



**Quadrant Future Tek Ltd.**



**PhillipCapital**

# “Quadrant Future Tek Limited Q1 FY-26 Earnings Conference Call”

**July 31, 2025**



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**PhillipCapital**

**MANAGEMENT: MR. MOHIT VOHRA – MANAGING DIRECTOR,  
QUADRANT FUTURE TEK LIMITED  
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QUADRANT FUTURE TEK LIMITED**

**MODERATOR: MR. VIPRAW – PHILLIPCAPITAL(INDIA) PRIVATE  
LIMITED**



**Moderator:** Ladies and gentlemen, good day, and welcome to the Quadrant FutureTek Limited Q1 FY26 Earnings Conference Call hosted by PhillipCapital(India) Private Limited.

As a reminder all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing ‘\*’ then ‘0’ on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Vipraw from PhillipCapital(India) Private Limited for opening remarks. Thank you and over to you, sir.

**Vipraw:** Thank you, Muskan. Good evening, everyone. On behalf of PhillipCapital, I would like to welcome you all to Q1 and FY26 Earnings Conference Call of Quadrant FutureTek Limited.

We have the Management today being represented by Mr. Mohit Vohra – ManagingDirector, and Mr. Amit Gaur – ChiefFinancial Officer.

At this point, I will hand over the floor to the management for their opening remarks, post which we will open the floor for Q&A. Thank you and over to you, Mohit, sir.

**Mohit Vohra:** Thank you very much Mr. Vipraw. Good evening to all our respected friends. My name is Mohit Vohra and on behalf of the Management of Quadrant, first of all, I sincerely thank you for taking this time for our first investor call after the Company got listed. And obviously, being the first call of the Company, before we move on to the detailed discussion, maybe taking your queries and questions on our results, obviously status of ‘Kavach’ approval.

Before that, I think, let me brief you and very brief, share you our business segment, side background, key highlights, and the financials.

So, to start with our Company:

Those who don't know in detail, our Company is engaged into two businesses. Specialty Cables is one, and Railway Signalling Systems is second. Under Specialty Cables, we produce electron beam irradiated cables. So, these are special cables, and these are used in the applications where fire and safety, heat reduction, and long-term performance are very important. So, railways, rolling stock, only the trains and naval vessels, so they are our key segments till now. And we are approved by RDSO, which is railways, and we are approved by DGQA, which is Defence approval for supply of these cables since beginning.

And we have recently received our BIS approval as well for solar cables that will enable our full-scale entry into solar cable businesses. As also disclosed in our offer during our IPO, we have ventured or we ventured into design and development of indigenized version of automatic train protection system, which is termed as ‘Kavach’ by the government of India, more



popularly known as Kavach. So, our embedded design and development centre is based in Hyderabad and Bangalore and our Kavach production facility is in Mohali. Our Kavach system's embedded hardware was developed and was successfully approved by RDSO some time ago and specifically on 12<sup>th</sup> of December 2024. We were awarded an ambitious order from railways for supply installation commissioning of Kavach system in 1,200 locomotives. So, this value corresponds to Rs. 829 crores, in which GST is extra, exclusive. And further, we also received our first station, or you can say track, Kavach system order for the value of Rs. 155 crores. So, this is being done in partnership with the RailTel, so they can give us this order in turn once they receive from the concerned railways. So, earlier, Indian Railways had approved three vendors under Kavach version 3.2. Kavach version 3.2 was later upgraded to further improve the passenger safety and Kavach operations. So, the specification, the new specification upgraded, and the new revision, which is Kavach 4.0, was introduced. As on present date, only five vendors have designed and developed the Kavach system in accordance with requirement of Indian Railways. So, all the five vendors were advised to upgrade the system and apply for fresh approvals.

Our ambition and the skill set of design and development team at Quadrant led us to reach equivalent level, equivalent level compared to our peers, who have been developing this system for more than 10 years, about 15 years from now. So, this has led the multi-fold growth plan of the Company. And we are very positive towards obtaining our independent safety assessor certification approval from RDSO and execute this order within specified timeline.

