered as income tax paid during the year while the same has been adjusted from Provision of tax of last year and only Interest Liability paid during the year considered as Income Tax paid in restated financials.
- A28** Expenses of Rs. 0.09 Millions has been identified in which there is a difference in records and audited balance of FY 20-21 now rectified during restatement and subsequently Other current liabilities were reduced.

**B On account of implementation of IND AS**

**B1 Current tax**

Under the Indian GAAP financial statements, the company had identified errors in accounting of earlier year tax adjustments and had accounted as prior period items in the year in which the errors were identified. Under IND AS, the errors are to be adjusted in the year in which the error has been done or in the first period presented. Accordingly, the company has adjusted the errors in respective financial years in which accounting error were identified.

**B2 Deferred tax**

- a)** Deferred tax adjustments has been made in accordance with Ind AS, under balance sheet approach for all the items which have differential book base from that of tax base and which temporarily gets reversed due to timing difference including adjustments arising from Ind AS transition.
- b)** Under the Indian GAAP, the Company had not recognised deferred tax assets/liabilities during the financial year 2020-21. Accordingly deferred tax assets/liability has been recognised in the restated financial information.

**B3 Borrowings**

The Borrowings were bifurcated into Current and Non Current Maturities.

- B4** The transition from the Previous GAAP to Ind AS did not have material impact on the statement of cash flow.
- B5** Appropriate adjustments have been made in the Restated Statement of Assets and Liabilities, Restated Statement of Profits and Loss and Restated Summary Statement of Cash Flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited Ind AS financial statements of the Company prepared in accordance with Schedule III of Companies Act 2013, in accordance with the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 (as amended).

As per our Report of even date  
For SANMARKS & ASSOCIATES  
**CHARTERED ACCOUNTANTS**

**For and on behalf of the Board of Directors**

**(Santosh Kumar Aggarwal)**  
**Partner**  
**FRN : 003343N, M.No. : 091127**

**Mohit Vohra**  
**Managing Director**  
**DIN: 02534402**

**Satish Gupta**  
**Chairman**  
**DIN: 06574539**

Place: Basma  
Date : 02.06.2024  
UDIN : 24091127BKALVU1831

**Amit Gaur**  
**CFO**

**Ankit Kumar**  
**Company Secretary**  
**M. No. 43714**

## OTHER FINANCIAL INFORMATION

### Accounting ratios derived from the Restated Financial Information

The accounting ratios derived from Restated Financial Information required to be disclosed under the SEBI ICDR Regulations are set forth below. The table below should be read in conjunction with the sections titled “Risk Factors”, “Other Financial Information” and “Management Discussion and Analysis of Financial Condition and Results of Operations”, on pages 31, 359 and 369, respectively:

#### Before the Adjustment of Bonus Shares

(₹ in millions, unless other specified)

Particulars	Nine months period ended December 31, 2023	As at / for the financial year ended		
		March 31, 2023	March 31, 2022	March 31, 2021
Revenue from operations	1,004.13	1,529.45	15,322.17	1,042.91
Total income	<b>1,004.13</b>	<b>1,529.45</b>	<b>15,322.17</b>	<b>1,042.91</b>
Total Equity/Net Worth <sup>1</sup>	437.55	294.21	156.05	137.11
Restated Profit for the year attributable to equity shareholders (B)	143.43	138.16	18.94	48.19
<b>Return on Net worth (C) = (B/A) (%)<sup>2</sup></b>	<b>32.76%</b>	<b>46.96%</b>	<b>12.14%</b>	<b>35.14%</b>
Restated Profit for the year attributable to equity shareholders (D)	143.43	138.16	18.94	48.19
Weighted average no. of equity shares for Basic EPS (E) <sup>3</sup>	1,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000
Weighted average no. of diluted equity shares for Diluted EPS (F) <sup>3</sup>	1,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000
<b>Basic Earnings Per Equity Share of face value ₹ 10 each (EPS) (in ₹) (G)= (D / E)<sup>4</sup></b>	<b>14.33</b>	<b>13.82</b>	<b>1.89</b>	<b>4.82</b>
<b>Diluted Earnings Per Equity Share of face value ₹ 10 each (EPS) (in ₹) (H)= (D / F)<sup>5</sup></b>	<b>14.33</b>	<b>13.82</b>	<b>1.89</b>	<b>4.82</b>
Total Equity/ Net Worth (I) <sup>1</sup>	437.55	294.21	156.05	137.11
Number of equity shares outstanding at the end of the period / year, before adjustment of bonus issue (J)	1,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000
<b>Net Assets Value (NAV) per Equity Share of face value ₹ 10 each (in ₹) (I / J)<sup>6</sup></b>	<b>43.76</b>	<b>29.42</b>	<b>15.61</b>	<b>13.71</b>
<b>EBITDA<sup>7</sup></b>	<b>291.78</b>	<b>265.49</b>	<b>95.08</b>	<b>113.01</b>
<b>EBITDA Margins (%)<sup>8</sup></b>	<b>29.06%</b>	<b>17.36%</b>	<b>0.62%</b>	<b>10.84%</b>

\* Earning per share (basic) and Earning per share (diluted) for the nine months ended December 31, 2023 is not annualised.

Notes:

- Total Equity/Net Worth means aggregate Equity Share Capital and reserves and surplus (comprising of Securities Premium and Surplus of Profit and Loss Account)  
Net worth has been defined as the aggregate value of the paid-up equity share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and

- amalgamation as on December 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021 in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations, as amended.
- Return on net worth (%): Net profit after tax, as restated / Net worth at the end of the period or year
  - Weighted average no. of equity shares for Basic EPS or Diluted EPS means the number of outstanding equity shares as at December 31, 2023, before the adjustment of bonus shares
  - In accordance with Indian Accounting Standard 33 'Earnings per Share' are calculated by dividing the net restated profit or loss for the year/period attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year/period;
  - In accordance with Indian Accounting Standard 33, Diluted earnings per share are calculated by dividing the net restated profit or loss for the year/period attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year as adjusted for the effects of all dilutive potential Equity Shares during the year/period;
  - Net Asset Value per Equity Share = Net worth as per the Restated Financial Information / number of Equity Shares outstanding as at the end of the year / period.
  - EBITDA is calculated as restated profit for the year plus total tax expense, plus depreciation and amortization expense, plus finance costs.
  - EBITDA Margins (%) = EBITDA/Total Income in terms of percentage.

#### After the Adjustment of Bonus Shares

Particulars	Nine months period ended December 31, 2023	As at / for the financial year ended		
		March 31, 2023	March 31, 2022	March 31, 2021
Restated Profit for the year attributable to equity shareholders (D)	143.43	138.16	18.94	48.19
Weighted average no. of equity shares for Basic EPS (E) <sup>2</sup>	3,00,00,000	3,00,00,000	3,00,00,000	3,00,00,000
Weighted average no. of diluted equity shares for Diluted EPS (F) <sup>2</sup>	3,00,00,000	3,00,00,000	3,00,00,000	3,00,00,000
<b>Basic Earnings Per Equity Share of face value ₹ 10 each (EPS) (in ₹) (G)= (D / E)<sup>3</sup></b>	<b>4.78</b>	<b>4.61</b>	<b>0.63</b>	<b>1.61</b>
<b>Diluted Earnings Per Equity Share of face value ₹ 10 each (EPS) (in ₹) (H)= (D / F)<sup>4</sup></b>	<b>4.78</b>	<b>4.61</b>	<b>0.63</b>	<b>1.61</b>
Total Equity/ Net Worth (I) <sup>1</sup>	437.55	294.21	156.05	137.11
Number of equity shares outstanding at the end of the period / year, before adjustment of bonus issue (J) <sup>5</sup>	3,00,00,000	3,00,00,000	3,00,00,000	3,00,00,000
<b>Net Assets Value (NAV) per Equity Share of face value ₹ 10 each (in ₹) (I / J)<sup>6</sup></b>	<b>14.59</b>	<b>9.81</b>	<b>5.20</b>	<b>4.57</b>

\* Earning per share (basic) and Earning per share (diluted) for the nine months ended December 31, 2023 is not annualised.

#### Notes:

- Total Equity/Net Worth means aggregate Equity Share Capital and reserves and surplus (comprising of Securities Premium and Surplus of Profit and Loss Account)  
Net worth has been defined as the aggregate value of the paid-up equity share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as on December 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021 in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations, as amended.
- Weighted average no. of equity shares for Basic EPS or Diluted EPS means the number of outstanding equity shares as at December 31, 2023, after the adjustment of bonus shares
- In accordance with Indian Accounting Standard 33 'Earnings per Share' are calculated by dividing the net restated profit or loss for the year/period attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year/period;

4. In accordance with Indian Accounting Standard 33, Diluted earnings per share are calculated by dividing the net restated profit or loss for the year/period attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year as adjusted for the effects of all dilutive potential Equity Shares during the year/period;
5. Net Asset Value per Equity Share = Net worth as per the Restated Financial Information / number of Equity Shares outstanding as at the end of the year after the adjustment of bonus shares / period.

#### Non-GAAP measures

In addition to our results determined in accordance with Ind AS, we believe the following non-GAAP measures are useful to Bidders in evaluating our operating performance and liquidity. We use the following non-GAAP financial information to evaluate our ongoing operations. We believe that non-GAAP financial information, when taken collectively with financial measures disclosed in financial statements and prepared in accordance with Ind AS, may be helpful to Bidders because it provides an additional tool for Bidders to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance. However, our management does not consider these non-GAAP measures in isolation or as an alternative to financial measures of our performance and liquidity that is not required by, or presented in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. Further, these non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit / (loss) for the years / period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP.

Non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information disclosed in financial statements and presented in accordance with Ind AS. Non-GAAP financial information are not standardised terms, hence a direct comparison of these non-GAAP Measures between companies may not be possible and these measures may be different from similarly titled non-GAAP measures used by other companies. Other companies may calculate these non-GAAP measures differently from us, limiting its usefulness as a comparative measure. Non-GAAP financial measures are not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Our non-GAAP financial measures are not a measurement of financial performance or liquidity under these accounting standards and should not be construed in isolation or construed as an alternative to cash flows, restated loss for the period or any other measures of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated from our operating, investing or financing activities, derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. The principal limitation of these non-GAAP financial measures is that they exclude significant expenses and income that are required by Ind AS to be recorded in our financial statements, as further detailed below. In addition, they are subject to inherent limitations as they reflect the exercise of judgment by management about which expenses and income are excluded or included in determining these non-GAAP financial measures. A reconciliation is provided below for the non-GAAP financial measures to the most directly comparable financial measure disclosed in financial statements. Bidders are encouraged to review the related Ind AS financial measures and the reconciliation of non-GAAP financial measures to their most directly comparable Ind AS financial measures included below and to not rely on any single financial measure to evaluate our business.

#### Reconciliation of Non-GAAP Measures

Reconciliation for the various Non-GAAP Measures included in this Draft Red Herring Prospectus are given below:

#### *EBITDA, Operating EBITDA, EBITDA Margin (%), Operating EBITDA Margin (%)*

(₹ in millions)

Particulars	Nine months period ended December 31, 2023	As at / for the financial year ended		
		March 31, 2023	March 31, 2022	March 31, 2021
Revenue from operations	1003.71	1528.04	1042.58	728.28
Total revenue	1004.13	1529.45	1042.91	728.93
EBITDA	291.46	265.45	95.08	112.92
EBITDA margin (%)	29.04%	17.37%	9.12%	15.50%
Operating EBITDA	291.04	264.08	94.75	112.27
Operating EBITDA (%)	29.00%	17.28%	9.09%	15.42%

Particulars	Nine months period ended December 31, 2023	As at / for the financial year ended		
		March 31, 2023	March 31, 2022	March 31, 2021
Profit after tax	144.19	139.04	19.43	48.12
PAT margin (%)	14.37%	9.10%	1.86%	6.61%
Return on Equity (ROE)(%)	39.41%	61.76%	13.25%	42.58%
Debt to Equity Ratio	1.73	2.52	5.17	2.99
Interest Coverage Ratio	8.19	7.85	1.88	3.48
Return on Capital Employed (ROEC)(%)	24.93%	27.19%	8.43%	24.11%
Current Ratio	1.17	1.19	1.45	1.25
Net Capital Turnover Ratio	13.20	11.85	8.29	12.07

a) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.

b) EBITDA refers to earnings before interest, taxes, depreciation, amortisation, gain or loss from discontinued operations & exceptional items.

c) EBITDA Margin refers to EBITDA during a given period as a percentage of revenue from operations during that period.

d) Operating EBITDA refers to EBITDA less other income ie only revenue from operations.

e) Operating EBITDA Margin refers to operating EBITDA during a given period as a percentage of revenue from operations during that period.

f) Net Profit Ratio/Margin quantifies our efficiency in generating profits from our revenue and is calculated by dividing our net profit after taxes but before other comprehensive income by our revenue from operations.

g) Return on equity (RoE) is equal to profit after tax for the year divided by the total equity during that period and is expressed as a percentage.

h) Debt to equity ratio is calculated by dividing the debt (excluding lease liabilities) by total equity (which includes issued capital and all other equity reserves).

i) Interest Coverage Ratio measures our ability to make interest payments from available earnings and is calculated by dividing EBIT by finance cost.

j) RoCE (Return on Capital Employed) (%) is calculated as EBIT divided by total equity plus non-current debt plus current debt.

k) Current Ratio is a liquidity ratio that measures our ability to pay short-term obligations (those which are due within one year) and is calculated by dividing the current assets by current liabilities.

l) Net Capital Turnover Ratio quantifies our effectiveness in utilizing our working capital and is calculated by dividing our revenue from operations by average working capital (i.e., current assets less current liabilities).

#### The breakdown of debt servicing cost is as under:

Particulars	(₹ in million)			
	For nine months ended December 31, 2023	Fiscal ended March 31, 2023	Fiscal ended March 31, 2022	Fiscal ended March 31, 2021
Total debt service comprising of finance cost during the period and current maturities of long term borrowings paid during the period (I)	85.83	63.75	59.48	62.29
Profit before tax (II)	206.99	199.32	29.49	58.69
Add: Depreciation and amortisation expenses (III)	56.02	37.08	31.96	30.65
Less: Other income (IV)				
Operating EBITDA available for debt service (V = II + III + IV)	291.78	265.49	95.09	113.02
Debt service coverage ratio (V / III)	2.55 *	3.08	1.39	2.28

\* Not annualised

## FINANCIAL INDEBTEDNESS

Our Company avails loans in the ordinary course of business for the purpose of working capital requirements. For the Issue, our Company has obtained the necessary consents required under the relevant loan documentations for undertaking activities, such as change in its capital structure, change in its shareholding pattern or change or amendment to the constitutional documents of our Company.

As on the date of filing of the Draft Red Herring Prospectus, the overall borrowings of our Company do not exceed the overall limit as specified under Section 180(1)(c) of the Companies Act, 2013.

Set forth below is a brief summary of all the borrowings of our Company together with a brief description of certain significant terms of such financing arrangements.

The Articles, subject to the provisions of Section 180(1)(c) of the Companies Act, 2013 authorize the Board to from time to time at its discretion or by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash credit or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, any body corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed Rs. 5,000 million.

On February 27, 2024, our Company was sanctioned a working capital facility by ICICI Bank Limited for an aggregate sum of ₹ 200.00 million and to commence multiple banking, alongwith HDFC Bank. ICICI Bank, through its sanction letter, has limited the maximum permissible bank finance to ₹ 280.00 million. Our Company has utilised the limit granted by ICICI Bank and the outstanding amount as on May 31, 2024 is ₹ 197.54 million. Accordingly, as on present date, both limits of HDFC Bank and ICICI Bank are being operated independently and separately and the aggregate amount utilised under both the fund based limits is ₹ 313.52 million as on May 31, 2024.

The Company has already applied with HDFC Bank Limited for commencing multiple banking, which is pending with the Bank and the final decision of HDFC Bank is yet to be received. Our Company has started to utilise the facility from ICICI Bank w.e.f. April 02, 2024 and in terms of the sanction letter, the approval from HDFC Bank has to be obtained within 90 (ninety) days from the date of disbursement of the facility, i.e. by July 01, 2024. In case the sanction for multiple banking is not received from HDFC Bank and pari passu charge for the assets provided as security to ICICI Bank is not extended, we may be required to repay the amount availed from ICICI Bank on immediate basis, unless the period for registration of such pari passu charge is extended by ICICI Bank. Furthermore, HDFC Bank may also recall their facility if the multiple banking is not consented to by HDFC Bank.

### DETAILS OF THE SECURED WORKING CAPITAL TERM LOANS AND CASH CREDIT FACILITIES AVAILED BY OUR COMPANY FROM BOTH THE LENDERS

#### A. HDFC Bank Limited: Statement of principal terms of secured loans and assets charged as security is as under:

Nature of Credit Facility	Sanctioned limits (₹ in million)	Amount Outstanding as on May 31, 2024 (₹ in million)	Rate of interest as per sanction letter	Present Rate of Interest (p.a.)	Maturity Period / Tenure (Month / Days)	EMI payable as on date (₹ in million)
Cash Credit	230.00	115.98	9.45% (3 month T-bill as on date of loan booking or limit set will be applicable)	9.45%	12 months (renewal on September 15, 2024)	Not Applicable

Nature of Credit Facility	Sanctioned limits (₹ in million)	Amount Outstanding as on May 31, 2024 (₹ in million)	Rate of interest as per sanction letter	Present Rate of Interest (p.a.)	Maturity Period / Tenure (Month / Days)	EMI payable as on date (₹ in million)
Working Capital Term Loan	65.00	10.83	9% (as per existing rate)	9.00%	60 months (renewal on September 15, 2024)	1.34
Working Capital Term Loan - Guarantee Emergency Credit Line	52.00	10.34	9.25% (as per existing rate)	9.25%	48 months (renewal on September 15, 2024)	1.62
Working Capital Term Loan - Guarantee Emergency Credit Line (Extension)	29.36	27.96	9.25% (as per existing rate)	9.25%	60 months (renewal on September 15, 2024)	0.92
Working Capital Term Loan	300.00	266.90	9.85% (3 month T-bill as on date of loan booking or limit set will be applicable)	10.06%	84 months (renewal on September 15, 2024)	6.03
Bank Guarantee (Performance) with margin of 10%	100.00	47.04	Not Applicable	Not Applicable	1095 days (renewal on September 15, 2024)	Not Applicable
Cash Credit (sub-limit of Bank Guarantee)	50.00	-	9.45% (3 month T-bill as on date of loan booking or limit set will be applicable)	9.45%	12 months (renewal on September 15, 2024)	Not Applicable
<b>Total</b>	<b>776.36</b>	<b>465.58</b>				

(As certified by MASD & Co. LLP, Chartered Accountant, pursuant to their certificate dated June 02, 2024.)

The above facilities are due for renewal every 12 months, latest renewal being received vide letter dated November 23, 2023. Loan is secured by way of exclusive charge on the following, including collateral security for availing the financial facilities:

Securities Offered	
<b>Security-Primary</b>	Book Debts, Fixed Deposit, Plant and Machinery, Stock
<b>Security-Collateral</b>	<p><b>Industrial Property used for Commercial Activity</b> at 17 B 12 B 10 B Village Basma Kk No 270/373 Kh No 1895 Kk 236/339 Kh No 1267 Sub Tehsil Banur Near Radha Swami Satsang Bhavan Mansa, Punjab-151506 (<i>Equitable Mortgage</i>) owned by Quadrant Future Tek Limited</p> <p><b>Commercial office</b> at SCO 54, Sector 31, Faridabad, Haryana-121007 (<i>Equitable Mortgage</i>) owned by Amit Dhawan and Sumit Dhawan</p> <p><b>Residential Flat / Apartment</b> at Plot 642, Mohali, Phase 6 (<i>Equitable Mortgage</i>) owned by Amrit Singh Randhawa and Rajbir Singh Randhawa</p> <p><b>Residential - Row House</b> at Property No 168, Sector 31, Urban Estate Sec 31, Faridabad, Haryana-121008 (<i>Equitable Mortgage</i>) owned by Anu Vohra</p> <p><b>Industrial Estates With Industrial Activity</b> at Plot No. E 254, Industrial Area Phase VIII B, Industrial Focal Point (<i>Equitable Mortgage</i>) owned by M/s NEC Switchgears and Controls</p> <p><b>Residential Flat / Apartment</b> at Flat No: 602, Tower 7, Uniwords Garden, Sector 47, Mansa-Punjab, Punjab-151506 (<i>Equitable Mortgage</i>) owned by Vivek Abrol and Anita Abrol</p> <p><b>Industrial Property Used For Commercial Activity</b> at House No 268, Phase 4, Mohali, Focal Point Mohali (<i>Equitable Mortgage</i>) owned by Amrit Singh Randhawa and Rajbir Singh Randhawa</p>

**Securities Offered**

**Residential – Bungalow** at Saffron Homes Wadala Kalan Vadala Kalan Khasra, No.26//1/1/5-8,10/2/5-8,11/1/5 8,27//15/2/4-0 Near Hotel Ramada Kapurthala Punjab 144603 (*Equitable Mortgage*) owned by Mohan Krishan Abrol and Suman Abrol

**Residential – Bungalow** at Saffron Homes Village Wadala Kalan Kothi No.7 Wakia Rakba Wadala Kalan Khasra No.27//17/1/2/4-16,24/2/1/4-16,30//4/2/1/4-16,7/1/2/3-0 Kita 4 Adjoining Hotel Ramada Kapurthala Punjab 144603 (*Equitable Mortgage*) owned by Suman Abrol

**Key Covenants:**

Our borrowing arrangements provide for covenants restricting certain business operations and we are required to take the prior approval of the lender or inform the lender before carrying out such activities inter alia:

- effecting any change in ownership interest structure whereby the effective beneficial ownership or control shall change;
- effecting any changes to the shareholding pattern;
- Promoter's money in business to be maintained at 5,033 lakhs (as per audited figures of March 31, 2023) during currency of exposure
- transfer, sell, lease, grant on license or create any third party interest of any nature whatsoever on the Security;
- Issuing personal guarantee for any other loan except for Car Loans, Personal loans, Home loans, Education loans to be obtained for family members;
- Borrower shall not divert any funds for any other purpose and launch new scheme of expansion without prior permission of the HDFC Bank

**Events of Default:**

The borrowing arrangements entered into by us with the lender contains certain instances, occurrence of which may result into an event of default, including:

- failure or delay in making payment/repayment of any principal amount or interest on the relevant due dates
- Failure to comply with the takeover formalities in respect of the facilities including creation and perfection of security in favor of the Bank;
- utilisation of the facilities or any part thereof for purposes other than Working Capital Requirements as sanctioned by the lender;
- failure in proper storage and insurance of the stock in the premises as disclosed to the Bank

This is an indicative list and there may be additional consequences of an event of default under the various borrowing arrangements entered into by us.

**B. ICICI Bank Limited: Statement of principal terms of secured loans and assets charged as security is as under:**

Nature of Credit Facility	Sanctioned limits (₹ in million)	Amount Outstanding as on May 31, 2024 (₹ in million)	Rate of interest as per sanction letter	Present Rate of Interest (p.a.)	Maturity Period / Tenure (Month / Days)	EMI payable as on date (₹ in million)
Cash Credit	200.00	197.54	Repo Rate plus spread of 2.95% (To be reset after every 3 months)	9.45%	renewal due on February 23, 2025	Not Applicable

The above facility was sanctioned to us vide letter dated February 27, 2024 and is due for renewal on February 23, 2025. The Loan is secured by way of exclusive charge on the following, including collateral security for availing the financial facilities:

Security Details	Description/Property Address	Nature of Charge
Current Assets	Village Basma, Tehsil Banur, Mohali, Punjab, India, 140 417	First Pari passu charge
Immovable Fixed Assets	SCO 54, Sector 31, Urban Estate, Faridabad, Haryana, India, 121 003 owned by Amit Dhawan and Sumit Dhawan	Exclusive charge



Security Details	Description/Property Address	Nature of Charge
Immovable Fixed Assets	House No. 268, Phase 4, Sector 59, Mohali, Punjab, India, 160059 owned by Amrit Singh Randhawa and Rajbir Singh Randhawa	Exclusive charge

Further, Rajbir Singh Randhawa, Aikjot Singh, Anit Dhawan, Amrit Singh Randhawa, Mohit Vohra, Vishesh Abrol, Vivek Abrol and Rupinder Singh have given personal guarantee for the above mentioned cash credit.

**Key Covenant:**

Our borrowing arrangements provide for covenants restricting borrowing limits from the relevant lender that the Maximum Permissible Bank Finance for the Company should not exceed the limits of Rs. 280 million.

**Events of Default:**

The borrowing arrangements entered into by us with the lender contains certain instances, occurrence of which may result into an event of default, including:

- Non-compliance of sanction terms pertaining to Stock Audit, Book Debt Statement and Stock Statement
- Irregular due to drawings beyond DP/Limit
- Payment default (in case of foreign currency loans, the foreign currency amount will be converted into equivalent rupee and additional interest as mentioned herein will be charged)
- Non-compliance of sanction terms pertaining to security creation
- Breach of financial covenants.

This is an indicative list and there may be additional consequences of an event of default under the various borrowing arrangements entered into by us.

**C. HDFC Bank: Vehicle loans**

**Statement of principal terms of secured loans (Vehicle Loans:**

Name of Lender	HDFC Bank Limited			
Nature of Loan	Sanctioned limits (₹ in million)	Amount Outstanding as on May 31, 2024	Rate of Interest	Maturity Period / Tenure (Month / Days)
Vehicle Loans*	80.87	79.79	8.90%	60 months

(\*) 7 Vehicle were purchased by the Company for official purpose for use by Promoter Directors of the Company.