This particular project of Kavach was race against time, kind of. The management decided to devote complete focus on this subject. So, entry into new cable business segment, that was held in August, 2025. So that we can focus solely on development and approval of Kavach and also stabilize our production of Kavach. So, now our procurement process of Kavach is well in line. The production is running in full swing.

So, as promised to you, we have now revived the business development of the cable side also. And hence, we appointed Mr. Abhigyan Kotnala, very happy to announce that he's appointed as Chief Executive Officer or the leader of cable division, who carries a substantial experience in the cable industry. So, we were wanting a dedicated focus leader for cable business. So, that is no further sacrifice. And he has handled cable business of substantial values and wide teams in the past. So, he's already taken charge, by the way, of our cable operations. And we are hopeful to see the results, the output into the new segment, including solar, which is very ambitious, electric vehicles going to be very ambitious as also export markets. All three of them together, we will get into.

We are also happy to announce, delighted to announce that we brought back Mr. Amit Gaur, as a CFO of the Company. He has worked with our Company previously in the same capacity and very well versed with Company's operation and very meticulous in his work. So, we have brought him back to our Company. And these are some of the basic highlights of the Company. And I would request Amit Gaur; CFO, before we move on to question and answer, please brief the results of the operations of Quarter 1, April 2025-26. Over to you, Amit.



- Amit Gaur:** Thank you, Mohit sir. And once again, a warm welcome to all the participants on the call.
- Let me now take you to the key financial highlights for Q1 FY26:
- For Q1 FY26, our operational revenue stood at Rs. 287 million, which is broadly in line or I would say a bit higher than revenue recorded in Q1 for the previous financial year, marking an increase of about 12% on YOY basis. 100% of revenue for this quarter is from Speciality Cable Division. EBITDA for Q1 in current financial year is approximately 8.9% as compared to 7.3% during the same period in last financial year.
- Generally, as a trend, the Q1 sales are lower for our Company, and it scales up higher in H2. This softness is due to offtake in institutional orders, primarily from Defence sector. Our orders are short-term orders and awarded through tendering process and competitive bidding process. Our order book remains strong, and we have visibility for execution in coming quarters, including some new tender wins that are expected to convert to revenue in H2. The segment loss under Train Signalling Division or Kavach Division increased from Rs. 4.24 crores during Q1 FY25 to Rs. 10.09 crores during Q1 FY26. It is primarily due to increased cost for building up team for Kavach deliveries, maintenance costs for software, technical expenses, including testing and inspection charges. This division is focused on delivering the train collision avoidance system as a part of government safety modernization initiative. And we are awaiting ISA certification post which the deliveries will commence under the order received by the Company.
- While we have made considerable progress on technical readiness and compliance, revenue contribution from this Kavach Division in Q1 is nil as the project is pending rollout clearance. This division remains a key strategic pillar for us, and we expect it to scale up significantly once full implementation begins. While Q1 was subdued, we remain optimistic for rest of the financial year. Our institutional order pipeline is encouraging, and we expect better execution momentum in both stable and Kavach Division in coming quarters.
- With that, I conclude the financial overview. We now open the floor for any questions you may have.
- Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Piyush Sevaldasani from Sundaram Alternates. Please go ahead.
- Piyush Sevaldasani:** Thank you for the opportunity. My first question is on the execution of the loco-Kavach order which we have. Can you please help us with when do we expect the execution to happen with the project?
- Mohit Vohra:** First of all, we have mobilized a very good quantum of raw materials already in our stock. The production of the Kavach equipment is into full swing. So, most of the components that were required for in-house production are already in for the complete order. And the one which are off the shelf, you will also agree that not necessary to keep in stock at this stage. I mean, we



have kept substantial, some good reasonable quantity in-house. And then we can pick up as and when required when we start supplying. So, immediately after the certification is awarded, we are ready to roll out big quantities immediately. We are prepared fully for that.

- Piyush Sevaldasani:** So, do we expect certification this financial year or this will move to next financial year?
- Mohit Vohra:** So, see, this particular purchase order was awarded to us on 12<sup>th</sup> December 2024 with the condition that this has to be completed by 11<sup>th</sup> December 2025.
- Moderator:** As the participant left the queue, we will move to the next. The next question is from the line of Apoorv Singh from Panchratna Investors. Please go ahead.
- Apoorv Singh:** I just wanted to ask you a question which is very obvious. When are we expecting the approval because obviously the timeline was 11<sup>th</sup> December, like you said, 2025.
- Mohit Vohra:** See, one very good thing is that approvals have started come in. We need to understand because I am not addressing this question only to you. So, there are so many others. So, let us make it a little simple to understand. So, this is a safety critical item. And we need to understand the complexity of this. So, approval of five vendors, five suppliers cannot be assigned on one day or within one week by railways or RDSO. Even though RDSO have been working very hard and very diligently on this particular thing. But they need to very cautiously scrutinize this SIL4, which is higher safety level document and also the test cases in the laboratory and also the test cases on the field. But since a good thing is, as I mentioned, that about two months ago, little less than that, the first approval to one of the vendors was given. And now the approval to a second Company is given eight days ago. Now, their only focus is to give the approval to the remaining supplier and we are one of them. So, we are very hopeful because the hardware was prototype tested long ago. After that, the longest part of this is software testing inside the laboratory, which has also reached the stage wherein we can enter into the final phase of approval, which is called field trials. So, we are given permission to enter into field trials. And this is possible after you clear that many important cases in the laboratory. So, that is done. So, we have been given a letter. And now I think in one day or two days' time, we will be issued a locomotive, which will be fitted with Quadrant make Kavach system to start the formal field trials. So that RDSO and ISA, independent safety assessor, can conduct the testing or maybe randomly conduct the test to see the performance of the software once again and the hardware also. So, once this is done, then I think this is the last part of this approval. So, very hopeful of completing the order and executing it within the scheduled timeline.
- Apoorv Singh:** Got it. So, can you give us an approximate timeline? Also, given the order book right now, which we have, do you expect more issue on this order book and what kind of numbers you are expecting in terms of the margins in terms of which we need to execute for this order, which you already have from Chitranjan and RailTel?



- Mohit Vohra:** In terms of order book, I can tell you. In terms of order book, it is very simple. That is, you add Rs. 829 crores plus Rs. 155 crores, that turn out to be Rs. 934 crores is the order book on cover site. I mean, to be very specific, Amit, can you give us the order book status also for the cables and for the Kavach side first?
- Amit Gaur:** Yes, sure, sir. And right now, as Mohit sir explained, we have Rs. 829 plus 155 crores, that is Rs. 984 crores of orders in hand for our Kavach division. And we have right now about Rs. 40 crores of orders in cable division. And we are expecting further orders as explained earlier in this overview that it is a short-term tendering process, not continuous process. And it is strictly through bidding. And we are hopeful that we will also win for the cable division also in coming quarters.
- Mohit Vohra:** So, very simple because Kavach is going to be rolled out in massive numbers, massive quantity, massive kilometres. So, there will be a continuous inflow of orders is expected in the Company.
- Apoorv Singh:** Got it. So, you are not giving any margins or any guidance on what kind of business flow these numbers will bring?
- Mohit Vohra:** So, I am not sure whether I am allowed to speak on this.
- Apoorv Singh:** Got it. I think maybe next quarter when we have more availability of information, we can discuss.
- Mohit Vohra:** Yes, it will be very visible. Just some time left now. It will be very visible to you.
- Apoorv Singh:** Sure, sir. Thank you.
- Moderator:** Thank you. The next question is from the line of Jaiprakash Toshniwal from LIC Mutual Funds. Please go ahead.
- Jaiprakash Toshniwal:** Good evening, sir. Just wanted to understand one thing. Once we get an approval, how much time will it take for the execution of these 400 loco-Kavach? What is the typical timeline we should be looking for, I mean on a hypothetical?
- Mohit Vohra:** See, as far as capacity building is concerned, production is no problem. But we built the initial infrastructure or ecosystem in such a way that we could do about 300 locomotives per month. But I think we might have to stretch a little bit, so we will do it. Otherwise, if it is workable, then we are already prepared.
- Jaiprakash Toshniwal:** And the second question, when we are looking for approval for Kavach to come, this approval is for both loco and station or is it specifically for loco Kavach?