**UNSECURED LOANS: STATEMENT OF PRINCIPAL TERMS OF UNSECURED LOANS IS AS UNDER:**

Our Company has availed unsecured loans in the past from our directors or shareholders from time to time to meet the business requirements. Such loans have been unsecured and repayable on demand. Such unsecured loans from directors and shareholders do not carry any interest. Further, vide letter(s) dated May 31, 2024 entered individually with each of the lender from whom amount was outstanding on May 31, 2024, our Company has entered into the following terms for repayment of such unsecured loan:

Name of lender	Amount outstanding as on May 31, 2024 (₹ in million)	Repayment terms	Rate of interest
Aikjot Singh	10.00	The said loan is repayable on demand. However, post listing of Equity Shares by the Company, the loan outstanding on such date of listing shall not be repaid on or before March 31, 2027, unless approval of the majority of public category shareholders is received through a general meeting.	Nil
Amit Dhawan	21.75		
Amrit Singh Randhawa	19.50		
Mohit Vohra	15.25		
Rajbir Singh Randhawa	10.50		
Rupinder Singh	27.00		
Swinder Kaur	7.00		
Vishesh Abrol	12.40		
Vivek Abrol	24.60		
<b>Total</b>	<b>148.00</b>		

No security has been provided by the Company for availing such unsecured loans.

Further, our Company has received “No Objection” from HDFC Bank Limited and ICICI Bank Limited, vide their respective letter dated February 27, 2024 and April 09, 2024, for the proposed IPO by our Company and the Object of the Issue in regards to prepayment / repayment of loan and any other steps that our Company may take in respect thereof.

## CAPITALISATION STATEMENT

(₹ in million)		
Particulars	Pre-Issue as at December 31 ,2023	Post Issue
<b>Borrowings</b>		
Current Borrowings (A)	250.60	[•]
Non-current Borrowings (including current maturities of non-current borrowings) (B)	508.07	[•]
<b>Total Borrowings (C) = (A)+(B)</b>	<b>758.67</b>	<b>[•]</b>
<b>Equity</b>		
Equity Share Capital (D)	100.00	[•]
Other Equity (E)	337.55	[•]
<b>Total Equity (F)= (D)+(E)</b>	<b>437.55</b>	<b>[•]</b>
<b>Total Borrowings/ Total Equity (C)/(F)</b>	<b>1.73</b>	<b>[•]</b>
<b>Non-Current Borrowing/Total Equity (B)/(F)</b>	<b>1.16</b>	<b>[•]</b>

Notes:

1. The amounts disclosed above are derived from Restated Financial Information of our Company. The corresponding post-Issue capitalization data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building process.

## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

*The following discussion is intended to convey the management's perspective on our financial condition and results of operations for the nine months ended December 31, 2023 and the Fiscal 2023, 2022 and 2021 and should be read in conjunction with 'Restated Financial Information' on page 244.*

*The Draft Red Herring Prospectus may include forward-looking statements that involve risks and uncertainties, and our actual financial performance may materially vary from the conditions contemplated in such forward-looking statements as a result of various factors, including those described below and elsewhere in the Draft Red Herring Prospectus. For further information, see 'Forward-Looking Statements' on page 20.*

*Our Company's Fiscal commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, the financial information for the nine months ended December 31, 2023 and the Fiscal 2021, 2022 and 2023 included herein is derived from the Restated Financial Information, included in the Draft Red Herring Prospectus. For further information, see 'Restated Financial Information' on page 244. Ind AS differs in certain respects from Indian GAAP, IFRS and U.S. GAAP and other accounting principles with which prospective investors may be familiar. Also see 'Risk Factor 58 - Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to investors' assessment of our financial conditions' on page 63.*

*Unless otherwise indicated, industry and market data used in this section has been derived from the report titled 'Industry Research Report on Specialty Cables, Train Control System and Interconnect Products' released on May 31, 2024, prepared by CARE Analytics and Advisory Private Limited, which has been commissioned and paid for by our Company in connection with the Issue. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CareEdge Report and included herein with respect to any particular year, refers to such information for the relevant calendar year. Sundae Capital Advisors Private Limited was appointed by our Company and is not connected to our Company, our Directors, our Promoters, our Key Managerial Personnel, Senior Management or BRLM. A copy of the CareEdge Report is available on the website of our Company at [www.quadrantfuturetek.com](http://www.quadrantfuturetek.com). Unless otherwise indicated, financial, operational, industry and other related information derived from the CareEdge Report and included herein with respect to any particular calendar year/ Fiscal refers to such information for the relevant calendar year / Fiscal. For further information, see 'Risk Factor 51 - Certain sections of the Draft Red Herring Prospectus contain information from the CareEdge Report which we commissioned and paid for and any reliance on such information for making an investment decision in the Issue is subject to inherent risks' on page 61. Also see, 'Certain conventions, presentation of financial, industry and market data and currency of presentation' on page 15.*

### BUSINESS OVERVIEW

Quadrant Future Tek is research oriented company, engaged in developing new generation Train Control and Signalling Systems that offers the highest level of safety and reliability to rail passengers. Quadrant also possess an irradiated / E-beam cable manufacturing facility with Electron Beam Irradiation Centre. The company offers speciality cables for Railways rolling stock and Naval (Defence) industry. The company possess end to end infrastructure for the production of Solar Cables & EV Cables. The manufacturing operations of the Company are based in Basma, Mohali and Railway Signalling & Embedded System Design centres at Bengaluru, Karnataka and Hyderabad, Telangana.

We believe that our competitive advantage is our technology and innovation-driven approach, our efficiency in operations, maintaining quality control, experienced domain professionals and Railway Signalling & Embedded System Design team enabling indigenously developed solutions.

#### Specialty Cables Division

The Company offers Electron Beam Irradiated Cables for the industrial & 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 higher

temperature-bearing capacity enables the industry users to specify lower cross-section conductor / cable sizes that enables significant weight reduction. Thus, these E-beam 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 E-beam cables also has major application in Solar & Wind installations where thermal resistance, long term durability & extended warranties are the key factors. We have installed a 2.5 MeV Electron Beam Industrial Accelerator for cable manufacturing plant which helps us to offer electron beam Irradiated 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 Limited and ROHS Certification Private Limited for its speciality cables division. We have a wide product portfolio which includes railways rolling stock cables, naval defence, marine cables, solar PV cables, automotive cables, and connectors & junction boxes. We also provide 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 our Company. With a huge emphasis on the modernization of Railways in India and thrust on Make in India, accompanied by ambition for high speeds trains, the requirement of Automated Train Safety and signalling systems is inevitable. The Indian Railways plays a crucial role in ensuring the smooth and secure operation of trains across the rail network. For enhancing the safety standards and faster movement, Indian Railways is developing and creating technology in areas such as signalling and telecommunication with 15,000 kms being converted into automatic signalling and 37,000 kms to be fitted with 'Kavach', the domestically developed Train Collision Avoidance System (CareEdge Report). It is a combination of hardware equipment and software that monitor train locations and movements. Once implemented by Indian Railways, KAVACH will be the world's most economical automatic train collision protection system that ensures safety of human life and the rail infrastructure.

Our Company has dedicated Railway Signalling & Embedded System Design centre for the development of Train Control Products & Solutions and is working towards development of Electronic Interlocking System to control the railway traffic & enable high train speeds. Quadrant 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. We have vertically integrated manufacturing operations for the hardware and software required for Train Control and Signalling Division which allow us to manage manufacturing processes in-house, from design and development to manufacturing and delivery.

Based on our registration to develop indigenized KAVACH (Indian Railway ATP) and successful Type testing, we have been accorded proto-type approval by Indian Railways / RDSO and further technical clearance for deployment of our systems 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 ₹ 168.60 million. For the said deployment of Kavach equipment, our Company has nearly completed the entire civil work required and is in the process of deploying stationary, RIU and onboard Kavach systems. Upon successful completion of the project execution, warrant period shall be two years and thereafter AMC period shall be one year separately for onboard and trackside systems.

On May 01, 2024, our Company has entered into a Memorandum of Understanding 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. RailTel shall lead engagement and discussion with key stakeholders within Indian Railways and other Country's Railways and to participate, market and implement KAVACH technology jointly with Quadrant in Indian Railways and in other countries. Our Company is *inter-alia* responsible for technology maintenance and upgradation as per the specifications of RDSO for entire life cycle of the project, meet RDSO specifications to be eligible for participation in upcoming tenders of KAVACH on Indian Railways, provide technical expertise for the project execution alongwith provision of expert manpower and required technology solutions and to participate in KAVACH tenders of Indian Railways or other countries jointly with RailTel.

Our Company started manufacturing specialty cables, initially, to meet the requirements of our Company's Promoter and Promoter Group entities for rail cables. Gradually, in addition to partnering with our Promoter Group customers (related parties) in order to pursue their growth strategies, we have diversified our customer base to include third-party customers by leveraging our infrastructure for manufacturing capacity and maximizing its utilization. Our efforts to expand the customer base have led to an increase in manufacturing of specialty cables for third-party customers with expansion into defence sector also and our total revenue from operations increased from ₹ 728.28 million in Fiscal 2021 to ₹ 1,528.04 million in Fiscal 2023, at a CAGR of 44.85% and was ₹ 1,003.71 million in the nine months ended December 31, 2023.

#### Sales mix and geographical presence

Nature of customers	December 31, 2023		March 31, 2023		March 31, 2022		March 31, 2021	
	Sales	%age*	Sales	%age*	Sales	%age*	Sales	%age*
(₹ in millions)								
<b>Wires and Cables (Railways)</b>								
Indian Railways (through Zonal railways / their divisions / production units)	485.12	48.33%	737.56	48.27%	562.47	53.95%	198.20	27.22%
Private Sector (other than Group Companies)	107.61	10.72%	94.45	6.18%	67.37	6.46%	194.89	26.76%
Private Sector (Group Companies)	146.76	14.62%	307.04	20.09%	356.49	34.19%	304.81	41.86%
<b>Sub-total (A)</b>	<b>739.49</b>	<b>73.68%</b>	<b>1,139.06</b>	<b>74.54%</b>	<b>986.34</b>	<b>94.61%</b>	<b>697.90</b>	<b>95.83%</b>
<b>Wires and Cables (Defence)</b>								
Public Sector Undertakings	251.75	25.08%	369.16	24.16%	30.45	2.92%	3.06	0.42%
Private Sector (other than Group Companies)	-	0.00%	-	0.00%	-	0.00%	-	0.00%
<b>Sub-total (B)</b>	<b>251.75</b>	<b>25.08%</b>	<b>369.16</b>	<b>24.16%</b>	<b>30.45</b>	<b>2.92%</b>	<b>3.06</b>	<b>0.42%</b>
<b>Train Control Systems Division</b>								
Indian Railways	-	0.00%	14.25	0.93%	-	0.00%	-	0.00%
<b>Sub-total (C)</b>	<b>-</b>	<b>0.00%</b>	<b>14.25</b>	<b>0.93%</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>0.00%</b>
<b>Other income from operations (D)</b>	<b>12.48</b>	<b>1.24%</b>	<b>5.58</b>	<b>0.56%</b>	<b>25.79</b>	<b>2.57%</b>	<b>27.27</b>	<b>2.72%</b>
<b>Total (A)+(B)+(C)+(D)</b>	<b>1,003.71</b>	<b>100.00%</b>	<b>1,528.04</b>	<b>100.00%</b>	<b>1,042.58</b>	<b>100.00%</b>	<b>728.23</b>	<b>100.00%</b>

\* As %age to total revenue from operations.

The primary customers of our Company are in the business segment of railways and defence and therefore geographical mix is not relevant.

#### Concentration of our customers and suppliers

The following is the breakup of the top five and ten customers of our Company for the nine months period ended December 31, 2023 and the financial years ended March 31, 2023, 2022 and 2021:

Particulars	December 31, 2023		March 31, 2023		March 31, 2022		March 31, 2021	
	Sales	%age*	Sales	%age*	Sales	%age*	Sales	%age*
(₹ in millions)								
<b>On total revenue</b>								
Top ten customers	766.31	76.35%	1,184.27	77.50%	892.50	58.41%	575.90	37.69%
Top five customers	584.79	58.26%	790.34	51.72%	659.72	43.17%	348.64	22.82%
<b>Division wise bifurcation of sales is as under:</b>								
<b>Wires and Cables (Railways)</b>								
Top ten customers	583.32	58.12%	957.12	62.64%	890.36	58.27%	575.90	37.69%

Particulars	December 31, 2023		March 31, 2023		March 31, 2022		March 31, 2021	
	Sales	%age*	Sales	%age*	Sales	%age*	Sales	%age*
Top five customers	461.01	45.93%	661.39	43.28%	659.72	43.17%	348.64	22.82%

#### Wires and Cables (Defence)

Top five customers ^	251.75	25.08%	369.16	24.16%	30.45	1.99%	3.06	0.20%
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\* As %age to total revenue from operations.

^ The total number of customers is less than 5 (five) during the period mentioned aforesaid.

The following is the breakup of the top five and ten suppliers of our Company for the nine months period ended December 31, 2023 and the financial years ended March 31, 2023, 2022 and 2021:

(₹ in millions)

Particulars	December 31, 2023		March 31, 2023		March 31, 2022		March 31, 2021	
	Value #	%age^	Value #	%age^	Value #	%age^	Value #	%age^
<b>On total revenue</b>								
Top ten suppliers	576.41	95.52%	880.37	85.95%	795.30	90.64%	408.73	85.46%
Top five suppliers	551.12	91.33%	791.22	77.24%	699.84	79.76%	294.67	61.61%

# value of purchase of material and consumables during the period

^ as percentage of purchase of material and consumables

We generate sales by subscribing and fulfilling of tenders invited by Indian Railways directly or different Railway Zones or their division / production units, selling to private railway suppliers and contractors, requirement of such cables by Group Companies and tenders invited by Naval (Defence) manufacturing units. Hence there is no dependency on any one customer. Also, the majority of the purchases have been concentrated with top five suppliers. The details of revenue generated from top five customers and purchases made from top five suppliers during the nine months period ended December 31, 2023 and the financial years ended March 31, 2023, 2022 and 2021 is as under:

(₹ in millions)

Name of customer	Sales@	%age*	Name of supplier	Value #	%age^
<b>Nine months ended December 31, 2023</b>					
DY.CMM/DEPOT-FUR/Integral Coach Factory	188.52	18.78%	Vedanta Limited	376.44	62.38%
SMM/RB/Chittranjan Locomotive Works/CRJ (West Bengal)	126.63	12.62%	Abrol Engineering Company Pvt. Ltd.-Cr	69.51	11.52%
Garden Reach Shipbuilders & Engg. Ltd.	110.74	11.03%	Taprath Elastomers LLP	69.45	11.51%
Hindustan Shipyard Limited	85.36	8.50%	Phoolchand Bhagatsingh	23.65	3.92%
International Switchgears Pvt Ltd	73.54	7.33%	Shiva Metal Industries	12.07	2.00%
Principal Financial Advisor/ Banaras Locomotive Works	27.03	2.69%	KMG Wires Pvt Ltd	8.10	1.34%
D.R. Auto Industries	26.53	2.64%	Chemosil Industries Pvt Ltd	6.19	1.03%
Abrol Engineering Company Pvt. Ltd.	26.24	2.61%	Tomer Machines	4.24	0.70%
P.D Steels	23.80	2.37%	Harsh Spools	3.87	0.64%
PFA/ Patiala Locomotive Works	18.72	1.87%	Wuxi EL PONT Radiation Technology Co. Ltd	2.90	0.48%
<b>Fiscal 2023</b>			<b>Fiscal 2023</b>		
SMM/3PH/ Chittranjan Locomotive Works /CRJ (West Bengal)	213.51	13.97%	Vedanta Limited	424.89	41.48%
Garden Reach Shipbuilder & Engg Ltd	207.93	13.61%	Abrol Engineering Company Pvt Ltd	151.66	14.81%
DY.CMM/DEPOT-FUR/ Integral Coach Factory, Chennai	171.08	11.20%	Taprath Elastomer LLP	126.09	12.31%

<b>Name of customer</b>	<b>Sales@</b>	<b>%age*</b>	<b>Name of supplier</b>	<b>Value #</b>	<b>%age^</b>
DY/FA & CAO, Modern Coach Factory, Raebareli	112.09	7.34%	International Switchgears Pvt Ltd	59.27	5.79%
Mazagon Dock Shipbuilders Ltd	85.74	5.61%	Kontakt Consertium India Pvt Ltd	29.31	2.86%
Stores Deport 2, Patiala Locomotive Works	77.50	5.07%	Brilliant Metal Pvt. Ltd.	22.95	2.24%
Dy fa & cao/ Rail Coach Factory	76.22	4.99%	One arc LLP	18.64	1.82%
Prime Electronics	65.51	4.29%	Nec Switchgears & Controls	17.77	1.73%
Abrol Engineering Company Pvt Ltd	50.29	3.29%	Hindalco Industries Limited	16.47	1.61%
Ess Ess Kay Engg. Co. Pvt. Ltd.	26.21	1.72%	KMG Wires Pvt. Ltd.	13.32	1.30%
<b>Fiscal 2022</b>			<b>Fiscal 2022</b>		
FA & CAO, Integral Coach Factory, Chennai	238.49	15.61%	Vedanta Limited	257.45	29.34%
SMM/3PH/ Chittranjan Locomotive Works /CRJ (WEST BENGAL)	121.23	7.93%	Tecop India Pvt. Ltd.	169.84	19.36%
Abrol Engineering Company Pvt Ltd	117.52	7.69%	International Switchgears Pvt Ltd	95.53	10.89%
FA & CAO, Rail Coach Factory, Kapurthala	109.12	7.14%	Abrol Engineering Company Pvt Ltd	92.33	10.52%
MV Electrosystems Pvt Ltd	73.36	4.80%	Taprath Elastomer LLP	84.69	9.65%
Prime Electronics	59.14	3.87%	Vedanta Limited	48.85	5.57%
International Switchgears Pvt. Ltd.	57.91	3.79%	Jaina Trading Co	14.20	1.62%
Nec Switchgears & Controls	48.56	3.18%	One Arc LLP	14.06	1.60%
Diesel Loco Modernization Works-Patiala	36.71	2.40%	MV Electrosystems Pvt. Ltd.	9.52	1.08%
D.R. Auto industries	28.31	1.85%	International Switchgears Pvt. Ltd.	8.83	1.01%
<b>Fiscal 2021</b>			<b>Fiscal 2021</b>		
MV Electrosystems Pvt Ltd	102.00	6.68%	Tecop India Pvt. Ltd.	107.42	22.46%
NEC Switchgears & Controls	66.81	4.37%	Vedanta Limited	66.33	13.87%
D.R. Auto Industries	61.96	4.06%	Vedx International Pvt. Ltd.	50.50	10.56%
FA & CAO, Rail Coach Factory, Kapurthala	59.78	3.91%	Adela Electricals Pvt. Ltd.	36.31	7.59%
FA & CAO, Integral Coach Factory, Chennai	58.08	3.80%	Abrol Engineering Company Pvt Ltd.	34.11	7.13%
Abrol Engineering Company Pvt. Ltd.	57.79	3.78%	Vedanta Limited	28.53	5.96%
Ess Ess Kay Engg. Co. Pvt. Ltd.	54.78	3.58%	Xenith Wires Industries	27.95	5.84%
International Switchgears Pvt. Ltd.	46.61	3.05%	Jiangsu Dewei Advanced Material Co. Ltd.-China	24.70	5.17%
FA & CAO, Diesel Locomotive Works, Varanasi	36.48	2.39%	Rajnandini Metal limited	20.94	4.38%
Prime Electronics	31.61	2.07%	PPS International	11.93	2.49%

@ Revenue from operations

\* As %age to total revenue from operations.

# value of purchase of material and consumables during the period

^ as percentage of purchase of material and consumables

For the present implementation of our Train Collision Avoidance System, we have only one customer, i.e. Indian Railways.



### **Non-GAAP Measures**

Certain measures including EBITDA, EBITDA Margin, Operating EBITDA, Operating EBITDA Margin, PAT Margin, Return on Capital Employed, Return on Equity and Net Debt to Operating EBITDA, among others (together, “Non-GAAP Measures”), are presented in this Draft Red Herring Prospectus. These Non-GAAP Measures are supplemental measures of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, these Non-GAAP Measures are not standardized terms, and a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company’s management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company’s operating performance.

For a reconciliation of all Non-GAAP Measures used by us to the most directly comparable financial measure prepared in accordance with Ind AS, see “Other Financial Information - Reconciliation of Non-GAAP Measures” on page 361.

### **Qualifications of the Statutory Auditors**

The audit report for the financial year ended March 31, 2022 had a qualified opinion, which reads as under:

*“We were appointed as auditors of the Company on September 30, 2022 and thus did not observe the counting of the physical inventories at the beginning of the year. We were unable to satisfy ourselves by alternative means concerning inventory quantities held at March 31, 2022. Since opening inventories enter into the determination of the financial performance and cash flows, we were unable to determine whether the adjustments might have been necessary in respect activities of the profit for the year reported in the Statement of Profit and Loss Account and the net cash flows from operating activities reported in the cash flow statements.*

*We have conducted the audit for the opening as per SA 510 of the prior period financial statements which were audited by a predecessor auditor and have observed a difference of INR 54.84 lacs in opening balance of the current year books of accounts and prior period audited financial statements, company is unable to provide us sufficient appropriate information regarding the opening balance differences. However, in current year, adjustment for the difference amount has been passed under “Reserves and Surplus” Note 2 of financial statements as “previous year adjustments”.”*

The present Statutory Auditors, SANMARKS and Associates, Chartered Accountants, have considered the same and identified the difference for the above stated amount and given rectified financial effect of the same as per the details provided under “Restated Financial Information - Note 44(k)” on page 333. Except as above, there is no qualifications included by the Statutory Auditors in their audit reports for the previous financial years.

### **Summary of Significant Accounting Policies**

The discussion and analysis of our financial condition and results of operations is based upon our financial statements, which have been prepared in accordance with Ind AS. The notes to the financial statements contain a summary of our significant accounting policies. Set forth below is a summary of our most significant critical accounting policies under Ind AS. For further information, see “Restated Financial Information - Annexure V: Significant accounting policies and explanatory notes to Restated Financial Statements” on page 256.

### **Basis of preparation and presentation**

The Restated Financial Information have been prepared on a going concern basis, the historical cost basis and on an accrual basis, except for certain financial assets and liabilities measured at fair value.

The accounting policies have been consistently applied by us in preparation of the Restated Financial Information and are consistent with those adopted in the preparation of Restated Financial Information for the period ended December 31, 2023. The Restated Financial Information does not reflect the effects of events that occurred subsequent to the respective dates of auditor’s reports on the audited financial statements mentioned above. All

amounts disclosed in the Restated Financial Information and notes have been rounded off to the nearest Indian Rupee million as per the requirement of Schedule III, unless otherwise stated.

The preparation of the Restated Financial Information requires the use of certain critical accounting judgements and estimates. It also requires the management to exercise judgement in the process of applying the accounting policies.

## Principal Components of Income and Expenditure

### Income

Our total income comprises (i) revenue from operations and (ii) other income.

### Revenue from Operations

Revenue from operations comprises (i) revenue from sale of e-beam cables; (ii) Train Controls and Signalling Division; and (iii) other operating revenue, including scrap sales, samples sent on returnable basis for KAVACH equipment, job work charges and other operating income.

### Other Income

Other income primarily comprises of interest income earned on fixed deposits and gain / loss on foreign fluctuation.

### Expenses

Our expenses comprise (i) cost of material consumed and changes in inventories of finished goods and work in progress; (ii) employee benefits expense; (iii) finance costs; (iv) depreciation and amortization expense; and (v) other expenses, including direct expenses.

### Employee Benefits Expense

Employee benefits expense primarily comprises (i) salaries, wages, bonus and allowances; (ii) directors' remuneration; (iii) contributions to provident fund, ESI and professional tax; (iv) Gratuity and compensated absences expenses; (v) Provision for Gratuity and Leave Encashment; and (vi) staff welfare expenses.

### Finance Costs

Finance cost refers to (i) interest expense on loans from banks; and (ii) other bank charges such as processing fee on loans, letter of credit and bank guarantee charges. The loans extended by the Promoter and Promoter Group to the Company do not carry any interest.

### Depreciation and amortization expenses

Depreciation and amortization expenses comprise (i) depreciation of property, plant and equipment and other tangible assets; and (ii) amortization of intangible assets.

The estimated useful lives of assets are as follows:

Assets	Useful life (in years) as per Schedule II of the Companies Act	Estimated useful life by Company (in years)*
Land	Nil	Nil
Building	30-60	30
Plant and machinery	15	15
Furniture and fixtures	10	10
Vehicles	8-10	8
Office equipment	5	5-10
Computers and servers	3-6	3
Electrical Equipments	10	5
AC fan and Stabilizers	10	10
Intangible Asset	3-10	10

\*Based on Internal assessment the management believes that the useful life given above best represent the period over which management expects to use these assets

*Amortisation on separately acquired intangible assets*

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Intangible asset is recognised when it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. New product development expenditure, software licences, technical knowhow fee, etc. are recognised as intangible assets upon completion of development and being considered fit for commercial use.

The Company was under the development of Software named Train Collision Avoidance System Software (TCAS) since 2021 and all the expenses specifically attributable to the development of such software was capitalized as Capital Work in progress.