**Mohit Vohra:** The approval when it is given by independent safety assessor, because loco and station are integral part of each other. So that is why it is called a comprehensive approval. It's an ecosystem which is approved and not a particular component of it.

**Jaiprakash Toshniwal:** And as you mentioned that you just got loco for the field trial. Generally, what is the practice of the field trial and how many days it goes in? Just an anecdotal number if you can share

**Mohit Vohra:** Please come again with the question.

**Jaiprakash Toshniwal:** So, when you mentioned that you just got a locomotive to have a field trial approval, right? The field trial approval is starting from the one locomotive you got. Now, typically, how much time it takes for this field approval? Is it possible to just share some number based on what have been your peers and all?

**Mohit Vohra:** There are specific test cases which are to be demonstrated that they are working fine. So, if it is actually working fine, then few days and if there are some problems, then immediately the development team correct those and then they get back and it is pre-demonstrated. So, it is not a fixed scenario. Had it been a defined period of time, I would have told you specific date that this is done. So maybe a little bit here and there. But it can be done very fast or maybe a little bit of iteration might be required in between. But certainly, I do not see a very long delay in this particular case.

**Jaiprakash Toshniwal:** So last question for my side is you might have explained on the capital employed part of it. But specifically, is it possible to share data on how much the Government has invested upon the Kavach both finished as well as work in progress kind of thing?

**Mohit Vohra:** Amit, you will have very specific figures that should be, I think, ideally to...

**Amit Gaur:** Yes, sure, sir. Actually, the material which has been procured for Kavach is all under process. It is not in the finished form. So, about Rs. 16 crores of material is currently under purchases and about Rs. 36 crores is in work in progress. So, it is around Rs. 52 crores of total material we already have in hand, which is, you would say, either in the form of components and the maximum is in the form of work in progress with us right now.

**Mohit Vohra:** No. Let me further add on to this to make it more comfortable to understand. There are two types of components that goes inside the Kavach. One, which are required to do in-house manufacturing, in-house manufacturing and other is one which has to be off-the-shelf taken and combined with our in-house manufactured goods, shipped to the railways. Now the one which are to be used for in-house production, they are all small-small components like capacitors, resistors, ICs, boards, PCBs, etc. So, they are completely available for the complete—I would say, tentatively for the complete—order. So that was our first priority. So that is started and the goods are already in the full swing, being manufactured. However, as I mentioned so about the cost items, so that can be taken. The orders are already given for the full thing. Some part of it is already brought in stock. And then that can be immediately taken



and supplied to the railways along with our in-house. So most important is to cater to in-house products, produced materials. That was the challenge. So, then we acted proactively on that particular part. So that is already in place.

**Jaiprakash Toshniwal:** So just one question related to this. So, we have an order of loco-Kavach of Rs. 839 crores. Against this, we have already invested in RM of Rs. 52 crores. And when you say 300 locos per month, you have probably bin of material would be around Rs. 150-160 crores. So is it fair to say that once you get an approval, large part of the off-shelf products can be easily bought and can be built. Because while you are mentioning that we have started to build, but the Rs. 52 crores raw material against an order of Rs. 839 crores need to be low. That is what I am trying to understand.

**Mohit Vohra:** There is no doubt that some of the off-shelf products contribute a large part of this particular thing. However, as far as the software is concerned, that cannot be substantiated into a value because that is done one time. But as far as I mentioned, the components are concerned for in-house manufacturing that are very much in line with that. Besides that, you don't go simply by inventory. We have already paid advances to all the stakeholders that are our key suppliers for off-the-shelf items. And they are given schedules so that they are kept ready. They are kept ready with their goods as and when required. So those advances are already released to them about 2 to 3 months ago, so that they get sufficient time.