On October 18, 2023, the Company has received approval from Research Designs and Standards Organisation (RDSO) to conduct Type Testing of KAVACH equipment developed by the Company. Based on the said approval, the Company proceeded with the lab test of the KAVACH equipment developed by it, signifying final step towards approval of the combined product (hardware and software) developed and deemed approval for the software developed by the Company for TCAS. On the basis of such approval from received from RDSO, the product development phase for TCAS software is deemed to be completed and fit for commercial use, subject to other approvals for complete KAVACH equipment by RDSO. Accordingly, the expenses made after October 18, 2023 towards such TCAS software and KAVACH equipment has been accounted for as revenue expenditure in the profit and Loss Account and all the expenses incurred prior to October 18, 2023 has been capitalized along with the opening capital WIP as 'Intangible Asset'.

#### Other expenses

Other expenses primarily comprises of direct expenses incurred towards power & fuel and freight & cartage; and indirect expenses comprising of (i) repairs and maintenance; (ii) legal and professional charges; (iii) insurance; (iv) commission paid; (v) conveyance and travelling; (vi) security expenses; (vii) corporate social responsibilities expenses; (viii) Business promotion; (ix) liquidated damage charges; (x) rates, dees, duties and taxes; (xi) rent; (xii) telephone and internet (xiii) general office expenses and overheads; (xiv) allowances for doubtful debts (net); and (xv) other expenses.

#### Results of Operations

The following table sets forth certain selected financial information from our restated financial information of profit and loss with respect to our results of operations for the nine months ended December 31, 2023 and Fiscal 2023, Fiscal 2022 and Fiscal 2021, the components of which are also expressed as a percentage of our total income for such periods.

Particulars	For nine months period ended December 31, 2023		For the financial year ended March 31, 2023		For the financial year ended March 31, 2022		For the financial year ended March 31, 2021	
	Amount	%age of	Amount	%age of	Amount	%age of	Amount	%age of
	(₹ in millions)	total income	(₹ in millions)	total income	(₹ in millions)	total income	(₹ in millions)	total income
<b>INCOME:</b>								
I Income from operations	1,003.71	99.96%	1,528.04	99.91%	1,042.58	99.97%	728.28	99.91%
II Other income	0.42	0.04%	1.41	0.09%	0.33	0.03%	0.65	0.09%
<b>III Total Income (I+II)</b>	<b>1,004.13</b>	<b>100.00%</b>	<b>1,529.45</b>	<b>100.00%</b>	<b>1,042.91</b>	<b>100.00%</b>	<b>728.93</b>	<b>100.00%</b>
<b>IV. Expenses:</b>								
Cost of Materials consumed	607.23	60.47%	1,028.36	67.24%	884.75	84.83%	518.07	71.07%

Particulars	For nine months period ended December 31, 2023		For the financial year ended March 31, 2023		For the financial year ended March 31, 2022		For the financial year ended March 31, 2021	
	Amount (₹ in millions)	%age of total income	Amount (₹ in millions)	%age of total income	Amount (₹ in millions)	%age of total income	Amount (₹ in millions)	%age of total income
Changes in inventories of finished goods	-66.70	-6.64%	73.98	4.84%	-84.68	-8.12%	-35.77	-4.91%
Employee benefits expense	80.60	8.03%	53.83	3.52%	69.98	6.71%	81.23	11.14%
Finance costs	28.77	2.87%	29.09	1.90%	33.64	3.23%	23.68	3.25%
Depreciation and amortization expense	56.02	5.58%	37.08	2.42%	31.96	3.06%	30.65	4.20%
Other expenses	91.55	9.12%	107.79	7.05%	77.78	7.46%	52.49	7.20%
<b>Total expenses</b>	<b>797.47</b>	<b>79.42%</b>	<b>1,330.14</b>	<b>86.97%</b>	<b>1,013.42</b>	<b>97.17%</b>	<b>670.34</b>	<b>91.96%</b>
V. Profit before exceptional items and tax (III-IV)	<b>206.67</b>	<b>20.58%</b>	<b>199.32</b>	<b>13.03%</b>	<b>29.49</b>	<b>2.83%</b>	<b>58.59</b>	<b>8.04%</b>
VI. Exceptional items	0.32	0.03%	-	0.00%	-	0.00%	0.10	0.01%
<b>VII. Profit/(loss) before tax (V-VI)</b>	<b>206.99</b>	<b>21.37%</b>	<b>199.32</b>	<b>21.37%</b>	<b>29.49</b>	<b>21.37%</b>	<b>58.69</b>	<b>21.37%</b>
VIII. Tax expense:								
(1) Current tax	63.14	6.29%	61.03	3.99%	10.30	0.99%	11.88	1.63%
(2) Short/ (Excess) Provision for Earlier Years								
(2) Deferred tax	-0.34	-0.03%	-0.74	-0.05%	-0.24	-0.02%	-1.32	-0.18%
Total Tax Expense	62.80	6.25%	60.28	3.94%	10.06	0.96%	10.56	1.45%
<b>IX Profit(loss)for the period from continuing operation (VII-VIII)</b>	<b>144.19</b>	<b>14.36%</b>	<b>139.04</b>	<b>9.09%</b>	<b>19.43</b>	<b>1.86%</b>	<b>48.12</b>	<b>6.60%</b>

### Nine months period ended December 31, 2023

#### Total Income

Our total income during the nine months ended December 31, 2023 was ₹ 1,004.13 million, which consisted of revenue from operations of ₹ 1,003.71 million and other income of ₹ 0.42 million.

#### Revenue from operations

Our revenue from operations in the nine months ended December 31, 2023 was ₹ 1,003.71 million, of which ₹ 743.25.49 million was revenue from sale of wires and cables for railways, contributing 74.05% to our revenue from operations; and ₹ 251.75 million was revenue from sale of wires and cables for defence industry, contributing 25.08% to our revenue from operations.

Other operating revenue, including job work charges and other operating income aggregated to ₹ 8.71 million representing 0.87% of the revenue from operations.

#### Other income

Our other income during the nine months ended December 31, 2023 was ₹ 0.42 million, primarily attributable to interest income from bank deposits, refund of income tax and adjusted for loss on foreign exchange fluctuation.

#### Expenses

Our total expenses during the nine months ended December 31, 2023 was ₹ 797.47 million, which primarily included (i) cost of material consumed; (ii) employee benefits expense; (iii) finance costs; (iv) depreciation and amortization expense; and (v) other expenses, including direct expenses related to manufacturing operations.

#### *Cost of Material Consumed*

Cost of material consumed comprised of cost of materials consumed, namely copper and allied metal and consumables utilised for manufacturing of cables and changes in inventories of work in progress and finished goods inventory held by the Company. The cost of materials consumed aggregated to ₹ 607.23 million for the nine months ended December 31, 2023. The changes in inventories of finished goods and work in progress aggregated to ₹ (66.70) million for the said period.

#### *Employee benefit expense*

Our employee benefit expenses during the nine months ended December 31, 2023 was ₹ 80.60 million comprising of salaries wages, bonus and allowances for ₹ 52.42 million, directors remuneration of ₹ 21.60 million and other statutory contributions, provision and staff welfare for ₹ 6.57 million. There were no outstanding options under QFTL SIP 2024 as on December 31, 2023 and therefore no expense was accounted for on account of the said stock incentive plan. Employee benefit expenses aggregated to 8.03% of the total income of the Company.

#### *Finance costs*

Our finance costs during the nine months ended December 31, 2023 was ₹ 27.50 million, attributable to interest liability on loans from banks of ₹ 600.41 million outstanding as on December 31, 2023 and bank charges of ₹ 1.27 million. Total finance cost comprised of 2.87% of the total income. The unsecured loans given by the Promoter and Promoter Group of ₹ 158.25 million was extended to our Company as interest free loan.

#### *Depreciation and Amortisation*

Our depreciation and amortization expense during the nine months ended December 31, 2023 was ₹ 56.02 million, primarily attributable to depreciation of property, plant and equipment and other tangible assets aggregating to ₹ 24.83 million and towards amortization of intangible assets for amount aggregating to ₹ 31.20 million.

#### *Other Expenses*

Other expenses are bifurcated into Direct Expenses related to our manufacturing operations and other Indirect Expenses.

Direct Expenses comprised of power and fuel cost of ₹ 13.02 million and freight and cartage cost of ₹ 8.05 million. The total direct expenses aggregated to 2.10% of the total income.

Indirect Expenses comprised of cost incurred on repair and maintenance, commission paid, conveyance and travelling, insurance, security expenses, business promotion, liquidated damages charges, rent, CSR and other expenses, which aggregated to 7.02% of the total income. Of the said expenses above, repair and maintenance aggregated to 1.04% of the total income and liquidated damage charges aggregated to 1.07% of the total income.

#### *Profit before Tax*

Profit before tax, after exceptional profit of ₹ 0.32 million on account of profit on sale of fixed assets, for the period ended December 31, 2023 was ₹ 206.99 million, which is about 21.37% of the total revenue.

#### *Tax Expenses*

Current tax expenditure was ₹ 63.14 million for the period ended December 31, 2023. Incremental deferred tax asset was ₹ 0.34 million during the same period.

#### *Profit after Tax*

For the various reasons discussed above, we recorded a profit after tax of ₹ 144.19 million during the period ended December 31, 2023.

### **Comparison of financial year ended March 31, 2023 to financial year ended March 31, 2022**

#### **Revenue**

##### *Total Revenue*

Our total revenue increased by 46.65% to ₹ 1,529.45 million for the Fiscal 2023 from ₹ 1,042.91 million for the Fiscal 2022 primarily due to growth in sale of E-beam cables.

##### *Revenue from Operations*

Revenue from operations increased by 46.56% to ₹ 1,528.04 million in the Fiscal 2023 from ₹ 1,042.58 million during the Fiscal 2022. The mix of revenue from operations in the Fiscal 2023 was ₹ 1,141.21 million from sale of wires and cables to railway industry, contributing 74.68% to our revenue from operations (against ₹ 1,011.49 million contributing 97.02% to our revenue from operations in Fiscal 2022); and ₹ 369.16 million from sale of wires and cables to defence industry, contributing 24.16% to our revenue from operations (against ₹ 30.45 million contributing 2.92% to our revenue from operations in Fiscal 2022).

Further, other operating income aggregated to ₹ 3.44 million in Fiscal 2023 against ₹ 0.64 million in Fiscal 2022.

#### *Other Income*

In the Fiscal 2023, other income aggregated to ₹ 1.41 million as compared to ₹ 0.33 million for the Fiscal 2022 which shows an increase by 324.18%. The change is primarily on account of gain on foreign exchange fluctuation w.r.t. expenditure to be incurred for import of software for TCAS vis-à-vis the payment made by the Company to meet such obligation.

#### *Expenditure*

##### *Cost of Material Consumed and changes in inventories of finished goods and work in progress*

The aggregate cost of material consumed and changes in inventories of finished goods and work in progress in Fiscal 2023 was ₹ 1,102.34 million in Fiscal 2023 representing 72.14% of the income from operations compared to ₹ 800.07 million in Fiscal 2022 representing 76.74% of the value of sale of products. The cost of material consumed and changes in inventory of finished goods and work in progress has reduced as a result of higher contribution of control cables, increased contribution of sales from navel defence segment and changes in copper prices.

##### *Employee Benefits Expenses*

The Employee benefits expenses for Fiscal 2023 reduced by 23.07% to ₹ 53.83 million as compared from ₹ 69.98 million in Fiscal 2022. The same has been primarily on account of capitalisation of employee cost aggregating to ₹ 33.85 million during the Fiscal 2023 for the team involved for development of TCAS software.

Though the business operations and profitability of the Company improved in Fiscal 2023, no remuneration was paid to Directors by the Company during the Fiscal 2023, similar to Fiscal 2022, to monitor the recovery of the overall economy and steady operations of the Company post COVID-19 Pandemic.

##### *Finance Cost*

For the Fiscal 2023, the interest paid on bank borrowings (₹ 28.26 million) aggregated to 4.86% of the total outstanding bank borrowings, excluding unsecured loans from promoters, as on March 31, 2023 (i.e. ₹ 581.71 million). During the Fiscal 2022, the interest paid on bank borrowings (₹ 32.32 million) aggregated to 5.08% of the total outstanding bank borrowings, excluding unsecured loans from promoters, as on March 31, 2022 (i.e. ₹ 636.06 million). The overall reduction in interest cost was due to repayment of borrowings during the Fiscal 2023.

The abovementioned interest paid on bank borrowings constituted 1.85% of the total income during the Fiscal 2023 as against 3.10% of the total income in Fiscal 2022. Further, in addition to above, the Company had paid bank charges aggregating to ₹ 0.83 million in Fiscal 2023 (representing 0.05% of the total income) as against ₹ 1.32 million in Fiscal 2022 (representing 0.13% of the total income).

##### *Depreciation and Amortization Expenses*

The depreciation and amortisation expense increased by 16.02% to ₹ 37.08 million in the Fiscal 2023 from ₹ 31.96 million in the Fiscal 2022 primarily on account of additional capex of ₹ 50.40 million, including an amount of ₹ 43.95 million towards Plant and Machinery (Main), as classified under Fixed Assets.

##### *Other Expenses*

The other expenses increased by 38.59% to ₹ 107.79 million in the Fiscal 2023 (representing 7.05% of the total income) as compared to ₹ 77.78 million in the Fiscal 2022 (representing 7.46% of the total income) due to overall increase in the sales of wires and cables during the Fiscal 2023. However, the reduction in the other expenses as a comparative cost to total income is primarily on account of economic benefits arising out of increased scale of business operations. The year-on-year changes in the material other expenditure incurred by the Company for an amount exceeding ₹ 7.65 million (i.e. 0.50% of the total income) in Fiscal 2023 is as under:

Expenditure head	Fiscal 2023		Fiscal 2022		%age change in Fiscal 2023 vis-à-vis Fiscal 2022	Reason
	Amount (₹ in millions)	%age of total income	Amount (₹ in millions)	%age of total income		
Direct expenses comprising of power and fuel and freight charges	33.34	2.18%	23.33	2.24%	(0.06%)	Negligible, due to scale of operations
Repairs and Maintenance	9.69	0.63%	10.41	1.00%	(0.37%)	The cost of repaid and maintenance as a percent to total income reduced due to increased level of production
Commission Paid	10.40	0.68%	3.74	0.36%	0.32%	Commission paid on sales increased fur to increase in business operations.
Liquidated Damage Charges	14.33	0.94%	3.01	0.29%	0.65%	Primarily liquidated damage charges are paid on cables supplied to Naval (Defence) manufacturing units as the same involves high manual work compared to mechanical work required in railway cables, leading to delay in delivery of orders.

#### *Profit before tax*

On account of increase in business operations and for the reasons discussed above, profit before tax was ₹ 199.32 million in Fiscal 2023 compared to ₹ 29.49 million in Fiscal 2022.

#### *Tax Expenses*

Current tax provision increased to ₹ 61.03 million in the Fiscal 2023 compared to ₹ 10.30 million in the Fiscal 2022 due to increase in overall profitability of the Company. Incremental deferred tax asset was ₹ 0.74 million during the Fiscal 2023 as compared to ₹ 0.24 million during the Fiscal 2022.

#### *Profit after Tax*

For the various reasons discussed above, we recorded a profit after tax of ₹ 139.01 million in Fiscal 2023 compared to ₹ 19.43 million in Fiscal 2022.

### **Comparison of financial year ended March 31, 2022 to financial year ended March 31, 2021**

#### **Revenue**

##### *Total Revenue*

Our total revenue increased by 43.07% to ₹ 1,042.91 million for the Fiscal 2022 from ₹ 728.93 million for the Fiscal 2021 primarily due to growth in sale of E-beam cables.

##### *Revenue from Operations*

Revenue from operations increased by 43.16% to ₹ 1,042.58 million in the Fiscal 2022 from ₹ 728.28 million during the Fiscal 2021. The mix of revenue from operations in the Fiscal 2022 was ₹ 1,011.94 million from sale of wires and cables to railway industry, contributing 97.02% to our revenue from operations (against ₹ 725.17 million contributing 99.57% to our revenue from operations in Fiscal 2021); and ₹ 30.45 million from sale of wires and cables to Naval (Defence) manufacturing units, contributing 2.92% to our revenue from operations (against ₹ 3.06 million contributing 0.42% to our revenue from operations in Fiscal 2021).

Further, other operating income aggregated to ₹ 0.64 million in Fiscal 2022 against ₹ 0.05 million in Fiscal 2021.

##### *Other Income*

In the Fiscal 2022, other income aggregated to ₹ 0.33 million as compared to ₹ 0.65 million for the Fiscal 2021 which shows a reduction of 49.03%. The change is primarily on account of reduction in other income.

## Expenditure

### Cost of Material Consumed and changes in inventories of finished goods and work in progress

The aggregate cost of material consumed and changes in inventories of finished goods and work in progress in Fiscal 2022 was ₹ 800.07 million in Fiscal 2022 representing 76.74% of the value of sale of products compared to ₹ 482.30 million in Fiscal 2021 representing 66.22% of the value of sale of products. The cost of material consumed and changes in inventory of finished foods and work in progress has increased as a result of changes in copper prices.

### Employee Benefits Expenses

The Employee benefits expenses, excluding Directors' remuneration, for Fiscal 2022 increased by 110.61% to ₹ 69.98 million as compared from ₹ 33.23 million in Fiscal 2021. The same has been primarily on account of increase in the number of employees for the KAVACH equipment and TCAS software development, for which the same was accounted for as revenue expenditure. Also, the number of employees increased from 127 in March 2021 to 189 in March 2022.

Further, the Company had paid Directors' remuneration aggregating to ₹ 48.00 million in the Fiscal 2021. However, due to the spread of COVID-19 Pandemic, the payment of remuneration to Directors was not made during the Fiscal 2022 and therefore the total employee benefit expenses were lower in Fiscal 2022 to such extent.

### Finance Cost

For the Fiscal 2022, the interest paid on bank borrowings (₹ 32.32 million) aggregated to 5.08% of the total outstanding bank borrowings, excluding unsecured loans from promoters, as on March 31, 2022 (i.e. ₹ 636.06 million). During the Fiscal 2021, the interest paid on bank borrowings (₹ 23.20 million) aggregated to 7.17% of the total outstanding bank borrowings, excluding unsecured loans from promoters, as on March 31, 2021 (i.e. ₹ 323.55 million). The overall increase in interest cost was due to increased interest charge on the term loan of ₹ 300.00 million availed by the Company during the fiscal 2022.

The abovementioned interest paid on bank borrowings constituted 3.10% of the total income during the Fiscal 2022 as against 3.18% of the total income in Fiscal 2021. Further, in addition to above, the Company had paid bank charges aggregating to ₹ 1.32 million in Fiscal 2022 (representing 0.13% of the total income) as against ₹ 0.48 million in Fiscal 2021 (representing 0.07% of the total income).

### Depreciation and Amortization Expenses

The depreciation and amortisation expenses increased by 4.27% to ₹ 31.96 million in the Fiscal 2022 from ₹ 30.65 million in the Fiscal 2021 primarily on account of additional capex towards building, plant and machinery (main), furniture and fixtures, office equipments and computers for an amount of ₹ 43.31 million.

### Other Expenses

The other expenses increased by 48.16% to ₹ 77.78 million in the Fiscal 2022 (representing 7.46% of the total income) as compared to ₹ 52.49 million in the Fiscal 2021 (representing 7.20% of the total income) due to overall increase in the sales of wires and cables during the Fiscal 2022. However, the increase in the other expenses by ~0.31% as a comparative cost to total income is primarily on account change in the scale of business operations. The year-on-year changes in the material other expenditure incurred by the Company for an amount exceeding ₹ 5.21 million (i.e. 0.50% of the total income) in Fiscal 2022 is as under:

Expenditure head	Fiscal 2022		Fiscal 2021		%age change in Fiscal 2022 vis-à-vis Fiscal 2021	Reason
	Amount (₹ in millions)	%age of total income	Amount (₹ in millions)	%age of total income		
Direct expenses comprising of power and fuel and freight charges	23.33	2.24%	16.67	2.29%	(0.05%)	Negligible, due to scale of operations
Repairs and Maintenance	10.41	1.00%	12.29	1.69%	(0.69%)	The cost of repaid and maintenance as a percent to total



Expenditure head	Fiscal 2022		Fiscal 2021		%age change in Fiscal 2022 vis-à-vis Fiscal 2021	Reason
	Amount (₹ in millions)	%age of total income	Amount (₹ in millions)	%age of total income		
Testing Charges	6.06	0.58%	6.12	0.84%	(0.26%)	income reduced significantly due to increased level of production Testing charges were primarily incurred towards development of KAVACH equipment which were incurred based on the product development cycle
Rent	6.16	0.59%	5.72	0.78%	(0.19%)	Rent paid as percentage to total income reduced due to over all increase in sales of the Company.

#### Profit before tax

On account of increase in business operations and for the reasons discussed above, profit before tax in Fiscal 2022, was ₹ 29.49 million compared to ₹ 58.69 million in Fiscal 2021, after exceptional profit of ₹ 0.10 million on account of profit on sale of fixed assets.

#### Tax Expenses

Current tax provision reduced to ₹ 10.30 million in the Fiscal 2022 compared to ₹ 11.88 million in the Fiscal 2021 due to reduction in overall profitability of the Company. Incremental deferred tax asset was ₹ 0.24 million during the Fiscal 2022 as compared to ₹ 1.32 million during the Fiscal 2021.

#### Profit after Tax

For the various reasons discussed above, we recorded a profit after tax of ₹ 19.43 million in Fiscal 2022 compared to ₹ 48.12 million in Fiscal 2021.

### CASH FLOWS

The following table sets forth certain information relating to our cash flows in the periods indicated:

(₹ in millions)

Particulars	For the nine months ended December 31, 2023	For the financial year ended		
		March 31, 2023	March 31, 2022	March 31, 2021
Net cash flows from / (used in) operating activities	131.09	298.92	(45.92)	56.30
Net cash flows from / (used in) investing activities	(119.76)	(200.17)	(317.82)	(84.32)
Net cash flows from / (used in) financing activities	(10.06)	(95.94)	363.87	27.08
Net Increase/(Decrease) In Cash & Cash Equivalents	1.27	2.80	0.13	(0.94)
Cash equivalents at the beginning of the year	5.33	2.52	2.39	3.33
Cash equivalents at the end of the year	6.60	5.33	2.52	2.39

The reconciliation of the movements of liabilities to cash flows arising from financing activities:

(₹ in millions)

Particulars	For the nine months ended December 31, 2023	For the financial year ended		
		March 31, 2023	March 31, 2022	March 31, 2021
<b>Opening balance</b>				
Working Capital Facility (including current maturities of long term borrowings)	251.16	248.46	230.66	215.93
Loan from Related Parties	158.25	170.75	85.75	101.10
Term Loan	330.54	387.60	92.89	41.51
<b>Total</b>	<b>739.96</b>	<b>806.81</b>	<b>409.31</b>	<b>358.54</b>
<b>Movement</b>				
Working Capital Facility (including current maturities of long term borrowings)	85.17	2.70	17.80	14.73

Particulars	For the nine months ended December 31, 2023	For the financial year ended		
		March 31, 2023	March 31, 2022	March 31, 2021
Loan from Related Parties	-	(12.50)	85.00	(15.35)
Term Loan	(66.45)	(57.06)	294.71	51.38
Interest expenses	27.50	28.26	32.32	23.20
<b>Closing Balance</b>				
Working Capital Facility (including current maturities of long term borrowings)	336.33	251.16	248.46	230.66
Loan from Related Parties	158.25	158.25	170.75	85.75
Term Loan	264.09	330.54	387.60	92.89
<b>Total</b>	<b>758.67</b>	<b>739.96</b>	<b>806.81</b>	<b>409.31</b>

## CONTINGENT LIABILITIES AND OFF-BALANCE SHEET ARRANGEMENTS

Except as disclosed below, there are no contingent liabilities and Off-Balance Sheet arrangements as at December 31, 2023, and fiscal ended March 31, 2023, March 31, 2022 and March 31, 2021:

(₹ in millions)

Particulars	As at			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Claims against the company not acknowledged as debts				
Bank guarantee issued	40.44	29.36	9.74	1.90
<b>Total contingent liabilities</b>	<b>40.44</b>	<b>29.36</b>	<b>9.74</b>	<b>1.90</b>

## CONTRACTUAL OBLIGATIONS AND COMMITMENTS

We do not have any long-term commitments or material non-cancellable contractual commitments / contracts, including derivative contracts for which there were any material foreseeable losses.

## CAPITAL EXPENDITURES

Our capital expenditures include expenditures on property, plant and equipment and intangible assets (including under development). Property, plant and equipment include freehold land, buildings, plant and machinery, furniture and fittings, office equipment, computers and vehicles. Intangible assets comprises of internally generated intangible for Train Collision Avoidance System.

The following table sets forth our fixed assets for the periods indicated:

(₹ in millions)

Particulars	As at			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Property, Plant and Equipment (net block)	194.64	209.04	195.72	184.37
Capital Work in Progress (Tangible Assets)	-	-	24.35	21.17
Intangible Assets (net block)	563.22 *	0.01	0.01	0.01
Capital Work in Progress (Tangible Assets)	-	484.49	310.24	38.91

\* On October 18, 2023, the Company has received approval from RDSO to conduct Type Testing of KAVACH equipment developed by the Company. Based on the said approval, the Company proceeded with the lab test of the KAVACH equipment developed by it, signifying final step towards approval of the combined product (hardware and software) developed and deemed approval for the software developed by the Company for TCAS. On the basis of such approval received from RDSO, the product development phase for TCAS software is deemed to be completed and fit for commercial use, subject to other approvals for complete KAVACH equipment by RDSO. Accordingly, the expenses made after October 18, 2023 towards such TCAS software and KAVACH equipment has been accounted for as revenue expenditure in the profit and Loss Account and all the expenses incurred prior to October 18, 2023 aggregating to ₹ 594.41 million has been capitalized along with the opening capital WIP as 'Intangible Asset'

Our historical capital expenditures were primarily in relation to capacity enhancement, upgradation of present machinery and replacements of old machinery with respect to our facility. We expect our future capital expenditures to consist of various investments into our tangible and intangible assets in the ordinary course of our business. We plan to fund these investments through funds generated from our operations in a manner that is generally consistent with our past practice in relation thereto. The development of Electronic Interlocking System is proposed to be developed through funds raised under this Issue, as detailed under the “Objects of the Issue” on page 100. We may, however, evaluate other sources of financing as well depending on our capital requirements, market conditions and other factors.

## DETAILS ON WORKING CAPITAL REQUIRED FOR OUR BUSINESS OPERATIONS

The details of holding period for the working capital deployed by our Company, refer to the chapter titled “Objects of the Issue - Basis of estimation of incremental working capital requirement of our Company” on page 104.

## RELATED PARTY TRANSACTIONS

We enter into various transactions with related parties in the ordinary course of business and at arm’s length basis. These related party transactions principally include (i) sale of goods and services to the entities where any of our directors/KMPs or their relatives have control or significant influence;(ii) sale/ purchase of goods and services to/from related parties; (iii) Availing/ repayment of unsecured loan from/to related parties; (iv) Employees making repayment of amount advanced to them; (v) remuneration paid to KMPs; (vi) expenses incurred on behalf of related parties and (vii) guarantees given to lenders against borrowings.

For further information relating to our related party transactions, see “Restated Financial Information - Note 31: Related Party Transactions” on page 312.

## QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company’s activities expose it to market risk, liquidity risk and credit risk. The Company’s board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

### Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. Financial instruments affected by market risk include loans, borrowings, term deposits, and investments.

#### (i) Foreign currency risk

A significant portion of the payments are made by the Company towards consideration for acquiring rights to use intellectual properties, reference designs and engineering services from abroad for development of its TCAS software and KAVACH equipments. Such payments are denominated in foreign currency, mostly the Euro. Accordingly, we have currency exposures relating to forex payments, other than in Indian Rupees, particularly the Euro. During the nine months ended December 31, 2023, Fiscal 2023, Fiscal 2022 and Fiscal 2021, our net imports of services amounted to ₹ 37.93millions, ₹ 55.26 millions, ₹ 186.13 millions and ₹ 18.69 millions, respectively, which constituted 70.08%, 66.89%, 92.29% and 43.89%, respectively, of the aggregate of expenditure incurred on development of intangible assets.

The %age of import of services from various countries is as under:

Name of countries	December 31, 2023		March 31, 2023		March 31, 2022		March 31, 2021	
	Amount	%age*	Amount	%age	Amount	%age	Amount	%age
<b>Speciality</b>								
<b>Cable</b>								
<b>Division</b>								
<b>Material</b>								
China	-	-	2.24	2.33%	0.10	0.04%	25.55	48.21%
Singapore	-	-	0.43	0.45%			4.11	7.75%
Germany	-	-					0.08	0.15%
<b>Train Controls and Signalling Division</b>								
<b>Material</b>								

(₹ in million)

Name of countries	December 31, 2023		March 31, 2023		March 31, 2022		March 31, 2021	
	Amount	%age*	Amount	%age	Amount	%age	Amount	%age
USA	11.17	20.64%	19.87	20.64%	9.46	3.96%	-	-
Italy	-	-	0.55	0.57%	2.8	1.17%	-	-
China	1.84	3.40%	8.79	9.13%	5.52	2.31%	-	-
Singapore	1.23	2.28%	-	-	0.44	0.18%	-	-
Germany	-	-	-	-	0.05	0.02%	-	-
Hong Kong	1.95	3.60%	-	-	-	-	-	-
<b>Services</b>								
Italy	37.93	70.08%	55.26	57.42%	186.13	78.00%	18.69	35.27%
Spain	-	-	9.11	9.47%	34.09	14.29%	4.57	8.62%
Switzerland	-	-	-	-	0.04	0.02%	-	-
<b>Total value of imports made by the Company</b>	<b>54.12</b>	<b>100.00%</b>	<b>96.25</b>	<b>100.00%</b>	<b>238.63</b>	<b>100.00%</b>	<b>53.00</b>	<b>100.00%</b>

\* As a percentage to the total value of import of Material and services

#### (ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. We are exposed to interest rate risk because funds are borrowed at floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate, projected debt servicing capability and view on future interest rate. Our borrowings are denominated in Indian Rupees with a mix of fixed and floating rates of interest.

The following table provides a break-up of our fixed and floating rate borrowings for the periods indicated:

(₹ in millions)

Particulars	As at			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Floating rate borrowings	264.09	330.54	387.60	92.89
Fixed rate borrowings	336.33	251.16	248.46	230.66
Total borrowings *#	<b>600.42</b>	<b>581.71</b>	<b>636.06</b>	<b>323.55</b>

\* Does not include non fund based limits outstanding on these dates.

# Does not include the loans extended by the Promoter and Promoter Group as these do not carry any interest.

Impact on Interest Expenses for the year on 1% change in Interest rate:

(₹ in millions)

Particulars	As at			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Impact on Profit / (Loss)	6.00	5.82	6.36	3.24
Total	<b>6.00</b>	<b>5.82</b>	<b>6.36</b>	<b>3.24</b>

#### (iii) Commodity price risk

We are exposed to risks in respect of price and availability of copper and PVC Compounds used for our manufacturing operations. The prices of copper are linked to the international prices on the London Metal Exchange (LME) and the price of PVC Compounds are directly linked the price of crude oil globally. As a result, our procurement cost and costs of goods sold tend to be impacted by the movements of the LME and of crude oil benchmarks. Since the majority of our business is with government division or PSU, most of the orders being executed by us contains price variation clause which may allow us to pass on changes in the cost of our primary raw materials to our customers. However, we may not be able to do so immediately or fully, and so strong and rapid fluctuations in the prices of these raw materials could affect our operating results.

#### Credit Risk

Credit risk is the risk that a counterparty fails to discharge its obligation to our Group. Our exposure to credit risk is influenced mainly by cash and cash equivalents and trade receivables. We continuously monitor defaults of customers and other counterparties and incorporate this information into its credit risk controls. However, majority of our total sales comprises of sales to Indian Railways or PSUs, details of which are as under:

(₹ in millions)

Nature of customers	December 31, 2023		March 31, 2023		March 31, 2022		March 31, 2021	
	Sales	%age*	Sales	%age*	Sales	%age*	Sales	%age*
<b>Wires and Cables (Railways)</b>								
Indian Railways (through Zonal railways / their divisions / production units)	485.12	48.33%	737.56	48.27%	562.47	53.95%	198.20	27.22%
<b>Wires and Cables (Defence)</b>								
Public Sector Undertakings	251.75	25.08%	369.16	24.16%	30.45	2.92%	3.06	0.42%

\* As %age to total revenue from operations.

Furthermore, we are also exposed to credit risk in relation to the corporate guarantee or retention money or earnest money given / retained on behalf of our Company for business generated from Indian Railways and defence PSUs to secure the obligations as per the requirement of tender under which such contracts were awarded.

Credit risk on cash and cash equivalents is limited as the Company utilises its cash credit facility for reducing borrowings in short term.

### Liquidity Risk

Liquidity risk is the risk that our Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash. Our approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due. Our management monitors rolling forecasts of our liquidity position and cash and cash equivalents on the basis of expected cash flows and the due dates for repayment of term loans. We are confident of managing our financial obligation through available cash and bank balances, short term borrowings and liquidity management.

### CHANGES IN ACCOUNTING POLICIES

There have been no changes in our accounting policies during the nine months period ended December 31, 2023, Fiscals 2023, 2022 and 2021. For further information, see “Restated Financial Information” on page 244.

### INFORMATION REQUIRED AS PER ITEM (II) (C) (IV) OF PART A OF SCHEDULE VI TO THE SEBI REGULATIONS:

An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:

#### 1. Unusual or infrequent events or transactions

There has not been any unusual trend on account of our business activity. There are no Unusual or infrequent events or transactions in our Company. The transactions are as per usual business operations.

#### 2. Significant economic changes that materially affected or are likely to affect income from continuing operations.

We do not foresee any significant economic changes that will affect our operations.

#### 3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Apart from the risks as disclosed under Section “Risk Factors” on page 31, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

#### 4. Future changes in relationship between costs and revenues

Our Company's future costs and revenues will be determined by growth of industry in which we operate, economic activities and government policies and consumer preferences.

**5. Increases in net sales or revenue and Introduction of new services or increased sales prices.**

Our Company has dedicated Railway Signalling & Embedded System Design centre for the development of Train Control Products & Solutions and is working towards development of Electronic Interlocking System to control the railway traffic & enable high train speeds. Quadrant 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. We have vertically integrated manufacturing operations for the hardware and software required for Train Control and Signalling Division which allow us to manage manufacturing processes in-house, from design and development to manufacturing and delivery.

Based on our registration to develop indigenized KAVACH (Indian Railway ATP) and successful Type testing, we have been accorded proto-type approval by Indian Railways / RDSO and further technical clearance for deployment of our systems 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 ₹ 168.60 million. For the said deployment of Kavach equipment, our Company has nearly completed the entire civil work required and is in the process of deploying stationary, RIU and onboard Kavach systems. Upon successful completion of the project execution, warrant period shall be two years and thereafter AMC period shall be one year separately for onboard and trackside systems.

On May 01, 2024, our Company has entered into a Memorandum of Understanding with RailTel Corporation of India Limited ("RailTel"), a Government of India undertaking, to define a framework of inter-se cooperation 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 Memorandum of Understanding shall remain in force unless terminated by either of the parties in accordance with terms hereof. RailTel shall lead engagement and discussion with key stakeholders within Indian Railways and other Country's Railways and to participate, market and implement KAVACH technology jointly with Quadrant in Indian Railways and in other countries. Our Company is *inter-alia* responsible for technology maintenance and upgradation as per the specifications of RDSO for entire life cycle of the project, meet RDSO specifications to be eligible for participation in upcoming tenders of KAVACH on Indian Railways, provide technical expertise for the project execution alongwith provision of expert manpower and required technology solutions and to participate in KAVACH tenders of Indian Railways or other countries jointly with RailTel.

**6. Total turnover of each major industry segment in which the Issuer company operates.**

Presently, the entire revenue of our Company is from sale of E-beam cables, except for small revenue generated from TCAS business segment in Fiscal 2023. Our Company has been recently accorded proto-type approval by Indian Railways / RDSO and further technical clearance for deployment of our systems 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. For details of our revenue from operations, refer to "Our Business - Sales mix and geographical presence" on page 172.

**7. Status of any publicly announced New Service or Business Segment**

Except as disclosed above, there is no new service of business segment of our Company.

**8. The extent to which business is seasonal**

We have not seen any seasonality impact in our business vertical.

**9. Any significant dependence on a single or few suppliers or customers**

Our business and revenues are substantially dependent on the policies of the Ministry of Railways and operations of Indian Railways and tenders awarded by different Railway Zones or their zones or production units and orders from private sector companies. 48.33%, 48.27%, 53.95% and 27.22% of our revenues from operations for the nine months period ended December 31, 2023 and the financial years ended March 31, 2023, 2022 and 2021 respectively was derived from railways sector. Further, we are also selling power and control cables to Naval (Defence) Industry which contributed 25.08%, 24.16%, 2.92% and 0.42% of our revenues from operations for the nine months period ended December 31, 2023 and the financial years ended March 31, 2023, 2022 and 2021 respectively. We do not have any long term arrangements with any of our customers for purchase of our products in the future, at the current prices or at all. We generate sales by subscribing and fulfilling of tenders invited by Indian Railways directly or different Railway Zones or their division / production units, selling to private sector companies which have received award of contract from railways, requirement of such cables by Group Companies and tenders invited by Naval (Defence) manufacturing units. In case of sales to Railways Zones or PSUs and Naval (Defence) manufacturing units, our Company bids in the prospective tenders where bidders are scrutinised for technical and financial qualifications. Quality and reliability of the products, competitive bids at which the tenders are subscribed, ability to perform the tenders within time, etc. are some of the major criteria upon which the government companies awards the tender.

#### 10. Competitive conditions

Competitive conditions are as described under the section titled “Industry Overview” and “Our Business” on pages 128 and 169, respectively.

#### 11. Details of material developments after the date of last balance sheet i.e. December 31, 2023

Except as stated below no material developments have arisen after the date of last balance sheet i.e. December 31, 2023, that could materially and adversely affect or are likely to affect, our trading, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next twelve months:

- (a) **Appointment of Independent Directors:** Satish Kumar Gupta, Girish Buttan, Pramod Jain and Kanika Bhutani were appointed as a Non-Executive Independent Directors of our Company w.e.f. March 08, 2024, for a period of 5 years. This also resulted in changes in the composition of various Committees of the Board. Further, the designation of the promoter Directors was also modified, alongwith the change in their remuneration. For details, refer to “Our Management” on page 211.
- (b) **Bonus Issue of Equity Shares:** The Company has been granted approval by its members in their extra ordinary general meeting dated March 01, 2024 to issue 2,00,00,000 bonus equity shares of face value ₹ 10 each aggregating to ₹ 20,00,00,000 to its existing shareholders in the proportion of two equity shares for every one equity shares of the Company held by them. Thereafter, the Board of Directors of the Company in their meeting dated April 15, 2024 allotted 2,00,00,000 Equity Shares to the existing shareholders.
- (c) **Sanction of credit facility by ICICI Bank Limited:** The Company has availed secured cash credit facility from the ICICI Bank Limited amounting to ₹ 200.00 million which was sanctioned to the Company by the said bank *vide* its sanction letter dated February 27, 2024. The said secured cash credit facility was availed by the Company by creating a first *pari passu* charge on the current assets of the Company and exclusive charge on the immovable fixed assets of the promoter directors. Further the said credit facility is also backed by the personal guarantee of all the promoter directors of the Company.
- (d) **Vehicle loans availed from HDFC Bank Limited:** Our Company has purchased seven vehicles for official purpose for use by Promoter Directors of the Company and availed loan from HDFC Bank Limited.
- (e) **Technical Clearance for TCAS field trial:** The Company has received a letter from Research Designs and Standards Organization (RDSO) dated March 23, 2024 (No. RDSO-SIG0TCAS(QUAD)/1/2020) whereby RDSO has approved to conduct the field trial of KAVACH and accordingly, once the field trial is successfully completed and approved TCAS designed and developed by the Company would be fit for use and deployment in Indian Railways under its KAVACH project.

Our company has neither incorporated any subsidiary nor invested in any company after December 31, 2023.

## SECTION VII: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

*We are involved in various legal proceedings from time to time, mostly arising in the ordinary course of business. These legal proceedings are primarily in the nature of, amongst others, civil suits, criminal proceedings, regulatory proceedings and tax disputes pending before various authorities. These legal proceedings may have been initiated by us or by customers, regulators, or other parties, and are pending at different levels of adjudication before various courts, quasi-judicial bodies, tribunals, enquiry officers and appellate tribunals.*

*Except as disclosed in this section, there is no outstanding (i) criminal proceeding; (ii) action taken by regulatory or statutory authorities; (iii) claim related to direct and indirect taxes; and (iv) other pending litigation as determined to be material pursuant to the Materiality Policy in each case involving our Company, our Directors and Our Promoters. Our Company do not have any subsidiary as on the date of the Draft Red Herring Prospectus.*

*Our Company has, in accordance with the resolution passed by our Board in its meeting held on March 01, 2024 solely for the purpose of this Issue, disclosed in this section (i) all outstanding criminal litigation and tax proceedings involving our Company; (ii) all outstanding civil litigation involving our Company which is approximately 0.10% of the total revenue or 1% of the net worth of our Company as per the audited financial statements of our Company for the period ended December 31, 2023 ("**Materiality Threshold**"); (iii) all outstanding actions by statutory or regulatory authorities involving any of our Company; (iv) any other outstanding litigations involving our Company where the monetary sum involved is not quantifiable or is below the Materiality Threshold, where an adverse outcome would, in the opinion of the Board, materially and adversely affect the business, operations, prospects, reputation or financial position of our Company, and (v) any litigations involving the Directors and Promoters of our Company, an adverse outcome in which shall have a material impact on the Company.*

*Further, other than as disclosed in this section, (i) there is no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoters during the last three years immediately preceding the year of circulation of the Draft Red Herring Prospectus and no directions have been issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (ii) there are no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 in the last three years immediately preceding the year of circulation of the Draft Red Herring Prospectus involving our Company, nor are there any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of the Draft Red Herring Prospectus involving our Company except as disclosed below; (iii) there are no defaults in repayment of (a) undisputed statutory dues; (b) debentures and interest thereon; (c) deposits and interests thereon; and (d) any loan obtained from any bank or financial institution and interest thereon by our Company, as of the date of the Draft Red Herring Prospectus; (iv) there are no material frauds committed against us in the last three years; (v) there are no defaults in annual filing of our Company under the Companies Act and the rules made thereunder; (vi) there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations; or (vii) there are no reservations, qualifications or adverse remarks of auditors in the last five Fiscal Years immediately preceding the year of circulation of the Draft Red Herring Prospectus.*

*It is clarified that for the purposes of the above, pre-litigation notices received by any of our Company, our Directors and/or our Promoters from third parties (excluding statutory / regulatory / governmental authorities or notices threatening criminal action) shall, not be considered as litigation proceedings till such time that any of our Company, our Directors and/or our Promoters, are impleaded as parties in any such litigation proceedings before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.*

*In addition, outstanding dues as on December 31, 2023, owed by our Company to micro, small and medium enterprises in terms of Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006 and creditors other than micro, small and medium enterprises and Material Creditors have been disclosed hereunder.*



Unless stated to the contrary, the information provided below is as of the date of the Draft Red Herring Prospectus.

Capitalised terms used herein shall, unless otherwise specified, have the meanings ascribed to such terms in this section.

## I. Involving our Company

### ➤ Against our Company

#### A. Criminal Proceedings

As on the date of the Draft Red Herring Prospectus, there are no criminal proceedings against our Company.

#### B. Material Civil Proceedings

As on the date of the Draft Red Herring Prospectus, there are no material civil proceedings against our Company.

#### C. Regulatory and Statutory proceedings

Our Company jointly with its promoter directors and relatives of promoter directors has voluntarily filed an application for adjudication on May 07, 2024 before the Registrar of Companies, Chandigarh under Section 454 of the Companies Act, for non-compliance with the requirement of opening of separate bank account for receiving the share application money and irregularity pertaining to utilisation of share application monies before making allotment of Equity Shares under Section 42 of Companies Act, summary of which is as under:

Date of allotment	No of equity shares allotted	Issue price per Equity Share (₹)	Application Amount (₹)	Nature of allotment
March 01, 2016	20,00,000	10	2,00,00,000	Private Placement
June 06, 2016	10,00,000	10	1,00,00,000	Private Placement
August 10, 2016	10,00,000	10	1,00,00,000	Private Placement
November 05, 2016	10,00,000	10	1,00,00,000	Private Placement
January 30, 2017	10,00,000	10	1,00,00,000	Private Placement
April 14, 2017	20,00,000	10	2,00,00,000	Private Placement

In addition to the aforesaid, our Company is also under the process of voluntarily filing an application for adjudication before the Registrar of Companies, Chandigarh under section 454 of the Companies Act, 2013, for non-compliances pertaining to delay in appointment of independent directors and irregularity in composition of Audit Committee and Nomination and Remuneration Committee under the Companies Act.

#### D. Material Tax proceedings

Particulars	Number of Litigation*	Amount involved (in millions)
Direct Taxation	1	
Indirect Taxation	-	Nil

In reference to financial year 2023-24, an intimation about outstanding demand for TDS is appearing on the TRACES website of Income Tax Department; however, no formal notice has yet been received by the Company. It has come to our attention that the Income Tax Department has raised a demand for outstanding TDS since 2015-16 to 2023-24. The Company has contested the demand and deposited ₹ 4,51,430 after reconciling with its records. Furthermore, for financial year 2023-24, demand of ₹ 31,06,830 raised by the Income Tax Department is pending for reconciliation and upon completion of the reconciliation, the process for rectification will be undertaken.

(\*) In addition to the outstanding litigation already specified above, the Company has received a Notice No. ITBA/TDS/S/30/2024-25/1064474189(1) dated 30.04.2024 from the Income Tax Department -ITO (INT TAX)-1, Chandigarh, under Section 133(6) of the Income Tax Act, 1961 with respect to verification of details furnished in form No. 15CA for lower-deduction/non-deduction of tax at source in FY 2020-21. In terms of the said notice, the Company is required to furnish information and/or documents pertaining to certain remittances made by it to non-residents during the financial year 2020-21. At this stage, this is just a call for information in relation to an enquiry or proceeding which may or may not result into a prospective demand from the Income Tax Department or litigation for a contested demand..

➤ **By our Company**

**A. Criminal Proceedings**

As on the date of the Draft Red Herring Prospectus, there are no criminal proceedings initiated by our Company.

**B. Material Civil Proceedings**

As on the date of the Draft Red Herring Prospectus, no material civil proceedings have been initiated by our Company.

**C. Regulatory and Statutory proceedings**

As on the date of the Draft Red Herring Prospectus, no regulatory and Statutory proceedings have been initiated by our Company.

**D. Material Tax proceedings**

As on the date of the Draft Red Herring Prospectus, no material tax proceedings have been initiated by our Company.

**II. Involving our Promoter**

➤ **Against our Promoters:**

**A. Criminal Proceedings**

**1. Mr. Aikjot Singh**

All the cases listed in the below table from Serial Number 1 to 9 of the above table are related cases and pertain to the same matter regarding road accidental deaths of two persons i.e. Nitin Chaudhry and Ashish Chhabra from the car driven by Mr. Aikjot Singh. The said instance of accident happened in the year 2008 and the case is presently pending in the courts since then.

S. No.	Parties to the Case including Case No.	Forum before it is Pending	Last date of hearing	Next Date of hearing
1.	Aikjot Singh v/s U.T. Chandigarh CRM-53869-2009	High court of Punjab and Haryana	No next date of hearing has been issued in the matter.	
2.	Manmohan Bahadur And Another v/s Aikjot Singh and Another CRM-A-735-MA-2012	High court of Punjab and Haryana		
3.	Aikjot Singh v/s U.T. Chandigarh CRM-53868-2009	High court of Punjab and Haryana		
4.	Manmohan Bahadur And Another v/s Aikjot Singh and Another CRM-52003-2012	High court of Punjab and Haryana		
5.	Tejinderkaur & Anr. V/s Aikjyot Singh and Ors	High court of Punjab and Haryana		

S. No.	Parties to the Case including Case No.	Forum before it is Pending	Last date of hearing	Next Date of hearing
	CM-15082-CII-2013			
6.	Tejinderkaur & Anr. V/s Aikjyot Singh and Ors CM-15718-CII-2023	High court of Punjab and Haryana		
7.	Tejinderkaur & Anr. V/s Aikjyot Singh and Ors FAO-3725-2013	High court of Punjab and Haryana		
8.	Aikjot Singh Sandhu v/s U.T. Chandigarh CRM-56878-2008	High court of Punjab and Haryana		
9.	Rajni Chhabra & Anr. V/s Aikjot Singh Sandhu and Others CM-6957-CII-2014	High court of Punjab and Haryana		

Except as mentioned above, as on the date of the Draft Red Herring Prospectus, there are no criminal proceedings against our Promoters.

#### **B. Material Civil Proceedings**

As on the date of the Draft Red Herring Prospectus, there are no material civil proceedings against our Promoters.

#### **C. Regulatory and Statutory proceedings**

As on the date of the Draft Red Herring Prospectus, there are no regulatory and statutory proceedings against our Promoters.

#### **D. Material Tax proceedings**

None of the tax proceedings against our Directors are material. The aggregate detail of the tax proceedings is given below:

Particulars	Amount involved (₹ in millions)
Direct Taxation	0.08
Indirect Taxation	Nil

#### **➤ By our Promoters**

##### **A. Criminal Proceedings**

As on the date of the Draft Red Herring Prospectus, there are no criminal proceedings initiated by our Promoters.

##### **B. Material Civil Proceedings**

As on the date of the Draft Red Herring Prospectus, there are no civil proceedings initiated by our Promoters.

##### **C. Regulatory and Statutory proceedings**

As on the date of the Draft Red Herring Prospectus, there are no Regulatory and Statutory proceedings initiated by our Promoters.

##### **D. Material Tax proceedings**

As on the date of the Draft Red Herring Prospectus, no material tax proceedings have been initiated by our Promoters.

### III. Involving our Directors

#### ➤ Against our Directors

##### A. Criminal Proceedings

As on the date of the Draft Red Herring Prospectus, there are no criminal proceedings against our Directors except as disclosed in para II(A) above.

##### B. Material Civil Proceedings

As on the date of the Draft Red Herring Prospectus, there are no material civil proceedings against our Directors.

##### C. Regulatory and Statutory proceedings

As on the date of the Draft Red Herring Prospectus, there are no material Regulatory and Statutory proceedings against our Directors.