**Jaiprakash Toshniwal:** I will come back in that case. Thank you.

**Mohit Vohra:** Thank you.

**Moderator:** Thank you. The next question is from the line of Pritesh from Lucky. Please go ahead.

**Pritesh:** Sir, from your observation, how much time should now take for the loco test to finish? Is it a lengthy process? How much time should it take?

**Mohit Vohra:** It is certainly not a long or a defined process because if all our software is already tested in the lab or there are certain test cases which can be tested only on the field, not all the tests can be tested in the lab. We are very confident that all these tests, most of them, maybe a little bit of test may require analysis, but most of the tests are very intact. Most of the software or codes related to that are very-very intact. So, it should go very smoothly and very fine, you will see.

**Pritesh:** So, does that test need loco to be run for certain kilometres or it's not a test linked to running of kilometres?

**Mohit Vohra:** This particular locomotive will be a single locomotive because the order is given for the locomotive. So, if this locomotive passed the test, only passed the test, then we are done.

**Pritesh:** So, I didn't understand the answer, sir. The loco has to run on the track for a real-time test and it has to finish some kilometres? That's how it will be.



- Mohit Vohra:** See, the locomotive as such or the EMU, see it is a combined, combined running. So combined running, so that is already happening already. But EMU has been running, communicating with the stations of the other companies and our own Company, what do you say, stations. So that communication is already happening. As such, it is defined that some 2,500 kilometers of running should happen. But that is not a very big magnitude for a real-time test.
- Pritesh:** And if you have to hazard a guess because others got the approval while you have mentioned one Company got approval 2 months back, one Company got approval 10 days back. So, based on the test that they were doing and they were getting it done and you are getting it done, was it there was a time gap? They started early; you started afterward. That's how it should be or how should we assess this time gap?
- Mohit Vohra:** See, this time gap will keep on reducing. There is a very simple logic behind it. So, the first approval was given lot of troubles might have been faced. So, there was a lot of learning for other core suppliers and RDSO and Railways is the guiding authority. So, then it took a lesser time for a second supplier. Now we have further more learning. So, it will take further less time because we kept on iterating, kept on making amendments in the due course. So, it will be much time. The fourth approval will be even lesser time. So, everybody learns from the first one and the second one and the subsequent one.
- Pritesh:** But there are no failures for you, none of the tests where you have failed or any such thing is not there, right?
- Mohit Vohra:** At the moment, all the tests are conducted in the laboratory. Wherever there were observations, so they were corrected and then all went fine. So similarly, we are hopeful that in the first phase itself, all the tests in the field should go fine and we are ready with that. Even if there are certain observations on a few of the tests, maybe 3-4-5, I cannot number it. Then it can be taken care immediately because the fires are happening in Hyderabad. Fortunately, the test centre is also, the development centre is also in Hyderabad. So, we will immediately react to it, immediately respond to that.
- Pritesh:** Thank you very much.
- Moderator:** Thank you. The next question is from the line of Jaiprakash Tosniwal from LIC Mutual Fund. Please go ahead.
- Jaiprakash Toshniwal:** Thank you. Just to continue in the earlier discussion that I had, so of the all those, what is the working capital requirement to be for you?
- Mohit Vohra:** The working capital requirement that was fallen short to us has already been awarded to all of you. So, we do not have any working capital requirement or problem in this thing. So, this is one thing we did meticulously well to foresee the working capital requirements and mobilize the adequate working capital within the Company. And that is how the desired raw material, the ordering, the advances are in line.



**Jaiprakash Toshniwal:** And sir, moving on to your cable business, specifically what kind of cash flow we should see from a cable business on an year-on-year basis? How should we see the cable business as a cash flow generator?