##### D. Material Tax proceedings

Particulars	Amount involved (in millions)
Direct Taxation	0.08
Indirect Taxation	Nil

#### ➤ By our Directors

##### 1. Criminal Proceedings

As on the date of the Draft Red Herring Prospectus, there are no criminal proceedings initiated by our Directors.

##### 2. Material Civil Proceedings

As on the date of the Draft Red Herring Prospectus, there are no material civil proceedings by our Directors

##### 3. Regulatory and Statutory proceedings

As on the date of the Draft Red Herring Prospectus, there are no material Regulatory and Statutory proceedings by our Directors.

##### 4. Material Tax proceedings

As on the date of the Draft Red Herring Prospectus, no material tax proceedings have been initiated by our Directors.

##### E. Outstanding dues to creditors

In accordance with the Materiality Policy, a creditor to whom ₹ 2.74 million, which is 5.00% of the total trade payables of our Company as at the end of the latest period of the Restated Financial Information, is due by the Company, have been considered as 'material' creditors.

Based on the above, the details of outstanding dues (trade payables) owed to micro, medium and small enterprises, material creditors and other creditors, as at December 31, 2023, are set out below:

<b>S. No.</b>	<b>Particulars</b>	<b>Number of cases</b>	<b>Aggregate amount involved (in ₹ million)</b>
1.	Material creditors		
	- Micro, medium and small enterprises	1	16.69
	- Other than Micro, medium and small enterprises	2	10.77
2.	Micro, medium and small enterprises	49	9.68
3.	Other creditors	119	17.75
	<b>Total</b>	<b>171</b>	<b>54.89</b>

The details pertaining to outstanding over dues to the material creditors along with names and amounts involved for each such material creditor are available on the website at [www.quadrantfuturetek.com](http://www.quadrantfuturetek.com).

#### **F. Material developments**

Except as disclosed in the chapter titled “Management Discussion and Analysis of Financial Condition and Results of Operations - Details of material development after the date of last balance sheet i.e. December 31, 2023” on page 388, no circumstances have arisen since December 31, 2023, the date of the last Restated Financial Information disclosed in the Draft Red Herring Prospectus, any circumstances which materially and adversely affect or are likely to affect the value of our consolidated assets or our ability to pay our material liabilities within the next 12 months.

## GOVERNMENT AND OTHER APPROVALS

Except as disclosed herein and in 'Risk Factors', on page 31, our Company has received the following material consents, licenses, permissions, registrations and approvals from the relevant governmental, statutory and/ or regulatory authorities in India, which are necessary for undertaking our present business activities. Unless stated otherwise, these material approvals are valid as on the date of the Draft Red Herring Prospectus.

In addition to these approvals, we have also disclosed below (i) Approvals in relation to the Issue; (ii) Material approvals obtained in relation to our business and operations and (iii) Material approvals or renewals for which applications are currently pending before relevant authorities. For further details in connection with the applicable regulatory and legal framework, see 'Key Regulations and Policies' on page 196.

### I. Approvals in relation to the Issue

For details of approvals and authorisations in relation to the Issue, see 'Other Regulatory and Statutory Disclosures - Authority for the Issue' on page 401.

### II. Material approvals obtained in relation to our business and operations

Our Company has obtained the following material approvals to carry on our business and operations. Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with applicable procedures and requirements under relevant law.

#### A. Incorporation details of our Company

- a. Certificate of incorporation dated September 18, 2015 issued to our Company by the RoC, in the name of 'Quadrant Cables Private Limited'.
- b. Fresh Certificate of Incorporation dated October 08, 2021 issued to our Company by the RoC, pursuant to the change in the name of our Company from 'Quadrant Cables Private Limited' to 'Quadrant Future Tek Private Limited'.
- c. Fresh Certificate of Incorporation dated October 21, 2021 issued to our Company by the RoC, pursuant to the conversion of our Company from private limited to public limited and the ensuing change in the name of our Company from 'Quadrant Future Tek Private Limited' to 'Quadrant Future Tek Limited'.

#### B. Tax related approvals obtained by our Company

S. No.	Particulars of License	License/ Consent/ Approval/ Ref No.	Issued by	Date of Issuance	Date of Expiry
1.	Permanent Account Number issued by the Income Tax Department, Government of India under the Income Tax Act, 1961.	AAACQ3957B	Income Tax Department	November 21, 2021	
2.	Tax Deduction Account number issued by the Income Tax Department, Government of India under the Income Tax Act, 1961.	PTLQ10075C	Income Tax Department	December 17, 2021	
3.	GST Registration Certificate for Bangalore office	29AAACQ3957B1ZG	Government of India	May 12, 2021	-
4.	GST Registration Certificate for Hyderabad office	36AAACQ3957B1ZL	Government of India	June 11, 2021	-
5.	GST Registration Certificate for factory at Mohali, Punjab	03AAACQ3957B1ZU	Government of India	July 01, 2017	-

S. No.	Particulars of License	License/ Consent/ Approval/ Ref No.	Issued by	Date of Issuance	Date of Expiry
6.	Certificate of Registration issued under Karnataka Tax on Professions, Trades, Callings and Employment Act, 1976	326894313	Government of Karnataka	February 24, 2021	-
7.	Professional Tax Payer Registration Certificate under Telangana Tax on Professions, Trades, Callings and Employment Act, 1987	36274036496	Commercial Taxes Department, Government of Telangana	September 06, 2023	-
8.	Punjab State Development Tax Registration Certificate under Punjab State Development Tax Act, 2018	E34AAACQ3957B	Department of Excise and Taxation, Government of Punjab	November 13, 2018	-

**C. Regulatory approvals of our Company**

S. No.	Particulars of License	License/ Consent/ Approval/ Ref No.	Issued by	Date of Issuance	Date of Expiry
1.	Letter for registration of employees under Employees' State Insurance Act, 1948	12000638120000699	Regional office, Employees' State Insurance Corporation	January 16, 2016	-
2.	Letter for allotment of Code Number to the Company under the Employees' Provident Fund Miscellaneous Provisions Act, 1952	PBCHD1553041000 (Code Number)	Employee Provident Fund Organisation under Ministry of Labour and Employment, Government of India	July 20, 2017	-
3.	MSME Registration Certificate	UDYAM-PB-20-0029648	Ministry of Micro, Small and Medium Enterprises	July 16, 2022	-
4.	Importer Exporter Code	2215003839	Directorate General of Foreign Trade, Ministry of Commerce and Industry	November 05, 2015 (last modified on September 05, 2023)	-
5.	Legal Entity Identifier	335800EZOZBRKI5VZJ58	Legal Entity Identifier India Limited	Not available	September 12, 2024
6.	Registration Certificate of Establishment under Karnataka Shops and Commercial Establishments Act, 1961	13/170/CE/0163/2021	Department of Labour, Government of Karnataka	March 13, 2021	December 31, 2025
7.	Certificate of Registration of Establishment under Telangana Shops and Establishment Act, 1988	SEA/HYD/AL O/03/0588643/2023	Labour Department, Government of Telangana	January 01, 2024	December 31, 2024
8.	Registration and License to work as a Factory of the Factories Act: Factory license issued to Company with maximum capacity of 500 persons and	SAS0FL3414	Chief Inspector of Factories, Department of Labour, Punjab	December 27, 2022	December 31, 2027

S. No.	Particulars of License	License/ Consent/ Approval/ Ref No.	Issued by	Date of Issuance	Date of Expiry
	maximum power capacity 1000 Kilo Watt.				
9.	Consent to Operate u/s 25 of Water (Prevention & Control of Pollution) Act, 1974	CTOW/Varied/SAS/2023/233 50807	Punjab Pollution Control Board	15.09.2023	31.12.2027
10.	Fresh Registration for inclusion in the 'List of RDSO vendors for developmental orders for manufacture and supply of electric items QAE-M-7.1-2 (latest)' for the items mentioned below:  (A) Thin-Walled Flexible Elastomeric cables with copper conductors for working voltages (i) up to 750 volts, and (ii) above 750 volts up to 1.8/3.0 KV for tap changer electric locomotives, AC/DC EMU, BG AC EMU & MEMU/Coaching stock (Electron Beam Irradiation curing process) as per RDSO's specification no. ELRS/SPEC/ELC/00019 Rev '3'; and  (B) Thin-Walled Cables for 3-phase locomotives as per CLW specification no. CLW/ES/3/0458, Alt E (Single Core) and CLW specification no. CLW ES/3/0459, Alt A (Multi Core).	QAE/8.1.25.1/Quadrant	Research Designs & Standard Organization, Ministry of Railways	14.12.2017	-
11.	Approval letter from Research Designs & Standard Organization, Ministry of Railways  Approval granted by Research Designs & Standard Organization, Ministry of Railways for manufacturing and supply of thin-walled flexible elastomeric cables with copper conductors for working voltages (i) up to 750 volts, and (ii) above 750 volts up to 1.8/3.0 KV for tap changer electric locomotives, AC/DC EMU, BG AC EMU & MEMU/coaching stock with Electron Beam Irradiation curing process as per RDSO's specification no. ELRS/SPEC/ELC/00019 Rev '4'.	QAE/8.1.25.1/Quadrant	Research Designs & Standard Organization, Ministry of Railways	August 02, 2018	
12.	Approval of Radiological Safety Officer for the industrial accelerator radiation processing facility	23-RSO-939746	Radiological Safety Division, Atomic Energy Regulatory Board, Government of India	May 13, 2023	May 13, 2026
13.	Renewal Certificate (Naval) in respect of manufacturing capacity/ capability for defence items.	DQAN/REGN/27/20	Directorate General of Quality Assurance (Naval)	January 24, 2023	January 23, 2028



S. No.	Particulars of License	License/ Consent/ Approval/ Ref No.	Issued by	Date of Issuance	Date of Expiry
14.	Renewal license for Operation of Industrial Accelerator Radiation Processing Facility	AERB/RSD/IA RPF-LIC/R2/PB-36287/2023/921	Atomic Energy Regulatory Board, Government of India	November 20, 2023	November 19, 2026
15.	Regulatory Clearances in respect of the following: (a) Provisional Fire Safety Certificate NOC; (b) Acceptance of Factory Building Plan by Department of Factories; and (c) Certificate as to non-applicability of registration under Contract Labour (Regulation & Abolition) Act, 1970 (d) Approval of Building Plans from Department of Housing and Urban Development.	PBIP/LORC-II/2017/2997	Punjab Bureau of Investment Promotion, Government of Punjab	July 28, 2017	-
16.	Change in Land Use permission for area admeasuring 3.672 acres falling in village Basma, Tehsil & District – SAS Nagar for industrial purpose (cable manufacturing).	PBIP/LORC1/1511993176	Punjab Bureau of Investment Promotion, Government of Punjab	May 12, 2016	-
17.	No objection certificate stating that no forest land is involved in factory area of Company	PBIP/LORC1/1511993176	Chief Conservator of Forests, Department of Forests & Wildlife Preservation, Punjab Bureau of Investment Promotion	-	-
18.	Fire Safety Certificate (Renewal)	501-83088-Fire/62320	Punjab Fire Services	January 19, 2024	January 18, 2025 (1 year)
19.	Certificate of Registration relating to Quality Management System for “Manufacture of electronic beam cables and cable assemblies” in conformation with ISO 9001:2015.	600504	NQA Certification Limited (United Kingdom)	March 03, 2023 (Re-issued date)	January 16, 2025
20.	Certificate of Registration relating to Quality Management System for “Manufacture of electronic beam cables and cable assemblies” in conformation with IATF 16949:2016.	T600479	NQA Certification Limited (United Kingdom)	January 17, 2022	January 16, 2025
21.	Certificate of Registration for “Environmental Management System” in conformation with ISO 14001:2015 in respect of design, manufacture & supply of electron beam cables, connectors, wiring harness, rail traffic management systems, electronic interlocking system, train collision avoidance system, brake interface unit & PCB assemblies.	21DEIC90	ROHS Certification Private Limited (India)	December 23, 2021	December 22, 2024


S. No.	Particulars of License	License/ Consent/ Approval/ Ref No.	Issued by	Date of Issuance	Date of Expiry
22.	Certificate of Registration for “Quality Management System” in conformation with ISO 9001:2015 in respect of design, manufacture & supply of electron beam cables, connectors, wiring harness, rail traffic management systems, electronic interlocking system, train collision avoidance system, brake interface unit & PCB assemblies.	21DQIF91	ROHS Certification Private Limited (India)	December 23, 2021	December 22, 2024
23.	Works Approval Certificate in respect of Electrical Cable (Marine)	2022WAQC012	Indian Register of Shipping	April 05, 2022	April 04, 2027
24.	Certificate of Verification of weights and measures under Punjab Legal Metrology (Enforcement) Rules, 2013	VC. Sr. No.: 91202305221503	Office of Controller, Legal Metrology, Food, Civil Supplies and Consumer Affair, Government of Punjab	September 26, 2023	September 25, 2024
25.	Soil Test Report	Resport No. NS0L011123N A019	Eco Paryavaran Laboratories & Consultants Pvt. Ltd.	November 07, 2023 (Report Date)	-
26.	Renewal of Authorization for operating a facility for ‘Collection, Generation, Storage, Transportation, Reception, Pre-processing, Treatment, Disposal’ of Hazardous Wastes for Golden Petro	HWM/renew/AS/2020/12496524	Punjab Pollution Control Board	October 29, 2020	October 28, 2025

**III. Material approvals or renewals for which applications are currently pending before relevant authorities**

S. No.	Particulars of Application	Application No.	Filed with	Date of Application
1.	Renewal application for grant of Consent to Operate u/s 21 of Air (Prevention & Control of Pollution) Act, 1981	25023986	Punjab Pollution Control Board	February 28, 2024
2.	Application Form for Permission to Extract Groundwater	Unit Identification Number: 20230100598	Punjab Water Regulation and Development Authority	December 13, 2023
3.	Application for grant of authorization in respect of 5.1 category (Used or Spent Oil) Hazardous Waste under the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016	23835759	Punjab Pollution Control Board	October 16, 2023
4.	National Accreditation Board for Testing and Calibration Laboratories accreditation for Future Tek Laboratory under standard ISO/IEC 17025:2017 for electrical cables and wires	-	National Accreditation Board for Testing and Calibration Laboratories	September 06, 2023

#### IV. Intellectual Property

As on the of this Draft Red Herring Prospectus, our Company has registered the following trademark with the Registrar of Trademarks under the Trademarks Act:

<b>Date of Issue</b>	<b>Trademark Holder</b>	<b>Trademark no.</b>	<b>Classes of Registration</b>	<b>Trade Mark</b>
December 07, 2021	Quadrant Future Tek Limited	2875862	6	

## OTHER REGULATORY AND STATUTORY DISCLOSURE

### Authority for the Issue

The Issue has been authorized by our Board pursuant to the resolution passed at its meeting dated March 15, 2023 and January 20, 2024 and approved by our Shareholders pursuant to a special resolution passed at their meeting dated March 01, 2024.

The Draft Red Herring Prospectus has been approved by our Board pursuant to its resolution passed on June 02, 2024 for filing with the SEBI and the Stock Exchanges.

### In-principle Listing Approvals

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively.

### Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, the members of our Promoter Group, and our Directors, persons in control of our Company and the persons in control of our Corporate Promoter are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority / court.

None of the companies with which our Promoters and Directors are associated with as promoters, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities. None of our individual Promoters or Directors have been declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

Our Company, our Promoters and our Directors have neither been declared as Wilful Defaulters nor Fraudulent Borrowers, as defined in the SEBI ICDR Regulations.

### Directors associated with the Securities Market

None of our Directors are in any manner, associated with securities market and there is no outstanding action initiated by SEBI against the Directors of our Company in the 5 years preceding the date of the Draft Red Herring Prospectus.

### Confirmation under Companies (Significant Beneficial Owners) Rules, 2018

Our Company, our Promoters and the members of our Promoter Group confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent applicable, as on the date of the Draft Red Herring Prospectus.

### Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Regulation 6(2) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

*‘An issuer not satisfying the condition stipulated in sub-regulation (1) shall be eligible to make an initial public offer only if the issue is made through the book-building process and the issuer undertakes to allot at least seventy-five per cent. of the net offer to qualified institutional buyers and to refund the full subscription money if it fails to do so.’*

Our Company is an unlisted company not complying with the conditions specified in Regulation 6(1) of the SEBI ICDR Regulations and is, therefore, required to meet the conditions detailed in Regulation 6(2) of the SEBI ICDR Regulations.

Our Company undertakes to comply with Regulation 6(2) of the SEBI ICDR Regulations. Accordingly, our Company is required to Allot not less than 75% of the Issue to QIBs and in the event that we fail to do so, the Bid Amounts received by our Company shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations and other applicable laws.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees in the Issue shall be not less than 1,000 failing which the entire application monies shall be refunded forthwith, in accordance with the SEBI ICDR Regulations and other applicable laws.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulations 7(2) and 7(3) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulations 5 and 7(1) of the SEBI ICDR Regulations, to the extent applicable.

The status of our compliance with Regulations 5 and 7(1) of the SEBI ICDR Regulations are as follows:

- (i) Our Company, the Promoters, the members of our Promoter Group and our Directors are not debarred from accessing the capital markets by SEBI;
- (ii) The companies with which our Promoters or our Directors are associated as promoter or director are not debarred from accessing the capital markets by SEBI;
- (iii) Neither our Company, nor our Promoters nor our Directors have been identified as a Wilful Defaulter or a Fraudulent Borrower (as defined in the SEBI ICDR Regulations);
- (iv) Neither our individual Promoters nor our Directors has been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018;
- (v) There are no outstanding convertible securities of our Company or any other right which would entitle any person with any option to receive Equity Shares of our Company as on the date of filing of the Draft Red Herring Prospectus;
- (vi) Our Company, along with the Registrar to the Issue, has entered into tripartite agreements dated January 29, 2024 and August 07, 2023 with NSDL and CDSL, respectively, for dematerialization of the Equity Shares;
- (vii) The Equity Shares of our Company held by our Promoters are in dematerialised form;
- (viii) The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of the Draft Red Herring Prospectus;
- (ix) There is no requirement for us to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance;
- (x) Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively;
- (xi) Our Company has appointed NSE as the Designated Stock Exchange; and
- (xii) Our Company shall not make an Allotment if the number or prospective allottees is less than 1,000 in accordance with Regulation 49(1) of the SEBI ICDR Regulations.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS / RED HERRING PROSPECTUS / PROSPECTUS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY**

**RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS / RED HERRING PROSPECTUS / PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, BEING SUNDAE CAPITAL ADVISORS PRIVATE LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS / RED HERRING PROSPECTUS / PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS / RED HERRING PROSPECTUS / PROSPECTUS, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, BEING SUNDAE CAPITAL ADVISORS PRIVATE LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JUNE 02, 2024 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V (FORM A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THE DRAFT RED HERRING PROSPECTUS / RED HERRING PROSPECTUS / PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MENEGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS / RED HERRING PROSPECTUS / PROSPECTUS.**

All legal requirements pertaining to this Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act. All legal requirements pertaining to this Issue will be complied with at the time of filing of the Prospectus with the RoC in terms of Sections 26, 30, 32 and 33 of the Companies Act.

#### **Disclaimer from our Company, our Promoters, our Directors and the BRLM**

Our Company, our Promoters, our Directors and the BRLM accept no responsibility for statements made otherwise than in the Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website, [www.quadrantfuturetek.com](http://www.quadrantfuturetek.com), or the respective websites of our Promoter, the members of our Promoter Group, Group Companies or any affiliate of our Company, would be doing so at his or her own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the Issue Agreement and as will be set out in the Underwriting Agreement.

All information shall be made available by our Company and the BRLM to the Bidders and the public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, the BRLM and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Underwriters, the BRLM and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLM and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for our Company our Promoters, the members of our Promoter Group,

Subsidiaries, and their respective directors and officers, Group Companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage in commercial banking and investment banking transactions with our Company, our Directors, our Promoters, officers, agents, Group Companies, or their respective affiliates or associates for which they have received, and may in future receive compensation.

#### **Disclaimer in respect of jurisdiction**

Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Chandigarh, Punjab only.

This Issue is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorized to invest in equity shares, domestic Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from the RBI), trusts under the applicable trust laws and who are authorized under their respective constitutions to hold and invest in equity shares, public financial institutions as specified under Section 2(72) of the Companies Act, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs and AIFs that they are eligible under all applicable laws and regulations to purchase the Equity Shares. The Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares issued hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be issued, directly or indirectly, and the Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. The delivery of the Draft Red Herring Prospectus, shall not, under any circumstances, create any implication that there has been no change in our affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Draft Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Issue in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Issue will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Issue, which comprises the Red Herring Prospectus and the preliminary international wrap for the Issue, if the recipient is outside India. **No person outside India is eligible to Bid for Equity Shares in the Issue unless that person has received the preliminary offering memorandum for the Issue, which contains the selling restrictions for the Issue outside India.**

Neither the delivery of the Draft Red Herring Prospectus or any offer for sale thereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date thereof or that the information contained herein is correct as of any time subsequent to this date.

#### **Eligibility and Transfer Restrictions**

**The Equity Shares issued in the Issue have not been and will not be registered under the U.S. Securities Act or any other applicable laws in the United States, and unless so registered, may not be issued or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in ‘offshore transactions’ in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such issue and sales are made.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.**

#### **Disclaimer clause of BSE**

As required, a copy of the Draft Red Herring Prospectus shall be submitted to the BSE. The disclaimer clause as intimated by BSE to our Company post scrutiny of the Draft Red Herring Prospectus shall be included in the Red Herring Prospectus prior to filing with the RoC.

#### **Disclaimer clause of NSE**

As required, a copy of the Draft Red Herring Prospectus has been submitted to the NSE. The disclaimer clause as intimated by NSE to our Company post scrutiny of the Draft Red Herring Prospectus shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

#### **Listing**

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. NSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. Application will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares being issued and sold in the Issue.

If the permission to deal in the Equity Shares is not granted by both the Stock Exchanges, our Company will forthwith repay, without interest, all monies received from the Bidders in pursuance of the Red Herring Prospectus. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within three Working Days of the Bid/Issue Closing Date. If our Company does not allot Equity Shares pursuant to the Issue within three Working Days from the Bid/Issue Closing Date or within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% p.a., for the delayed period.

#### **Consents**

Consents in writing of: (a) our Directors, our Promoters, our Company Secretary and Compliance Officer, Chief Financial Officer, Bankers to our Company, Legal Counsel appointed for the Issue, the BRLM, the Registrar to the Issue, the Statutory Auditor, the Independent Chartered Engineer and the Independent Chartered Accountant in their respective capacities, have been obtained and such consents have not been withdrawn as on the date of the Draft Red Herring Prospectus; (b) the Monitoring Agency, the Syndicate Members, the Banker(s) to the Issue/ Escrow Collection Bank(s) / Refund Bank(s), Sponsor Bank(s), Underwriter(s) to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act.

#### **Expert opinion**

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated June 02, 2024 from our Statutory Auditors namely, SANMARKS and Associates, Chartered Accountants, holding a valid peer review certificate from ICAI to include their name as 'expert' as required under Section 2(38) of the Companies Act to the extent and in their capacity as our Statutory Auditors, and in respect of their examination report, dated June 02, 2024 on our Restated Financial Information; and the statement of special tax benefits dated June 02, 2024 included in the Draft Red Herring Prospectus, and such consent has not been withdrawn as on the date of the Draft Red Herring Prospectus. However, the term 'expert' shall not be construed to mean an 'expert' as defined under U.S. Securities Act.



Our Company has received written consent dated May 31, 2024 from Sapient Services Private Limited, Independent Chartered Engineer to include their name as an 'expert' as defined under Section 2(38) of the Companies Act to the extent and in their capacity as Independent Chartered Engineer in respect of the report dated May 31, 2024 issued by them in connection with *inter alia* the installed capacity, actual production, capacity utilisation and such consent has not been withdrawn as of the date of the Draft Red Herring Prospectus. However, the term 'expert' shall not be construed to mean an 'expert' as defined under U.S. Securities Act.

**Particulars regarding public or rights issues undertaken by our Company during the last 5 years**

Our Company has not made any public issue or rights issue, as defined under the SEBI ICDR Regulations, during the last 5 years immediately preceding the date of the Draft Red Herring Prospectus.

**Particulars regarding capital issues by our Company and listed group companies, or associate entity during the last 3 years**

Other than as disclosed in 'Capital Structure' on page 84, our Company has not made any capital issues during the 3 years preceding the date of the Draft Red Herring Prospectus.

The securities of none of our Group Companies are listed on any stock exchange. Accordingly, none of our Group Companies have made any capital issues during the 3 years immediately preceding the date of the Draft Red Herring Prospectus.

**Commission and brokerage paid on previous issues of Equity Shares in the last 5 years**

Since this is the initial public issue of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of our Equity Shares in the 5 years preceding the date of the Draft Red Herring Prospectus.

**Performance *vis-à-vis* objects - Public/ rights issue of our Company**

Our Company has not made any public issue or rights issue as defined under the SEBI ICDR Regulations in the 5 years immediately preceding the date of the Draft Red Herring Prospectus.

**Performance *vis-à-vis* objects: Public/ rights issue of the listed subsidiaries and listed promoters**

As of the date of the Draft Red Herring Prospectus, our Company does not have a listed subsidiary or listed corporate promoters.

**Website track record of past issues handled by the BRLM**

For details regarding the track record of the BRLM, as specified in Circular reference bearing number CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, see the websites of the BRLM at [www.sundaecapital.com](http://www.sundaecapital.com).

### Price information of past issues handled by the BRLM

Sundae Capital Advisors Private Limited has undertaken Price information of past issues handled by Sundae Capital Advisors Private Limited (during the current Fiscal and two Fiscals preceding the current Fiscal):

Sr. No.	Issue Name	Issue Size (₹ million)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (₹)	+/- % change in closing price, +/- % change in closing benchmark]-30th calendar days from listing	+/- % change in closing price, +/- % change in closing benchmark]-90th calendar days from listing	+/- % change in closing price, +/- % change in closing benchmark]-180th calendar days from listing
<b>SME IPO</b>								
1.	Proventus Agrocom Limited #	695.38	771.00	June 05, 2023	821.00	53.87% [4.28%]	34.92% [4.53%]	58.11% [9.00%]
<b>Main board IPO</b>								
Nil								

Notes:

1. Price on Designated Stock Exchange of the respective Issuer is considered for all of the above calculations.
  2. In the event any day falls on a holiday, the price / index of the immediately preceding trading day has been considered.
  3. Source: [www.nseindia.com](http://www.nseindia.com) for price information and prospectus / basis for allotment for issue details
- # Nifty 50 is considered as the Benchmark Index.

### Summary statement of price information of past public issues handled by Sundae Capital Advisors Private Limited:

Financial Year	Total no. of IPOs	Total fund raised (₹ million)	No. of IPOs trading at discount as on 30th calendar day from listing date			No. of IPOs trading at premium as on 30th calendar day from listing date			No. of IPOs trading at discount as on 180th calendar day from listing date			No. of IPOs trading at premium as on 180th calendar day from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
<b>SME IPO</b>														
2024-25*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2023-24	1	695.38	Nil	Nil	Nil	1	Nil	Nil	Nil	Nil	Nil	1	Nil	Nil
2022-23	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Main board IPO</b>														
Nil														

\* The information is as on the date of this Issue Document.

The information for each of the financial years is based on issues listed during such financial year.

## **Stock market data of the Equity Shares**

As the Issue is the initial public offering of the Equity Shares, the Equity Shares are not listed on any stock exchange as on the date of the Draft Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

## **Mechanism for redressal of Investor Grievances**

SEBI, by way of its Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent applicable) has identified the need to put in place measures, in order to manage and handle investor issues arising out of the UPI Mechanism, inter alia, in relation to delay in receipt of mandates by Bidders for blocking of funds due to systemic issues faced by Designated Intermediaries / SCSBs and failure to unblock funds in cases of partial allotment/non allotment within prescribed timelines and procedures. Per the Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent applicable), SEBI has prescribed certain mechanisms to ensure proper management of investor issues arising out of the UPI Mechanism, including: (i) identification of a nodal officer by SCSBs for the UPI Mechanism; (ii) delivery of SMS alerts by SCSBs for blocking and unblocking of UPI Mandate Requests; (iii) hosting of a web portal by the Sponsor Banks containing statistical details of mandate blocks/unblocks; (iv) limiting the facility of reinitiating UPI Bids to Syndicate Members to once per Bid; and (v) mandating SCSBs to ensure that the unblock process for non-allotted/partially allotted applications is completed by the closing hours of one Working Day subsequent to the finalisation of the Basis of Allotment.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent applicable) and SEBI Master Circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 (to the extent applicable).

In terms of SEBI Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent applicable) and SEBI Master Circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 (to the extent applicable) and subject to applicable laws, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within 3 months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% p.a. for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs in accordance with SEBI Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent applicable), in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications, for the stipulated period. Further, in terms of SEBI Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent applicable), the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLM, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

The Registrar Agreement provides for the retention of records with the Registrar to the Issue for a minimum period of eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, subject to agreement with our Company for storage of such records for longer period, in order to enable the investors to approach the Registrar to the Issue for redressal of their grievances. In respect of electronic forms received by it, the Registrar to the Issue shall maintain the relevant electronic records for a minimum period of three years. In addition to the above, the Registrar to the Issue shall retain physical application forms submitted by UPI Bidders using the UPI Mechanism, for a period of six months and thereafter forward the same to the Company.

All grievances, other than by Anchor Investors, may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary, where the Bid cum Application Form was submitted, quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of the Bidder, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number (for Bidders other than UPI

Bidders bidding through the UPI mechanism) in which the amount equivalent to the Bid Amount was blocked or UPI ID in case of UPI Bidders applying through the UPI mechanism in which the amount equivalent to the Bid Amount is blocked. Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances of the Anchor Investors may be addressed to the Registrar to the Issue, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLM with whom the Bid cum Application Form was submitted by the Anchor Investor.

All grievances relating to Bids submitted with the Registered Brokers, may be addressed to the Stock Exchanges, with a copy to the Registrar to the Issue. Further, Bidders shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries in addition to the information mentioned hereinabove. For helpline details of the Book Running Lead Manager pursuant to the SEBI Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent applicable), see '*General Information - Book Running Lead Manager*' on page 77.

### **Disposal of investor grievances by our Company**

Our Company will obtain authentication on the SCORES and will comply with the SEBI Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent applicable) and any amendment thereto, in relation to redressal of investor grievances through SCORES, prior to filing the Red Herring Prospectus.

Our Company has not received any investor grievances in the last 3 Fiscals prior to the filing of the Draft Red Herring Prospectus. Further, no investor complaint in relation to our Company is pending as on the date of filing of the Draft Red Herring Prospectus. Our Company estimates that the average time required by our Company and/or the Registrar to the Issue or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 7 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Ankit Kumar, as our Company Secretary and Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue related problems at the following address:

**Ankit Kumar**  
**Company Secretary & Compliance Officer**  
Village Basma Tehsil Banur  
Distt Mohali - 140 417, Punjab, India  
Ph. +91 1762 245509  
Email: cs\_qftl@quadrantfuturetek.com

For further information, see '*General Information - Company Secretary and Compliance Officer*' on page 77.

Further, our Board has also constituted the Stakeholders' Relationship Committee comprising Pramod Jain, Independent Director, as Chairman, and Vivek Abrol and Amit Dhawan as members, inter alia, to review and redress shareholder and investor grievances. For further information, see '*Our Management - Committees of our Board - Stakeholders' Relationship Committee*' on page 223.

### **Disposal of investor grievances by listed Group Companies and Subsidiaries**

As on the date of the Draft Red Herring Prospectus, the securities of our Group Companies are not listed on any stock exchange, and, therefore, there are no investor complaints are pending against them. Further, we do not have any subsidiary company as on the date of the Draft Red Herring Prospectus.

## SECTION VIII: ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

The Equity Shares being Allotted in the Issue will be subject to the provisions of the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the SCRR, the Memorandum of Association, the Articles of Association, the SEBI Listing Regulations, the terms of the Red Herring Prospectus and the Draft Red Herring Prospectus, the Bid cum Application Form, the Revision Form, the Abridged Prospectus and other terms and conditions as may be incorporated in the CAN (for Anchor Investors), Allotment Advice and other documents and certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities, issued from time to time, by SEBI, the Government of India, the Stock Exchanges, the RoC, the RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as maybe prescribed by SEBI, the Government of India, the Stock Exchange, the RoC, the RBI and/or other authorities while granting approval for the Issue.

#### Ranking of Equity Shares

The Equity Shares being Allotted pursuant to the Issue are subject to the provisions of the Companies Act, 2013, our Memorandum of Association and our Articles of Association and shall rank pari passu in all respects with the existing Equity Shares of our Company, including in respect of rights to receive dividends. For more information, see “Description of Equity Shares and Main Provisions of the Articles of Association” on page 441.

#### Mode of payment of dividend

Our Company will pay dividends, if declared, to the Shareholders, as per the provisions of the Companies Act, 2013, the SEBI Listing Regulations, the Memorandum of Association and the Articles of Association, and any guidelines or directives that may be issued by the Government of India in this respect. Any dividends declared, after the date of Allotment in this Issue, will be payable to the Allottees who have been Allotted Equity Shares in the Issue, for the entire year, in accordance with applicable laws. For more information, see “Dividend Policy” and “Description of Equity Shares and Main Provisions of the Articles of Association” on pages 243 and 441, respectively.

#### Face Value, Issue Price, Floor Price and Price Band

The face value of each Equity Share is ₹ 10 and the Issue Price at the lower end of the Price Band is ₹ [●] per Equity Share and at the higher end of the Price Band is ₹ [●] per Equity Share. The Anchor Investor Issue Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot was decided by our Company, in consultation with the BRLM, and published by our Company in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and Mohali edition of [●] (a widely circulated Punjabi national daily newspaper, being the regional language of Punjab, where our Registered and Corporate Office is located) at least two Working Days prior to the Bid / Issue Opening Date, and was made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price was pre-filled in the Bid-cum-Application Forms and was made available at the respective websites of the Stock Exchanges. The Issue Price was determined by our Company, in consultation with the BRLM, after the closure of the Issue, on the basis of assessment of market demand for the Equity Shares issued by way of the Book Building Process.

At any given point in time there will be only one denomination for the Equity Shares.

#### Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

## **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, the Equity Shareholders will have the following rights:

- right to receive dividends, if declared;
- right to attend general meetings and exercise voting powers, unless prohibited by law;
- right to vote on a poll either in person or by proxy and e-voting;
- right to receive offers for rights shares and be allotted bonus shares, if announced;
- right to receive any surplus on liquidation subject to any statutory and preferential claims being satisfied;
- right of free transferability of their Equity Shares, subject to applicable foreign exchange regulations and other applicable law; and
- such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the terms of the SEBI Listing Regulations and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture, lien, transfer, transmission, consolidation and splitting, see “Description of Equity Shares and Main Provisions of the Articles of Association” on page 441.

## **Allotment only in dematerialised form**

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges. In this context, our Company has entered into the following agreements with the respective Depositories and Registrar to the Issue:

- Tripartite agreement dated January 29, 2024 among our Company, NSDL and Registrar to the Issue; and
- Tripartite agreement dated August 07, 2023 among our Company, CDSL and Registrar to the Issue.

## **Market Lot and Trading Lot**

Since trading of the Equity Shares shall only be in dematerialised form, the tradable lot is one Equity Share. Allotment will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares. For the method of Basis of Allotment, see “Issue Procedure” on page 420.

## **Jurisdiction**

Exclusive jurisdiction for the purposes of this Issue is with the competent courts/authorities in Mohali, Punjab, India.

## **Joint Holders**

Subject to the provisions of our Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

## **Nomination Facility**

In accordance with Section 72 of the Companies Act, 2013, read with Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole Bidder, or the First Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer or alienation of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by

nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination/cancel nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form available on request at our Registered and Corporate Office or to the registrar and transfer agents of our Company.

Further, any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, as amended, will, on the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as holder of Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividend, interests, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bidder will prevail. If Bidders want to change their nomination, they are advised to inform their respective Depository Participants.

#### **Bid/Issue Period**

<b>BID/ISSUE OPENED ON</b>	<b> ● </b>
<b>BID/ISSUE CLOSED ON</b>	<b> ● </b>

An indicative timetable in respect of the Issue is set out below:

<b>FINALISATION OF BASIS OF ALLOTMENT WITH THE DESIGNATED STOCK EXCHANGE</b>	On or about [●]
<b>INITIATION OF REFUNDS, IF ANY, FOR ANCHOR INVESTORS/UNBLOCKING OF FUNDS FROM ASBA ACCOUNT</b>	On or about [●]
<b>CREDIT OF EQUITY SHARES TO DEPOSITORY ACCOUNTS OF ALLOTTEES</b>	On or about [●]
<b>COMMENCEMENT OF TRADING OF THE EQUITY SHARES ON THE STOCK EXCHANGES</b>	On or about [●]

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated by the intermediary responsible for causing such delay in unblocking in accordance with applicable law. Further, investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, in case of delays in resolving investor grievances in relation to blocking/unblocking of fund. The Book Running Lead Managers shall in their sole discretion, identify and fix liability on such intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of our Company with the SCSBs, to the extent applicable. The processing fees for applications made by UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no.

SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

The above timetable, other than the Bid/Issue Closing Date, is indicative and does not constitute any obligation on our Company or the BRLM.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within three Working Days from the Bid/Issue Closing Date or such period as may be prescribed by SEBI, with reasonable support and co-operation, the timetable may change due to various factors, any delay in receiving the final listing and trading approval from the Stock Exchanges. Our Company shall within two Working days from the closure of the Issue or such period as may be prescribed, refund the subscription amount received in case of non-receipt of minimum subscription or in case our Company fails to obtain listing or trading permission from the Stock Exchanges for the Equity Shares. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

In terms of the UPI Circulars, in relation to the Issue, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within three Working Days from the Bid/Issue Closing Date or such time as prescribed by SEBI, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

SEBI vide circular number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the time period for listing of shares in public issue from 6 days to 3 days from the date of closure of the issue. The revised timeline of T+3 days has been made applicable in two phases, i.e., voluntary for all public issues opening on or after September 01, 2023 and mandatory on or after December 01, 2023. Accordingly, the Issue will be made under UPI Phase III on mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time, including with respect to SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023.

**Submission of Bids (other than Bids from Anchor Investors):**

<b>Bid/Issue Period (except the Bid / Issue Closing Date)</b>	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. Indian Standard Time (“IST”)
<b>Bid/Issue Closing Date</b>	
Submission of electronic applications (online ASBA through 3 in 1 accounts)	Only between 10.00 a.m. and 5.00 p.m. IST
Submission of electronic applications (Bank ASBA through online channels like internet banking, mobile banking and Syndicate UPI ASBA applications where Bid Amount is up to ₹ 0.50 million)	Only between 10.00 a.m. and 4.00 p.m. IST
Submission of electronic applications (Syndicate Non-Retail, Non-Individual Applications)	Only between 10.00 a.m. and 3.00 p.m. IST
Submission of physical applications (Bank ASBA)	Only between 10.00 a.m. and 1.00 p.m. IST
Submission of physical applications (Syndicate Non-Retail, Non-Individual Applications of QIBs and NIIs where Bid Amount is more than ₹ 0.50 million)	Only between 10.00 a.m. and 12.00 p.m. IST
<b>Modification / Revision / cancellation of Bids</b>	
Upward revision of Bids by QIBs and Non-Institutional Investors#	Only between 10.00 a.m. on the Bid/Issue Opening Date and up to 4.00 p.m. IST on Bid/Issue Closing Date
Upward or downward revision of Bids or cancellation of Bids by RIIs	Only between 10.00 a.m. on the Bid/Issue Opening Date and up to 5.00 p.m. IST on Bid/Issue Closing Date



*#QIBs and Non-Institutional Investors could neither revise their Bids downwards nor cancel/ withdraw their Bids.*

**On the Bid/Issue Closing Date, the Bids were required to be uploaded until:**

- i. 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Investors where the Bid Amount is in excess of ₹ 0.50 million; and
- ii. until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Investors.

On Bid/Issue Closing Date, extension of time could have been granted by Stock Exchanges only for uploading Bids received by Retail Individual Investors after taking into account the total number of Bids received up to closure of timings for acceptance of Bid cum Application Forms as stated herein and as reported by the BRLM to the Stock Exchanges.

The Registrar to the Issue submitted the details of cancelled/withdrawn/deleted applications to the SCSBs on a daily basis within 60 minutes of the bid closure time from the Bid/Issue Opening Date till the Bid/Issue Closing Date by obtaining such information from the Stock Exchanges. The SCSBs unblocked such applications by the closing hours of the Working Day and submitted the confirmation to the Book Running Lead Managers and the Registrar to the Issue not later than the next working day from the finalization of basis of allotment by the Registrar to the Issue, as per the format prescribed in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

To avoid duplication, the facility of re-initiation provided to the Members of the Syndicate was allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

**It is clarified that Bids were not uploaded on the electronic bidding system or in respect of which the full Bid Amount were not blocked by SCSBs, or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.**

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, Bidders were advised to submit their Bids one day prior to the Bid/Issue Closing Date. Any time mentioned in the Draft Red Herring Prospectus is IST. Bidders were cautioned that, in the event a large number of Bids were received on the Bid/Issue Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that could not be uploaded were not considered for allocation under the Issue. Bids were accepted on the Stock Exchange platform only during Working Days, during the Bid/Issue Period and revisions were not be accepted on Saturdays and public holidays. The Designated Intermediaries modified select fields uploaded in the Stock Exchange platform during the Bid/Issue Period till 5.00 pm on the Bid/Issue Closing Date after which the Stock Exchange(s) sent the Bid information to the Registrar to the Issue for further processing.

Our Company, in consultation with the BRLM, reserve the right to revise the Price Band during the Bid / Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

In case of any revision to the Price Band or in case of force majeure, banking strike or similar circumstances, the Bid / Issue Period will be extended by at least three (3) additional Working Days following such as event, subject to the Bid / Issue Period not exceeding ten (10) Working Days. Any revision in the Price Band and the revised Bid / Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the website of the BRLM and at the terminals of the Syndicate Members and by intimation to Self-Certified Banks (“SCSBs”), the Sponsor Bank, and other Designated Intermediaries, as applicable. However, in case of revision in the Price Band, the Bid Lot shall remain the same.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic ASBA Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment. Further, in case of such a discrepancy, the Registrar to the Issue shall ask for rectified data.

### **Minimum Subscription**

If our Company does not receive the minimum subscription in the Issue as specified under Rule 19(2)(b) of the SCRR including through devolvement of Underwriters, as applicable, within 60 days from the date of Bid/ Issue Closing Date; or the minimum subscription of 90% of the Issue on the date of the closure of the Issue is not achieved; or there are withdrawal of applications; or after technical rejections; or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares so offered under the Issue, our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022. If there is a delay beyond two Working days or such period as may be prescribed after our Company becomes liable to pay the amount, our Company and our Directors, who are officers in default, shall pay interest at the rate of 15% per annum or such other rate as prescribed under applicable law.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000, failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders.

### **Arrangements for Disposal of Odd Lots**

Since the Equity Shares will be treated in dematerialised form only, and the market lot for the Equity Shares will be one Equity Share, there are no arrangements for disposal of odd lots.

### **New Financial Instruments**

Our Company is not issuing any new financial instruments through this Issue.

### **Restrictions, if any on Transfer and Transmission of Equity Shares**

Except for lock-in of pre-Issue equity shareholding of our Company, lock-in of our Promoters' contribution and Anchor Investor lock-in, as detailed in "Capital Structure" on page 84 and as provided in our Articles as detailed in "Description of Equity Shares and Main Provisions of the Articles of Association" on page 441, there are no restrictions on transfers and transmission of shares / debentures and on their consolidation or splitting.

## ISSUE STRUCTURE

Initial public offering of up to [●] Equity Shares for cash at price of ₹ [●] per Equity Share of face value ₹ 10 each (including a premium of ₹ [●] per Equity Share) aggregating up to ₹ 2,750.00 million by our Company. The Issue is being made through the Book Building Process. The Issue shall constitute [●]% of our post-Issue paid-up Equity Share capital.

Particulars	QIBs <sup>(1)</sup>	Non Institutional Bidders	Retail Individual Bidders
<b>Number of Equity Shares available for Allotment / allocation* <sup>(2)</sup></b>	Not less than [●] Equity Shares	Not more than [●] Equity Shares	Not more than [●] Equity Shares
<b>Percentage of Issue available for Allotment allocation</b>	Not less than 75% of the Issue being available for allocation to QIBs. However, 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining Net QIB Portion. Unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion.	Not more than 15% of the Issue shall be available to Non- Institutional Bidders out of which (i) one third of such portion shall be reserved for applicants with application size of more than ₹ 0.20 million and up to ₹ 1 million; and (ii) two thirds of such portion shall be reserved for applicants with application size of more than ₹ 1.00 million	Not more than 10% of the Issue
<b>Basis of Allotment / allocation if respective category oversubscribed</b>	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be allotted on a proportionate basis to all QIBs, including Mutual funds receiving allocation as per (a) above. Our Company in consultation with the BRLM, may allocate up to [●] Equity shares on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price.	The Equity Shares available for allocation to Non- Institutional Investors under the Non- Institutional Category shall be subject to the following: (a) One-third of the Non- Institutional Category will be available for allocation to Bidders with a Bid size of more than ₹ 0.2 million and up to ₹ 1 million; and (b) Two-thirds of the Non-Institutional Category will be available for allocation to Bidders with a Bid size of more than ₹ 1 million. The unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Investors.	Allotment to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be Allotted on a proportionate basis. For details, see 'Issue Procedure' on page 420.

Particulars	QIBs <sup>(1)</sup>	Non Institutional Bidders	Retail Individual Bidders
		The allotment of specified securities to each Non-Institutional Investor shall not be less than the minimum application size, subject to availability in the Non-Institutional Category, and the remainder, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in the SEBI ICDR Regulations.	
<b>Minimum Bid</b>	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 0.20 million.	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 0.20 million.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
<b>Maximum Bid</b>	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the Issue Size (excluding the Anchor Investor Portion), subject to applicable limits under applicable law.	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the Issue Size (excluding the QIB Portion), subject to applicable limits under applicable law.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 0.20 million.
<b>Bid Lot</b>	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares thereafter.	
<b>Mode of allotment</b>	Compulsorily in dematerialised form		
<b>Allotment Lot</b>	Minimum of [●] Equity Shares and in multiples of 1 Equity Share thereafter.		
<b>Trading Lot</b>	1 Equity Share		
<b>Who can apply <sup>(3)</sup></b>	Public financial institutions as specified in Section 2(72) of the Companies Act, scheduled commercial banks, mutual funds registered with SEBI, Eligible FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, state industrial development corporation, multilateral and bilateral development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹ 250.00 million, pension fund with minimum corpus of ₹ 250.00 million, registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013 in accordance with applicable law and National Investment Fund set up by the Government, insurance	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies, trusts and FPIs who are individuals, corporate bodies and family offices which are recategorized as category II FPIs and registered with SEBI.	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta) applying for Equity Shares such that the Bid amount does not exceed ₹ 0.20 million in value.

Particulars	QIBs <sup>(1)</sup>	Non Institutional Bidders	Retail Individual Bidders
	funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and systemically important nonbanking financial companies		
<b>Terms of payment</b>	<b>In case of Anchor Investors:</b> Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids. <sup>(4)</sup>  <b>In case of all other Bidders:</b> Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidders (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism (for UPI Bidders) that is specified in the ASBA Form at the time of submission of the ASBA Form.		
<b>Mode of Bidding</b> ^	Only through the ASBA process (excluding the UPI Mechanism) except for Anchor Investors.	Only through the ASBA process (including UPI Mechanism for Bids up to ₹ 0.50 million).	Only through the ASBA process (including the UPI Mechanism).

\* Assuming full subscription of the Issue

^SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has mandated that ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Accordingly, the Stock Exchanges shall, for all categories of investors viz. QIBs, Non-Institutional and Retail Individual Investors, and also for all modes through which the applications are processed, accept the ASBA applications in the electronic book building platform only with a mandatory confirmation on the application monies blocked.

<sup>(1)</sup> Our Company in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being made to other Anchor Investors. For details, see 'Issue Procedure' on page 420.

<sup>(2)</sup> Subject to valid Bids being received at or above the Issue Price. The Issue is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 45 of the SEBI ICDR Regulations. The Issue is being made through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Issue shall be Allotted on a proportionate basis to QIBs. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, not more than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders, out of which one-third of the Non- Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 1.00 million, and not more than 10% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, see 'Terms of the Issue' on page 410.

<sup>(3)</sup> In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the

*Bid cum Application Form. The Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders.*

*<sup>(4)</sup> Anchor Investors shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid, provided that any positive difference between the Anchor Investor Allocation Price and the Issue Price, shall be payable by the Anchor Investor pay-in date as mentioned in the CAN.*

**Note: Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.**

## ISSUE PROCEDURE

*All Bidders were required to read the General Information Document which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI ICDR Regulations which was a part of the Abridged Prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue, especially in relation to the process for Bids by UPI Bidders through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.*

*Additionally, all Bidders could refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) Designated Date; (viii) disposal of applications and electronic registration of Bids; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.*

*SEBI through the UPI Circulars introduced an alternate payment mechanism using UPI and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism with the ASBA for applications by Retail Individual Investors through intermediaries from January 1, 2019. The UPI Mechanism for Retail Individual Investors applying through Designated Intermediaries, in phase I, was effective along with the prior process and timeline of T+6 days ("UPI Phase I"), until June 30, 2019. Subsequently, for applications by Retail Individual Investors through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds was discontinued and only the UPI Mechanism with timeline of T+6 days was applicable for a period of three months or launch of five main board public issues, whichever is later ("UPI Phase II"), with effect from July 1, 2019, by SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. Further, as per the SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, the UPI Phase II had been extended until March 31, 2020. However, due to the outbreak of COVID-19 pandemic, UPI Phase II was further extended by SEBI until further notice, by its circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020. Pursuant to SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, the final reduced timeline of T+3 days using the UPI Mechanism for applications by UPI Bidders ("UPI Phase III") had been made voluntary for public issues opening on or after September 01, 2023, and mandatory for public issues opening on or after December 01, 2023. Accordingly, the Issue has been made under UPI Phase III on a mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time, including pursuant to the SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023. Further, SEBI vide circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances.*

*Furthermore, SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹ 0.50 million, shall use the UPI Mechanism. Individual investors Bidding under the Non-Institutional Portion Bidding for more than ₹ 0.20 million and up to ₹ 0.50 million, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through the Syndicate, sub-Syndicate Members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers. Subsequently, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 01, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories).*

*In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding two Working Days from the Bid/Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.*

*The BRLM shall be the nodal entity for any issues arising out of public issuance process.*

*Our Company, the BRLM and the members of the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in the General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of the Red Herring Prospectus and the Prospectus. Bidders were advised to make their independent investigations and ensure that their Bids were submitted in accordance with applicable laws and did not exceed the investment limits or maximum number of Equity Shares that could be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.*

### **Book Building Procedure**

The Issue was made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations wherein not less than 75% of the Issue was made available for allocation to QIBs on a proportionate basis, provided that our Company, in consultation with the BRLMs, allocated 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third was reserved for domestic Mutual Funds, subject to valid Bids having been received from them at or above the Anchor Investor Allocation Price. 5% of the Net QIB Portion was made available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion was made available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids having been received at or above the Issue Price. Further, not more than 15% of the Issue was made available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Portion was made available for allocation to Bidders with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million and two-thirds of the Non-Institutional Portion was made available for allocation to Bidders with an application size of more than ₹ 1.00 million and under-subscription in either of these two sub-categories of Non-Institutional Portion may have been allocated to Bidders in the other sub-category of Non-Institutional Portion. Further, not more than 10% of the Issue was made available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids having been received at or above the Issue Price.