**Mohit Vohra:** So, the next year, as you will see, a good amount of presence in the new industries, including solar, electric vehicles and also export family. So that way, I think year-on-year, we are expecting good, I do not know whether I can number it, but it will be a good amount of growth on the cable business side. However, that ecosystem with the suppliers and with all kinds of arrangements are in place because we have been running this business for several years in the past and enough of credibility is there in the market for the Company. So, there will be no problems of cash flow of the cables, and that is one reason now we have revived this, considering the fact that it is the right time to start. And we have been indicating the month of August and you have seen that even before August itself, we have brought in the concerned leaders in the field, and the thing is being revived now. So, no issues, absolutely no issues on cable cash flow front.

**Jaiprakash Toshniwal:** Great, sir. All the best. Thank you.

**Moderator:** Thank you. The next question is from the line of Nishant Sharma from Nuvama PCG. Please go ahead.

**Nishant Sharma:** Thanks for the opportunity. Sir, just wanted to understand that, again, it might be a little bit stretched on the timelines, whether the testing of final phase is happening simultaneously for all the players, like one Company got 2 months back, other Company got 10 days back. How is the situation with the other three players at what level or what stage they are in? Are those testing happening simultaneously?

**Mohit Vohra:** All the testing are happening simultaneously, but as I mentioned before, the first three players already had an approval of revision 3.2. So, they were quite well prepared in terms of both hardware and software. So that is why it was obvious that they will get approval first and that is how it happened. However, the remaining players are also working parallelly. It is not that one after the other. The testing or the inspection process, the due diligence is happening parallelly with the remaining players. So little bit here and there will be here, not big-time gap between the three.

**Nishant Sharma:** And maybe if the very first participant or the vendor which got the approval on the field trial basis, as you rightly mentioned that being the first one to get the approval, many hiccups might have come up. What was the timeline for that particular player, which at least we can allude that that could be the maximum timeline that we can foresee for us to get the approval?

**Mohit Vohra:** The problem with Railways is that they keep it very secretive of the data of other suppliers. So, it was not shared by anyone. I mean, they are trained in such a way, the inspectors to come and even if you ask questions, they do not respond to that. So, I do not know how much difficulty for this thing they faced, but you will appreciate the first approval happened after that, within



one and a half or second approval happened and this will squeeze big time between the third approval and further squeeze for the fourth approval. This is what is evident. I mean, this much I can confirm 100%.

**Nishant Sharma:** And sir, maybe a little bit change from what I would try to understand. While you did allude that 300 locomotive is the capacity with which we are currently working. So, if we have to give it by December 11, we will get three full months, September, October and November to service even if we get the approval towards the end of August.

**Mohit Vohra:** Yes.

**Nishant Sharma:** So, will it be possible for us to go overboard and deliver those 1200 orders in those three months?

**Mohit Vohra:** As I mentioned that production is absolutely no problem, inspection is absolutely no problem. The inspection, inspecting or the testing facilities is made in such a way that we can test multiple systems in one day, not one by one by one. So, the only challenge would be the teams on the field. And we have been very proactive. We have already built about 15 teams which are already waiting for the equipment to come and install. And if required, maybe we would need to add certain more teams, maybe outsource a little bit of activity to increase the capacity if required. If it is required, I should say. So that is the only challenge in case it comes in front of us to have additional manpower.

**Nishant Sharma:** So, three full months is enough for us to fulfil our set of orders that we got.

**Mohit Vohra:** That was known to us and all the other companies also. So only this much of time will be left. And that is how the ecosystem was built or developed by all the other companies. So, this is a known fact. When you have a known fact in front of you, so you plan accordingly. We are very well equipped or prepared, I should say.

**Nishant Sharma:** Thank you.

**Moderator:** The next question is from the line of Rupesh from Intel Sense Capital. Please go ahead.

**Rupesh:** Thank you for the opportunity. I have a few questions on Kavach segment, sir. So, first question is this Independent Safety Assessment certificate, ISA. I think there is one test we have to do with the speed of 160 kilometres because I think the eventual goal of Kavach is to increase the speed of railway network across India. So how much time did it take for other vendors? And how many retrials happened? What were the issues? Some color if you can give around that. And which is our ISA agency? Is it same as the existing vendors or is it completely different and there is one Italian agency, I think. And there is some other agency. So which agency are we going with?