Under-subscription, if any, in any category, except in the QIB Portion, was allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company, in consultation with the BRLMs, and the Designated Stock Exchange, subject to receipt of valid Bids having been received at or above the Issue Price. Under-subscription, if any, in the Net QIB Portion, was not allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

**Bidders were required to ensure that their PAN was linked with Aadhar and were in compliance with the notification by the Central Board of Direct Taxes dated February 13, 2020 read with press release dated June 25, 2021 and September 17, 2021, circular no. 7 of 2022 issued by the Central Board of Direct Taxes, dated March 30, 2022, read with press release dated March 28, 2023.**

**Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID, as applicable, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares issued in the Issue, subject to applicable laws.**



## Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of, inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIIs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RII had the option to submit the ASBA Form with any of the Designated Intermediary and use his/her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

**Phase II:** This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular bearing number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, pursuant to SEBI circular dated March 30, 2020, this phase was extended till further notice. Under this phase, submission of the ASBA Form without UPI by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds was discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continued to be six Working Days during this phase.

**Phase III:** This phase was applicable from July 1, 2019 and initially continued for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. Under this phase, submission of the ASBA Form by RIIs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds was discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continued to be six Working Days during this phase. Further, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹ 0.50 million shall use the UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form submitted with Syndicate Member, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents.

**Phase III:** This phase was applicable on a voluntary basis for all public issues opening on or after September 01, 2023 and has become applicable on a mandatory basis for all public issues opening on or after December 1, 2023 as per the SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023. In this phase, the time duration from public issue closure to listing has been reduced from six Working Days to three Working Days. Accordingly, the Issue will be made under Phase III on a mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time, including pursuant to the SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023.

All SCSBs offering the facility of making application in public issues were also required to provide facility to make application using UPI. Our Company has appointed sponsor bank(s) to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/or payment instructions of UPI Bidders using UPI Mechanism.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circulars include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one Working Day from the date on which the Basis of Allotment is finalized. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant

securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post-Issue BRLM(s) will be required to compensate the concerned investor.

Further, in terms of the UPI Circulars, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed; and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLM.

### **Electronic registration of Bids**

- a) The Designated Intermediary could register the Bids using the online facilities of the Stock Exchanges. The Designated Intermediaries could also set up facilities for off-line electronic registration of Bids, subject to the condition that they would subsequently upload the off-line data file into the online facilities for Book Building on a regular basis before the closure of the Issue.
- b) On the Bid/ Issue Closing Date, the Designated Intermediaries could upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Draft Red Herring Prospectus, Red Herring Prospectus and in the Prospectus.
- c) Only Bids that were uploaded on the Stock Exchanges Platform will be considered for allocation/Allotment. The Designated Intermediaries were given till 5:00 pm on the Bid/ Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/ Issue Period after which the Stock Exchange(s) sent the Bid information to the Registrar to the Issue for further processing.

### **Bid cum Application Form**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the Abridged Prospectus were made available with the Designated Intermediaries at the Bidding Centres, and at our Registered and Corporate Office. An electronic copy of the Bid cum Application Form was made available for download on the websites of BSE ([www.bseindia.com](http://www.bseindia.com)) and NSE ([www.nseindia.com](http://www.nseindia.com)) at least one day prior to the Bid/ Issue Opening Date. Copies of the Anchor Investor Application Form were made available at the offices of the BRLM.

All Bidders (other than Anchor Investors) were required to mandatorily participate in the Issue only through the ASBA process, which shall include the UPI Mechanism in the case of UPI Bidders.

UPI Bidders submitting their Bid cum Application Form to any Designated Intermediary (other than SCSBs) were required to Bid using the UPI Mechanism and provide the UPI ID in the relevant space provided in the Bid cum Application Form. Bids submitted by UPI Bidders with any Designated Intermediary (other than SCSBs) without mentioning the UPI ID were liable to be rejected. UPI Bidders using the UPI Mechanism could also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

### **Bids by ASBA Bidders**

ASBA Bidders were required to provide either (i) the bank account details and authorization to block funds in the ASBA Form, or (ii) the UPI ID, as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that did not contain such details were liable to be rejected. Applications made by the Bidders using third party bank account or using third party linked bank account UPI ID were liable for rejection. Anchor Investors were not permitted to participate in the Issue through the ASBA process. ASBA Bidders were required to ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp were liable to be rejected. ASBA Bidders were required to provide either (i) the bank account details and authorization to block funds in the ASBA Form, or (ii) the UPI ID, as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that did not contain such details were liable to be rejected. Applications made by the Bidders using third party bank account or using third party linked bank account UPI ID were liable for rejection. Anchor Investors were not permitted to participate in the Issue through the ASBA process. ASBA Bidders were required to ensure that the Bids are made on ASBA Forms bearing the stamp of the

relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp were liable to be rejected.

For all initial public offerings opening on or after September 01, 2022, as specified in SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, the ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. This circular shall be applicable for all categories of investors viz. Retail, QIB, NII and other reserved categories and also for all modes through which the applications are processed. ASBA Bidders could submit the ASBA Form in the manner below:

- (i) RIIs (other than the RIIs using UPI Mechanism) submitted their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- (ii) UPI Bidders submitted their ASBA Forms with the Syndicate, sub-syndicate members, SCSBs, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- (iii) QIBs and NIIs (other than NIIs using UPI Mechanism) submitted their ASBA Forms with SCSBs, Syndicate, sub-Syndicate members, Registered Brokers, RTAs or CDPs.

The ASBA Bidders, including UPI Bidders, were required to ensure that they have sufficient balance in their bank accounts to be blocked through ASBA for their respective Bid as the application made by a Bidder could only be processed after the Bid amount is blocked in the ASBA account of the Bidder pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, which is effective from September 01, 2022.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis^	White
Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis	Blue
Anchor Investors^^	White

\*Excluding the electronic Bid cum Application Form.

^Electronic Bid cum Application Form was made available for download on the website of the BSE ([www.bseindia.com](http://www.bseindia.com)) and NSE ([www.nseindia.com](http://www.nseindia.com)).

^^Bid cum Application Forms for Anchor Investors was made available at the offices of the BRLM.

In case of ASBA Forms, the relevant Designated Intermediaries uploaded the relevant Bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges. For UPI Bidders using the UPI Mechanism, the Stock Exchanges shared the Bid details (including UPI ID) with the Sponsor Banks on a continuous basis to enable the Sponsor Banks to initiate UPI Mandate Request to UPI Bidders for blocking of funds. For ASBA Forms (other than UPI Bidders) Designated Intermediaries (other than SCSBs) submitted/delivered the ASBA Forms to the respective SCSB where the Bidder had an ASBA bank account and did not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchanges validated the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges allowed modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

For UPI Bidders using UPI Mechanism, the Stock Exchanges shared the Bid details (including UPI ID) with the Sponsor Banks on a continuous basis through API integration to enable the Sponsor Banks to initiate UPI Mandate Request to the UPI Bidders, for blocking of funds. The Sponsor Banks initiated request for blocking of funds through NPCI to the UPI Bidders, who accepted the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI maintained an audit trail for every

Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders in case of failed transactions was with the concerned entity (i.e. the Sponsor Banks, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shared the audit trail of all disputed transactions/investor complaints to the Sponsor Banks and the issuer bank. The Sponsor Banks and the Bankers to the Issue provided the audit trail to the BRLMs for analyzing the same and fixing liability. For ensuring timely information to investors, SCSBs sent SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022. In accordance with circular issued by NSE having reference no. 25/2022 dated August 3, 2022, and the notice issued by BSE having reference no. 20220803-40 dated August 3, 2022, for all pending UPI Mandate Requests, the Sponsor Banks initiated requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Issue Closing Date (“Cut-Off Time”). Accordingly, UPI Bidders using through the UPI Mechanism accepted UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time lapsed.

The Sponsor Banks were required to undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Banks were required to undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Banks and issuer banks downloaded UPI settlement files and raw data files from the NPCI portal after every settlement cycle and did a three-way reconciliation with UPI switch data, CBS data and UPI raw data. NPCI was required to coordinate with issuer banks and Sponsor Banks on a continuous basis.

**The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are only being offered and sold outside the United States to investors in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**Participation by the Promoters and the members of the Promoter Group, the BRLM, associates and affiliates of the BRLM and the Syndicate Member and the persons related to the Promoters, the members of the Promoter Group, BRLM and the Syndicate Member**

The BRLMs and the Syndicate Member were not allowed to purchase Equity Shares in this Issue in any manner, except towards fulfilling their respective underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Member could Bid for Equity Shares in the Issue, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, and such subscription could be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Member, were required to be treated equally for the purpose of allocation.

Except as stated below, neither the BRLMs nor any persons related to the BRLMs could apply in the Issue under the Anchor Investor Portion:

- (i) Mutual Funds sponsored by entities which are associates of the BRLMs;
- (ii) insurance companies promoted by entities which are associates of the BRLMs;
- (iii) AIFs sponsored by the entities which are associates of the BRLMs; or
- (iv) FPIs other than individuals, corporate bodies and family offices which are associates of the BRLMs; or
- (v) pension funds (registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013) sponsored by entities which are associates of the BRLM.

Further, an Anchor Investor was deemed to be an “associate of the BRLM” if:

- i either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or
- ii either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or
- iii there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLM.

Our Promoters and the members of our Promoter Group did not participate in the Issue. Further, persons related to our Promoters and Promoter Group did not apply in the Issue under the Anchor Investor Portion.

For the purposes of the above, a QIB who has any of the following rights was deemed to be a “person related to the Promoters or Promoter Group”: (a) rights under a shareholders’ agreement or voting agreement entered into with the Promoters or Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

### **Bids by Mutual Funds**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate was required to be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserved the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds were required to specifically state the names of the concerned schemes for which such Bids were made.

In case of a Mutual Fund, a separate Bid could be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund were not treated as multiple Bids provided that the Bids clearly indicated the scheme concerned for which the Bid had been made.

No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or exchange traded funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company’s paid-up share capital carrying voting rights.

### **Bids by Eligible NRIs**

Eligible NRIs could obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident forms should authorize their SCSB or confirm or accept the UPI Mandate Request (in case of UPI Bidders through the UPI Mechanism) to block their Non-Resident External (“NRE”) accounts (including UPI ID, if activated), or Foreign Currency Non-Resident (“FCNR”) accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using resident forms were required to authorize their SCSB to block their Non-Resident Ordinary (“NRO”) accounts or accept the UPI Mandate Request (in case of UPI Bidders through the UPI Mechanism) for the full Bid Amount, at the time of the submission of the Bid cum Application Form. NRIs applying in the Issue through the UPI Mechanism were advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

Eligible NRIs Bidding on non-repatriation basis were advised to use the Bid cum Application Form for residents (white in colour). Eligible NRIs Bidding on a repatriation basis were advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

Participation of Eligible NRIs in the Issue was subject to the FEMA Rules. Only bids accompanied by payment in Indian rupees or fully convertible foreign exchange was considered for allotment.

For details of restrictions on investment by NRIs, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 439.

#### **Bids by HUFs**

Bids by Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: “Name of sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bids by HUFs may be considered at par with Bids from individuals.

#### **Bids by FPIs**

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same multiple entities registered as foreign portfolio investors and directly or indirectly, having common ownership directly or indirectly of more than 50% or common control) was required to be below 10% of our post-Issue equity share capital. Further, in terms of the FEMA Rules, the total holding by each FPI, of an investor group, was required to be below 10% of the total paid-up equity share capital of our Company on a fully diluted basis and the aggregate limit for FPI investments was required to be the sectoral caps applicable to our Company, which is 100% of the total paid-up equity share capital of our Company on a fully diluted basis. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up equity share capital of our Company, on a fully diluted basis, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%).

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs was included. Bids by FPIs which utilized the multi-investment manager structure, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs were not be treated as multiple Bids.

FPIs were permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs was included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations was required to be attached to the Bid cum Application Form, failing which our Company, in consultation with BRLM, reserved the right to reject any Bid without assigning any reason.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing offshore derivative instruments was also required to ensure that any transfer of offshore derivative instruments issued by, or on behalf of it subject to, inter alia, the following conditions:

1. such offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
2. prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred are pre-approved by the FPI.

The FPIs who wished to participate in the Issue were advised to use the Bid cum Application Form for non-residents. Bids received from FPIs bearing the same PAN were treated as multiple Bids and were liable to be rejected, except for Bids from FPIs that utilized the multiple investment manager structure in accordance with the operational guidelines for FPIs and designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations (such structure referred to as “MIM Structure”), provided such Bids were made with different beneficiary account numbers, Client IDs and DP IDs.

Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, were liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, were required to provide a confirmation in the Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure. In the absence of such confirmation from the relevant FPIs, such multiple Bids were liable to be rejected.

Further, in the following cases, Bids by FPIs were not treated as multiple Bids:

- FPIs which utilized the MIM structure, indicating the name of their respective investment managers in such confirmation;
- Offshore derivative instruments which obtained separate FPI registration for ODI and proprietary derivative investments;
- Sub funds or separate class of investors with segregated portfolio who obtained separate FPI registration;
- FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund had multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager;
- Multiple branches in different jurisdictions of foreign bank registered as FPIs;
- Government and Government related investors registered as Category 1 FPIs; and
- Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above-mentioned seven structures and having same PAN were collated and identified as a single Bid in the Bidding process. The Equity Shares Allotted in the Bid shall be proportionately distributed to the applicant FPIs (with same PAN). In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, were required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such compliance from the relevant FPIs with the operational guidelines for FPIs and designated Depository participants issued to facilitate implementation of SEBI FPI Regulations, such multiple Bids were liable to be rejected.

#### **Bids by SEBI registered Venture Capital Funds, Alternative Investment Funds and Foreign Venture Capital Investors**

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 (“SEBI VCF Regulations”), amongst others, prescribe the investment restrictions on VCFs, registered with SEBI. While the SEBI VCF Regulations have since been repealed, the funds registered as VCFs under the SEBI VCF Regulations continue to be regulated by such regulations until the existing fund or scheme managed by the fund is wound up. The SEBI AIF Regulations, amongst others, prescribe investment restrictions on AIFs. The SEBI FVCI Regulations prescribe the investment restrictions on FVCIs. VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offering.

Category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A Category III AIF cannot invest more than 10% of the investible funds in one investee company. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

**There was no reservation for Eligible NRI Bidders, AIFs, FPIs and FVCIs. All Bidders were treated on the same basis with other categories for the purpose of allocation.**

**All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.**

**Our Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.**

Participation of AIFs, VCFs and FVCIs shall also be subject to the FEMA Rules.

#### **Bids by Limited Liability Partnerships**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, was required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserved the right to reject any Bid without assigning any reason thereof.

#### **Bids by Banking Companies**

In case of Bids made by banking companies registered with the RBI, certified copies of (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee were required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserved the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "**Banking Regulation Act**"), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves, whichever is lower.

However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banking companies in terms of Section 6(1) of the Banking Regulation Act, (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company, (iii) hold along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank, and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company's paid up share capital engaged in non-financial services. However, this cap does not apply to the cases mentioned in (i) and (ii) above.

Further, the aggregate investment by a banking company in all its subsidiaries and other entities engaged in financial services and non-financial services, including overseas investments, cannot exceed 20% of the banking company's paid up share capital and reserves.

The banking company is required to submit a time-bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary or a financial services company that is not a subsidiary (with certain exceptions prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in para 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

#### **Bids by Self-Certified Syndicate Banks**

SCSBs participating in the Issue were required to comply with the terms of the circulars bearing numbers CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013, respectively, issued by SEBI. Such SCSBs were required to ensure that for making applications on their own account using ASBA, they should have had a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

#### **Bids by Insurance Companies**

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI was required to be attached to the Bid cum Application Form. Failing this, our



Company, in consultation with the BRLM, reserved the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended, are broadly set forth below:

- (a) equity shares of a company: the lower of 10%\* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer or health insurer;
- (b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or health insurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- (c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or health insurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

\*The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 500,000 million or more but less than ₹ 2,500,000 million.

Insurance companies participating in the Issue were required to comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

#### **Bids by Provident Funds/Pension Funds**

In case of Bids made by provident funds or pension funds (registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013) with minimum corpus of ₹ 250.00 million, subject to applicable law, a certified copy of certificate of registration issued by the Pension Fund Regulatory and Development Authority (with respect to pension funds) and a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund was required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs reserved the right to reject any Bid, without assigning any reason thereof.

#### **Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, NBFC-SI, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250.00 million (subject to applicable laws) and pension funds with a minimum corpus of ₹ 250.00 million, registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, a certified copy of the power of attorney or the relevant resolution or authority, as the case was required to be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, lodged along with the Bid cum Application Form. Failing this, our Company reserved the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLM, in their absolute discretion, reserved the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company in consultation with the BRLM, may deem fit.

#### **Bids by Anchor Investors**

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section, the key terms for participation by Anchor Investors are provided below:

- (a) Anchor Investor Application Forms were made available for the Anchor Investor Portion at the offices of the BRLMs.
- (b) The Bid must have been for a minimum of such number of Equity Shares so that the Bid Amount exceeded ₹ 100.00 million. A Bid could not be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate bids by individual schemes of a Mutual Fund were aggregated to determine the minimum application size of ₹ 100.00 million.
- (c) One-third of the Anchor Investor Portion was reserved for allocation to domestic Mutual Funds.
- (d) Bidding for Anchor Investors opened one Working Day before the Bid/Issue Opening Date, and was completed on the same day.
- (e) Our Company finalized allocation to the Anchor Investors and the basis of such allocation was on a discretionary basis by the Company, in consultation with the BRLMs, provided that the minimum number of Allottees in the Anchor Investor Portion were not less than:
  - (a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion was up to ₹ 100.00 million;
  - (b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion was more than ₹ 100.00 million but up to ₹ 2,500.00 million, subject to a minimum Allotment of ₹ 50.00 million per Anchor Investor; and
  - (c) in case of allocation above ₹ 2,500.00 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500.00 million, and an additional 10 Anchor Investors for every additional ₹ 2,500.00 million, subject to minimum Allotment of ₹ 50.00 million per Anchor Investor.
- (f) Allocation to Anchor Investors was completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation was made, was made available in the public domain by the BRLMs before the Bid/Issue Opening Date, through intimation to the Stock Exchanges.
- (g) Anchor Investors could not withdraw or lower the size of their Bids at any stage after submission of the Bid.
- (h) If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Issue Price was required to be paid by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Issue Price is lower than the Anchor Investor Issue Price, Allotment to successful Anchor Investors will be at the higher price.
- (i) 50% Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked-in for a period of 90 days from the date of Allotment and the remaining 50% shall be locked-in for a period of 30 days from the date of Allotment.
- (j) Neither the BRLMs nor any associate of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs, other than individuals, corporate bodies and family offices, which are associate of the BRLMs or pension funds sponsored by entities which are associates of the BRLMs) could apply in the Issue under the Anchor Investor Portion. Further, no person related to our Promoters or members of our Promoter Group shall apply in the Issue under the Anchor Investor Portion.
- (k) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion were not be considered multiple Bids.

### **Bids by Systemically Important Non-Banking Financial Companies**

In case of Bids made by NBFC-SI registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditor, and (iv) such other approval as may be required by the NBFC-SI, are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law. NBFC-SI participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for NBFC-SI shall be as prescribed by RBI from time to time.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in the Issue.

**The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus and the Prospectus. Bidders were advised to make their**

**independent investigations and ensure that any single Bid from them did not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus. Further, each Bidder where required agreed in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.**

### **Information for Bidders**

The relevant Designated Intermediary was required to enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options were not considered as multiple Bids. It was the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip is non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he/she was required to surrender the earlier Acknowledgement Slip and request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid. In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system could not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Managers was cleared or approved by the Stock Exchanges; nor did it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor did it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor did it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus or the Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

### **General Instructions**

Please note that QIBs and Non-Institutional Investors were not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIIs could revise their Bid(s) during the Bid/Issue Period and withdraw or lower the size of their Bid(s) until Bid/Issue Closing Date. Anchor Investors were not allowed to withdraw their Bids after the Anchor Investor Bidding Date.

#### **Do's:**

- Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
- Ensure that you have Bid within the Price Band;
- Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;
- Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number or UPI ID, as applicable) and PAN in the Bid cum Application Form and if you are a UPI Bidder ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;
- UPI Bidders using the UPI Mechanism shall make Bids only through the SCSBs, mobile applications and UPI handles whose name appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;
- Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the relevant Bidding Centre (except in case of electronic Bids) within the prescribed time;
- UPI Bidders Bidding in the Issue shall ensure that they use only their own ASBA Account or only their own bank account linked UPI ID (only for UPI Bidders) to make an application in the Issue and not ASBA Account or bank account linked UPI ID of any third party;
- Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;

- Ensure that you have accepted the UPI Mandate Request received from the Sponsor Banks prior to 5:00 pm on the Bid/Issue Closing Date;
- Ensure that the signature of the first Bidder in case of joint Bids, is included in the Bid cum Application Forms. If the first Bidder is not the ASBA Account holder, ensure that the Bid cum Application Form is also signed by the ASBA Account holder;
- Ensure that the names given in the Bid cum Application Form is/are exactly the same as the names in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain the name of only the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
- Ensure that you request for and receive a stamped acknowledgement in the form of a counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
- Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
- Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008 issued by SEBI, resident in the state of Sikkim, who, in terms of the circular dated July 20, 2006 issued by SEBI, may be exempted from specifying their PAN for transacting in the securities market, and (iii) persons/entities exempt from holding a PAN under applicable law, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficial owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
- Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
- FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;
- Investors must ensure that their PAN is linked with Aadhaar and is in compliance with the Central Board of Direct Taxes notification dated February 13, 2020 bearing notification number 11/2020 and press release dated June 25, 2021.
- Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;
- Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents including a copy of the power of attorney, if applicable, are submitted;
- Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws; Bids received from FPIs bearing the same PAN were not treated as multiple Bids in the event such FPIs utilize the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.
- UPI Bidders using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Banks to authorize blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;
- Since the Allotment will be in dematerialized form only, ensure that the depository account is active, the correct DP ID, Client ID, UPI ID (for UPI Bidders) and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, UPI ID (for UPI Bidders) and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, UPI ID (for UPI Bidders) and PAN available in the Depository database;
- In case of QIBs and NIIs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in));

- Ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB or the Sponsor Banks, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid. In case of UPI Bidders, ensure that you authorize the UPI Mandate Request raised by the Sponsor Banks for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- The ASBA Bidders shall use only their own bank account or only their own bank account linked UPI ID for the purposes of making Application in the Issue, which is UPI 2.0 certified by NPCI;
- Bidders (except UPI Bidders) should instruct their respective banks to release the funds blocked in the ASBA account under the ASBA process. In case of UPI Bidders, once the Sponsor Banks issues the Mandate Request, the UPI Bidders would be required to proceed to authorize the blocking of funds by confirming or accepting the UPI Mandate Request to authorize the blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;
- Bidding through UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using their UPI PIN. Upon the authorization of the mandate using their UPI PIN, a UPI Bidder shall be deemed to have verified the attachment containing the application details of the UPI Bidder in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Banks issue a request to block the Bid Amount specified in the Bid cum Application Form in his/her ASBA Account;
- UPI Bidders should mention valid UPI ID of only the Bidder (in case of single account) and of the first Bidder (in case of joint account) in the Bid cum Application Form;
- UPI Bidders who have revised their Bids subsequent to making the initial Bid should also approve the revised UPI Mandate Request generated by the Sponsor Banks to authorize blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner.
- UPI Bidders who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which UPI Bidders should ensure acceptance of the UPI Mandate Request received from the Sponsor Banks to authorize blocking of funds equivalent to the revised Bid Amount in the RII's ASBA Account.
- The ASBA bidders shall ensure that bids above ₹ 0.50 million, are uploaded only by the SCSBs.
- Bids by Eligible NRIs HUFs and any individuals, corporate bodies and family offices which are re-categorized as Category II FPI and registered with SEBI for a Bid Amount of less than ₹ 0.20 million would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹ 0.20 million would be considered under the Non-Institutional Portion for allocation in the Issue; and
- Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLM.

The Bid cum Application Form was liable to be rejected if the above instructions, as applicable, were not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 was liable to be rejected.

***Don'ts:***

- Do not Bid for lower than the minimum Bid Lot;
- Do not submit a Bid using UPI ID, if you are not a UPI Bidder;
- Do not Bid for a Bid Amount exceeding ₹ 0.20 million for Bids by Retail Individual Investors;
- Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediary;
- Do not Bid/revise the Bid amount to less than the floor price or higher than the cap price;
- Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
- Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
- Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Investors);
- Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
- Do not submit the Bid for an amount more than funds available in your ASBA account;

- Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
- Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
- Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
- Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
- Do not Bid for Equity Shares more than specified by the respective Stock Exchanges for each category;
- In case of ASBA Bidders (other than UPI Bidders), do not submit more than one Bid cum Application Form per ASBA Account;
- If you are a UPI Bidder, do not submit more than one Bid cum Application Form for each UPI ID;
- Do not make the Bid cum Application Form using third party bank account or using third party linked bank account UPI ID;
- Anchor Investors should not bid through the ASBA process;
- Do not submit the Bid cum Application Form to any non-SCSB bank or our Company;
- Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
- Do not submit the GIR number instead of the PAN;
- Anchor Investors should submit Anchor Investor Application Form only to the BRLMs;
- Do not Bid on a Bid cum Application Form that does not have the stamp of a Designated Intermediary;
- If you are a QIB, do not submit your Bid after 3 p.m. on the QIB Bid/Issue Closing Date;
- Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor. Retail Individual Investors can revise or withdraw their Bids on or before the Bid/Issue Closing Date;
- Do not submit Bids to a Designated Intermediary at a location other than at the relevant Bidding Centres. If you are a UPI Bidder, do not submit the ASBA Form directly with SCSBs;
- Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID details if you are a UPI Bidder. Further, do not provide details for a beneficiary account which is suspended or for which details cannot be verified to the Registrar to the Issue;
- Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA account;
- Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders;
- UPI Bidders using the incorrect UPI handle or using a bank account of an SCSB or a banks which is not mentioned in the list provided in the SEBI website is liable to be rejected;
- Do not submit more than one Bid cum Application Form for each UPI ID in case of UPI Bidders; and
- In case of ASBA Bidders (other than 3 in 1 Bids), Members of the Syndicate shall ensure that they do not upload any bids above ₹ 0.50 million.

**The Bid cum Application Form was liable to be rejected if the above instructions, as applicable, were not complied with.**

For helpline details of the BRLMs pursuant to the SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see “General Information – Book Running Lead Managers” on page 77.

Further, in case of any pre-Issue or post Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors may reach out to the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see “General Information - Company Secretary and Compliance Officer” on page 77.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

### **Names of entities responsible for finalizing the Basis of Allotment in a fair and proper manner**

The authorized employees of the Stock Exchanges, along with the BRLMs and the Registrar to the Issue, shall ensure that the Basis of Allotment is finalized in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

### **Method of allotment as may be prescribed by Securities Exchange Board of India from time to time**

Our Company will not make any Allotment in excess of the Equity Shares issued through the Issue except in case of oversubscription for the purpose of rounding off to make Allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an Allotment of not more than 1% of the Issue to public may be made for the purpose of making Allotment in minimum lots.

The Allotment of Equity Shares to Bidders other than to the RIIs, NIIs and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities Allotted shall be rounded off to the nearest integer, subject to minimum Allotment being equal to the minimum application size as determined and disclosed.

The Allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to the availability of shares in Retail Individual Investor category, and the remaining available shares, if any, shall be allotted on a proportionate basis. Not less than 15% of the Issue was made available for allocation to Non-Institutional Investors. The Equity Shares available for allocation to Non-Institutional Investors under the Non-Institutional Portion, was subject to the following: (i) one-third of the portion available to Non-Institutional Investors was reserved for applicants with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million, and (ii) two-third of the portion available to Non-Institutional Investors was reserved for applicants with an application size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may have been allocated to applicants in the other sub-category of Non-Institutional Investors. The allotment to each Non-Institutional Investor shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares.

### **Payment into Escrow Account for Anchor Investors**

Our Company, in consultation with the BRLM, decided the list of Anchor Investors to whom the CAN was sent, pursuant to which, the details of the Equity Shares allocated to them in their respective names was notified to such Anchor Investors. Anchor Investors were not permitted to Bid in the Issue through the ASBA process. Instead, Anchor Investors transferred the Bid Amount (through direct credit, RTGS, NACH or NEFT) to the Escrow Accounts. The payment instruments for payment into the Anchor Investor Escrow Account was required to be drawn in favour of:

- (a) In case of resident Anchor Investors: **Quadrant Future Tek Limited** – R Anchor Account
- (b) In case of Non-Resident Anchor Investors: **Quadrant Future Tek Limited** – NR Anchor Account

Anchor Investors were required to note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections of Bid amounts from Anchor Investors.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013, our Company had, after filing the Red Herring Prospectus with the RoC, published a pre-Issue advertisement, in the form prescribed under the SEBI ICDR Regulations, in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and Mohali edition of [●] (a widely circulated Punjabi national daily newspaper, Punjabi, being the regional language of Punjab, where our Registered and Corporate Office is located). In the pre-Issue advertisement, our Company had stated the Bid/Issue Opening Date and the Bid/Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, was in the format prescribed in part A of Schedule X of the SEBI ICDR Regulations.

**The information set out above was given for the benefit of the Bidders/applicants. Our Company and the BRLM were not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. Bidders / applicants were advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.**

### **Allotment Advertisement**

Our Company, the BRLM and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and Mohali edition of [●] (a widely circulated Punjabi national daily newspaper, being the regional language of Punjab, where our Registered and Corporate Office is located).

### **Signing of the Underwriting Agreement and filing with the Registrar of Companies, Punjab and Chandigarh**

Our Company has entered into an Underwriting Agreement after the finalization of the Issue Price. After signing the Underwriting Agreement, this Prospectus is being filed with the RoC. The Prospectus contains details of the Issue Price, the Anchor Investor Issue Price, the Issue size, and underwriting arrangements and is complete in all material respects.

### **Impersonation**

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

*“Any person who:*

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013, for fraud involving an amount of at least ₹ 1.00 million or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 1.00 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 5.00 million or with both.

### **Undertakings by our Company**

Our Company undertakes the following that:

- the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- if Allotment is not made within the prescribed timelines under applicable laws, the application monies will be refunded/unblocked within the time prescribed under applicable laws. If there is a delay beyond such prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and other applicable laws for the delayed period;



- all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within three Working Days from the Bid/ Issue Closing Date or such period as may be prescribed under applicable law;
- the funds required for making refunds/unblocking (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within time prescribed under applicable laws, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- no further issue of the Equity Shares shall be made from the date of the Draft Red Herring Prospectus till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/unblocked in the relevant ASBA Accounts on account of non-listing, undersubscription, etc. and
- adequate arrangements shall be made to collect all Bid cum Application Forms from Bidders and that they will be considered similar to non-ASBA Applications while finalizing the Basis of Allotment.

### **Utilization of Issue proceeds**

Our Board, specifically confirms that:

- a) all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;
- b) details of all monies utilised out of the Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- c) details of all unutilised monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.

### **Withdrawal of the Issue**

Our Company, in consultation with the BRLM, reserve the right not to proceed with the entire or portion of the Issue for any reason at any time after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The BRLM, through the Registrar to the Issue, shall notify the SCSBs and the Sponsor Banks, in case of UPI Bidders using the UPI Mechanism, to unblock the bank accounts of the ASBA Bidders and the BRLM shall notify the Escrow Collection Bank to release the Bid Amounts to the Anchor Investors, within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed simultaneously.

Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within three Working Days of the Bid/Issue Closing Date or such other time period as prescribed under Applicable Law and also inform the Bankers to the Issue to process refunds to the Anchor Investors, as the case may be. If our Company withdraws the Issue at any stage, including after the Bid/Issue Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI and the Stock Exchanges. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared, and the Stock Exchanges will also be informed promptly.

## RESTRICTION ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The government bodies responsible for granting foreign investment approvals under the Consolidated FDI Policy and FEMA are the concerned ministries or departments of the Government of India and the RBI.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT, issued the Consolidated FDI Policy by way of circular bearing number DPIIT File Number 5(2)/2020-FDI Policy dated October 15, 2020 (“**Consolidated FDI Policy**”), which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on Consolidated FDI Policy once every year and therefore, the Consolidated FDI Policy will be valid until the DPIIT issues an updated circular.

On October 17, 2019, the Ministry of Finance, Department of Economic Affairs, had notified the FEMA Rules, which had replaced the Foreign Exchange Management (Transfer and Issue of Security by a Person Resident Outside India) Regulations 2017. Foreign investment in this Issue shall be on the basis of the FEMA Rules. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India. These investment restrictions shall also apply to subscribers of offshore derivative instruments. Each Bidder should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate the Company and the Registrar to the Issue in writing about such approval along with a copy thereof within the Bid / Issue Period.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and such transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

As per the existing policy of the Government, OCBs cannot participate in the Issue. For further details, see “Issue Procedure” on page 420.

**The Equity Shares issued in the Issue have not been and will not be registered under the U.S. Securities Act or any other applicable laws in the United States, and unless so registered, may not be issued or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in ‘offshore transactions’ in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such issue and sales are made.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.**

**SECTION IX: DESCRIPTION OF EQUITY SHARES AND MAIN PROVISIONS OF THE ARTICLES  
OF ASSOCIATION**

**SHARE CAPITAL AND VARIATION OF RIGHTS**

1. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and subject to sanction of the Company in General Meeting with full power to give any person the option to call for or be allotted Shares of any class of the Company either at premium or at par and such option being exercisable for such time and for such consideration as the Board may think fit
  
2. i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided-
  - a. one certificate for all his shares without payment of any charges; or
  - b. several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

(ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

(iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

(iv) Notwithstanding anything contained in these Articles but subject to the provisions of the Act, other applicable laws, the Company shall be entitled to dematerialize or rematerialize its Shares and other Securities (both existing and future) admitted with a Depository.

(v) Every person subscribing to Shares offered by the Company shall have the option to receive the relevant certificates thereof or to hold the Shares in dematerialized form with a Depository. Such a person who is the Beneficial Owner of Shares can, at anytime, opt out of a Depository, if permitted by applicable law in respect of any Shares, in the manner provided under the applicable laws including the Depositories Act, and the Company shall in such manner and within such prescribed time, issue to the Beneficial Owner, the required certificate(s) corresponding with such Shares. If a person opts to hold any Share(s) with a Depository, the Company shall intimate such Depository the details of allotment of the Share to enable the Depository to enter in its record the name of such person as the Beneficial Owner of the relevant Share.
  
3. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate. The issue of new Share certificate(s) shall be in conformity with the relevant provisions of the Act and other applicable laws.

(ii) The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.
  
4. Except as required by law, no person shall be recognized by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

5. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.
  - (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.
  - (iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
6. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
  - (ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.
8. (i) **Issue of Preference Shares:** Subject to these Articles, the applicable provisions of the Act and other applicable laws, the Company shall have the power to issue or re-issue preference Shares of one or more classes, which are liable to be redeemed and/or converted into equity Shares, on such terms and conditions, and in the manner provided in the resolution authorizing such issue and in absence of any specific condition of their issue in that behalf, in such manner as the Board may think fit.
  - (ii) **Issue of sweat equity Shares:** Subject to these Articles, the applicable provisions of the Act and other applicable laws, the Company may, with the necessary approval of the shareholders, issue sweat equity Shares, on such terms and conditions and in the manner provided in the resolution authorizing such issue, and in absence of any specific condition of their issue in that behalf, in such manner as the Board may deem fit.

#### LIEN

9. (i) The company shall have a first and paramount lien-
  - (a) on every share (not being a fully paid share), for all monies (whether called, presently payable or not called, or payable at a fixed time, in respect of that share; and
  - (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies called or presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

  - (ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
10. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:
 

Provided that no sale shall be made-

  - (a) unless a sum in respect of which the lien exists is presently payable; or
  - (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
11. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

- (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
  - (iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
12. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- (ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

#### **CALLS ON SHARES**

13. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

- (ii) Each member shall, subject to receiving at least fourteen days notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.
  - (iii) A call may be revoked or postponed at the discretion of the Board.
14. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.
15. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
16. i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.
- (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.
17. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- (ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

18. The Board-
- (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
  - (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance but shall not entitle the holder of the share to participate in respect thereof, in a dividend subsequently declared.

#### **TRANSFER OF SHARES**

19. (i) The Company shall use a common form of transfer. The instrument of transfer shall be in writing and all the provisions of Companies Act 2013 and modification thereof for the time being shall be complied with in respect of all transfers of shares and registration thereof.
- (ii) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.
- (iii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
- (iv) Notwithstanding anything contained in these Articles, in case of transfer and transmission of Shares held in electronic or fungible form, the provisions of the Depositories Act, 1996(including rules and regulations made thereunder), any statutory modification or re- enactment thereof, shall apply.
20. The Board may, subject to the right of appeal conferred by section 58 decline to register-
- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- (b) any transfer of shares on which the company has a lien.
21. In case of Shares held in physical form, the Board may decline to recognise any instrument of transfer unless-
- (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (c) the instrument of transfer is in respect of only one class of shares.
22. On giving not less than seven days previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:
- Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

#### TRANSMISSION OF SHARES

23. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares
- (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
24. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either-
- (a) to be registered himself as holder of the share; or
- (b) to make such transfer of the share as the deceased or insolvent member could have made.
- (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
25. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
- (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (iii) All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

26. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

### **FORFEITURE OF SHARES**

27. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
28. The notice aforesaid shall-
- (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
  - (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
29. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
30. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
31. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.
- (ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
32. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
- (ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
- (iii) The transferee shall thereupon be registered as the holder of the share; and
- (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
33. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

### **ALTERATION OF CAPITAL**



34. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
35. Subject to the provisions of section 61, the company may, by ordinary resolution-
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
  - (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
  - (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
36. Where shares are converted into stock-
- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:  
Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
  - (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
  - (c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.
37. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law-
- (a) its share capital;
  - (b) any capital redemption reserve account; or
  - (c) any share premium account.

#### **CAPITALISATION OF PROFITS**

38. (i) The company in general meeting may, upon the recommendation of the Board, resolve-
- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the, profit and loss account, or otherwise available for distribution; and
  - (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause
- (iii), either in or towards-
- (A) paying up any amounts for the time being unpaid on any shares held by such members respectively;
  - (B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
  - (C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);
  - (D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
  - (E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
39. i) Whenever such a resolution as aforesaid shall have been passed, the Board shall-
- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
  - (b) generally do all acts and things required to give effect thereto.
- (ii) The Board shall have power-

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

#### **BUY-BACK OF SHARES**

40. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

#### **GENERAL MEETINGS**

41. All general meetings other than annual general meeting shall be called extraordinary general meeting.

42. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

#### **PROCEEDINGS AT GENERAL MEETINGS**

43. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

44. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

45. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

46. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

#### **ADJOURNMENT OF MEETING**

47. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

#### **VOTING RIGHTS**

48. Subject to any rights or restrictions for the time being attached to any class or classes of shares-
- (a) on a show of hands, every member present in person shall have one vote; and
  - (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
49. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
50. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
- (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
51. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
52. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
53. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid
54. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

#### **PROXY**

55. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
56. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
57. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given: Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

#### **BOARD OF DIRECTORS**

58. The number of Directors of the Company shall not be less than three and not more than fifteen. As on the date of adoption of these articles, following are the Directors of the Company:-
- a. Rupinder Singh
  - b. Amrit Singh Randhawa
  - c. Rajbir Singh Randhawa
  - d. Vivek Abrol
  - e. Vishesh Abrol
  - f. Mohit Vohra
  - g. Amit Dhawan

h. Aikjot Singh

59. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
- (ii) Subject to the provisions of the Act, the Company may pay such sum as sitting fee to its directors, for attending meetings of the Board or committees thereof, as may be decided by the Board from time to time.
- (iii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses incurred by them-
- (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
- (b) in connection with the business of the company.
60. The Board may pay all expenses incurred in getting up and registering the company.
61. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register in any country outside India in accordance with the provisions provided therein; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
62. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
63. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
64. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.
- (ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.
- (iii) The Board shall have the power to appoint any person or persons as Director(s) nominated by any bank, financial institution or any other lender to the Company in pursuance of the provisions of any law for the time being in force or any agreement.
- (iv) The Board may, subject to the provisions of the Act, appoint a person (not being a person holding any alternate directorship for any other director in the Company), to act as an alternate director for a Director and such alternate director shall exercise all such powers, rights and authorities of a director as provided under the Act.

#### **PROCEEDINGS OF THE BOARD**

65. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- (ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
66. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
- (ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

67. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
68. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
69. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
- (ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
70. (i) A committee may elect a Chairperson of its meetings.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
71. (i) A committee may meet and adjourn as it thinks fit.
- (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
72. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
73. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

**CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER**

74. Subject to the provisions of the Act-
- (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
- (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer
75. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

**THE SEAL**

76. i) The Board shall provide for the safe custody of the seal.

(ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

### **DIVIDENDS AND RESERVE**

77. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

78. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.

79. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

80. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

81. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.

82. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

83. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share

84. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

(i) No dividend shall bear interest against the company.

(ii) Where the Company has declared a dividend but which has not been paid or claimed or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall, within 7 days from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called "Unpaid Dividend

Account” of the Company and transfer to the said account, the total amount of dividend which remains unpaid/unclaimed or in relation to which no dividend warrant has been posted.

(iii) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company alongwith interest accrued to the fund established under Section 125 of the Act (viz. Investor Education and Protection Fund) in accordance with the provisions of Section 124(5) and other applicable provisions of the Act.

(iv) No unclaimed or unpaid dividend shall be forfeited by the Board and all unclaimed dividends shall be dealt with in accordance with the provisions of the Act.

(v) The Board may retain dividend payable upon Shares in respect of which any person is, under the Articles regarding transmission hereinbefore contained, entitled to become a Member, until such person shall become a Member in respect of such Shares.

### **ACCOUNTS**

85. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.

(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

### **WINDING UP**

86. Subject to the provisions of Chapter XX of the Act and rules made thereunder-

(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

### **INDEMNITY**

87. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

## SECTION X: OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be delivered to the RoC for filing. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all Working Days and will also be available at [www.quadrantfuturetek.com](http://www.quadrantfuturetek.com) from the date of the Red Herring Prospectus until the Bid / Issue Closing Date.

Any of the contracts or documents mentioned in the Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

#### A. Material Contracts

1. Issue Agreement dated June 02, 2024 entered between our Company and the BRLM.
2. Registrar Agreement dated May 24, 2024 entered between our Company and the Registrar to the Issue.
3. Cash Escrow and Sponsor Bank Agreement dated [●] entered between our Company, the Registrar to the Issue, the BRLM, the Syndicate Members, the Escrow Collection Bank(s), the Banker to the Issue.
4. Syndicate Agreement dated [●] entered between our Company, the BRLM and the Syndicate Members.
5. Underwriting Agreement dated [●] entered between our Company and the Underwriters.
6. Monitoring Agreement dated [●] entered between our Company and the Monitoring Agency.

#### B. Material Documents

1. Certified copy of Memorandum and Articles of Association of our Company, as amended
2. Certificate of Incorporation dated September 18, 2015, under the name of 'Quadrant Cables Private Limited'.
3. Fresh Certificate of Incorporation dated October 08, 2021 issued by the RoC to our Company consequent upon change of name of our Company to 'Quadrant Future Tek Private Limited'
4. Fresh Certificate of Incorporation dated October 21, 2021 issued by the RoC to our Company consequent upon conversion of our Company from private limited to public limited and consequent change of name of our Company to 'Quadrant Future Tek Limited'.
5. Resolution of our Board dated March 15, 2023 and January 20, 2024 approving the issue of Equity Shares through IPO.
6. Resolution of our Shareholders passed in their meeting held on March 01, 2024 approving the issue of Equity Shares through IPO.
7. Resolution of our Board dated June 02, 2024 approving the Draft Red Herring Prospectus.
8. Copies of IndAS converged financial statements, based on audited financial statements, of our Company for the Fiscal 2023, 2022 and 2021.



9. Examination report on the Restated Financial Information dated June 02, 2024 of our Statutory Auditors, included in the Draft Red Herring Prospectus.
10. Consent letter dated June 02, 2024 from our Statutory Auditors for inclusion of their name as an 'expert' as defined under Section 2(38) of the Companies Act to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated June 02, 2024 on our Restated Financial Information; and (ii) the statement of special tax benefits available to our Company and our Shareholders dated June 02, 2024 included in the Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of the Draft Red Herring Prospectus.
11. Consents of the Directors, our Promoters, our Company Secretary and Compliance Officer, our Chief Financial Officer, the Bankers to our Company, the legal counsel appointed in relation to the Issue, the BRLM, the Registrar to the Issue, Independent Chartered Engineer and practicing Company Secretary as referred to in their specific capacities.
12. Certificate on Key Performance Indicators issued by MASD & Co. LLP, Independent Chartered Accountant dated June 02, 2024.
13. Resolution of the Audit Committee dated June 02, 2024 approving the Key Performance Indicators.
14. Industry report released on May 31, 2024 titled 'Industry Research Report on Specialty Cables, Train Control System and Interconnect Products', prepared and issued by CARE Analytics and Advisory Private Limited, appointed by our Company pursuant to an engagement letter dated October 06, 2023, exclusively commissioned and paid our Company in connection with the Issue, which is available on the website of our Company at [www.quadrantfuturetek.com](http://www.quadrantfuturetek.com).
15. Tripartite agreement between NSDL, our Company and Registrar to the Issue dated January 29, 2024.
16. Tripartite agreement between CDSL, our Company and Registrar to the Issue dated August 07, 2023.
17. Due diligence certificate dated June 02, 2024 addressed to SEBI from the BRLM.
18. In principle listing approvals dated [●] and [●], issued by BSE and NSE, respectively.
19. SEBI final observations letter no. [●] dated [●].

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statements, disclosures and undertaking made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act the SCRA, the SCRR, and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertaking in the Draft Red Herring Prospectus are true and correct.

**Signed by the Director of our Company**

Sd/-

**Satish Gupta**  
**Chairman**

Place: Basma, Mohali

Date: June 02, 2024

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statements, disclosures and undertaking made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act the SCRA, the SCRR, and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertaking in the Draft Red Herring Prospectus are true and correct.

**Signed by the Director of our Company**

Sd/-

**Mohit Vohra**  
**Managing Director**

Place: Basma, Mohali

Date: June 02, 2024

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statements, disclosures and undertaking made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act the SCRA, the SCRR, and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertaking in the Draft Red Herring Prospectus are true and correct.

**Signed by the Director of our Company**

Sd/-

**Pramod Jain**  
**Independent Director**

Place: Basma, Mohali

Date: June 02, 2024

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statements, disclosures and undertaking made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act the SCRA, the SCRR, and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertaking in the Draft Red Herring Prospectus are true and correct.

**Signed by the Director of our Company**

Sd/-

**Girish Buttan**  
**Independent Director**

Place: New Delhi

Date: June 02, 2024

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statements, disclosures and undertaking made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act the SCRA, the SCRR, and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertaking in the Draft Red Herring Prospectus are true and correct.

**Signed by the Director of our Company**

Sd/-

**Kanika Bhutani**  
**Independent Director**

Place: Basma, Mohali

Date: June 02, 2024

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statements, disclosures and undertaking made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act the SCRA, the SCRR, and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertaking in the Draft Red Herring Prospectus are true and correct.

**Signed by the Director of our Company**

Sd/-

**Amit Dhawan**  
**Whole Time Director**

Place: Basma, Mohali

Date: June 02, 2024

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statements, disclosures and undertaking made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act the SCRA, the SCRR, and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertaking in the Draft Red Herring Prospectus are true and correct.

**Signed by the Director of our Company**

Sd/-

**Amrit Singh Randhawa**  
**Whole Time Director**

Place: Basma, Mohali

Date: June 02, 2024



## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statements, disclosures and undertaking made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act the SCRA, the SCRR, and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertaking in the Draft Red Herring Prospectus are true and correct.

**Signed by the Director of our Company**

Sd/-  
**Rupinder Singh**  
**Whole Time Director**

Place: Basma, Mohali  
Date: June 02, 2024

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statements, disclosures and undertaking made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act the SCRA, the SCRR, and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertaking in the Draft Red Herring Prospectus are true and correct.

**Signed by the Director of our Company**

Sd/-

**Vishesh Abrol**  
**Whole Time Director**

Place: Basma, Mohali

Date: June 02, 2024

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statements, disclosures and undertaking made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act the SCRA, the SCRR, and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertaking in the Draft Red Herring Prospectus are true and correct.

**Signed by the Director of our Company**

Sd/-  
**Vivek Abrol**  
**Whole Time Director**

Place: Basma, Mohali  
Date: June 02, 2024

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statements, disclosures and undertaking made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act the SCRA, the SCRR, and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertaking in the Draft Red Herring Prospectus are true and correct.

**Signed by the Director of our Company**

Sd/-  
**Aikjot Singh**  
**Director**

Place: Basma, Mohali  
Date: June 02, 2024

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statements, disclosures and undertaking made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act the SCRA, the SCRR, and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertaking in the Draft Red Herring Prospectus are true and correct.

**Signed by the Director of our Company**

Sd/-  
**Rajbir Singh Randhawa**  
**Director**

Place:  
Date: June 02, 2024

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statements, disclosures and undertaking made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act the SCRA, the SCRR, and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertaking in the Draft Red Herring Prospectus are true and correct.

**Signed by the Chief Financial Officer of our Company**

Sd/-  
**Amit Gaur**  
**Chief Financial Officer**

Place: Basma, Mohali  
Date: June 02, 2024