- Mohit Vohra:** We are, first of all, as far as your speed is concerned, so we already have Kavach locomotive fitted with Quadrant cover system and that locomotive which is capable of doing 160 kilometres per hour. That is already fitted, available for us to conduct the test. Number two, see which time you take necessary steps to cope up with the timeline. So, we felt that our ISA agency, which was an Italy-based Company, is already serving to other vendors also. So obviously there will be bandwidth issues, time bandwidth issues. So, we then, that is the reason we changed to Bangalore-based independent safety assessor. And that is how we are progressing very-very well on the independent safety assessment side also. So, because they are the one who is dedicatedly working on the Quadrant project.
- Rupesh:** But other people got 160 kilometres test passed in maybe one or two attempts or did it take like, I'm just trying to understand the....
- Mohit Vohra:** Very less difference, all the tests remain same. Only thing is, if you have a higher speed, obviously there will be certain changes in the locomotive. Is it capable of reading the tags installed on the track properly as the slow speed locomotives are doing? A little bit here and there. Otherwise, there is not much of a 130 or 160 kilometers per hour.
- Rupesh:** So, when will it be scheduled for us, any approximate timeline?
- Mohit Vohra:** Already, I mean, the locomotive will be issued, as I mentioned, in one or two days. We will start very soon. Very soon it will start. It's a final thing now.
- Rupesh:** So, then the other question, sir, I think in the opening remarks or in one of the initial comments, you said that you have to do trial in the field for 2500 kilometres. But whatever RDSO specs I have read and talked to other players; it looks like they have to do trials for 5000 kilometres. So, is there some concession we have got because we are newer players or something like that?
- Mohit Vohra:** It is actually 5000 kilometres, you are right
- Nishant Sharma:** So, it is not 2,500. Thank you for that clarification. And then I haven't seen any bidding in the trackside tenders. So where are we on the trackside tenders? Are we participating on the trackside tenders? If you can give some update there.
- Mohit Vohra:** We are participating. We have already won our first order for 155 crores. The value of the order was more than 300 crores. But our partner actually participated, front-ended that RailTel Corporation. So, they won that order and gave the technology part of order, which is Kavach systems and associated fittings, etc. to Quadrant, which was Rs. 155 crores value. And you will see further more orders as and when it is published for bidding in the tenders.
- Rupesh:** So just to summarize, we have already won our first order on the trackside.



**Mohit Vohra:** Yes, that is Rs. 155 crores value. Already that was intimated some time ago and I think the supplies also should start. It is scheduled within this calendar year, not even financially.

**Rupesh:** And then the other question is that you have said you won the order on December 12<sup>th</sup>, 2024. And you have to supply by December 11<sup>th</sup>, 2025. And let us say for some unfortunate reason, we do not get the 4.0 certificate. I am in all my wishes that I am sure you will get it and the team is working very hard. But just conservatively, I am just trying to understand what happens if you do not get the certificate. In time, let's say you get certificate in November or October or you don't get certified by December. Then what happens? What is the recourse there?

**Mohit Vohra:** So, first of all, let us not even talk that we will not get approval. Because the first Company got approved about 50 days, 60 days ago. And the second one is only 8 days ago. We will also certainly get approval and sufficient time also to execute our orders. See, this was a known fact right from the beginning that we will need to get approval before we start the supply. So, it was, that is how termed as a very turn around kind of business or an order for any kind of Company. So, if it happens, then it will take us to a new sphere. So, this is the challenge and we are relishing this challenge because this is basically a kind of, I should say, hard work or maybe that much of the room is required to enter into that level. So, we are prepared for it. However, even if there are certain quantities which are left over by maybe one Company, two companies, three companies or maybe all the companies. So, then there are subsequent tenders, follow-up tenders, which are bound to happen in the locomotive and those quantities will be added in that tender. Because all the locomotives have to be completed, no doubt.

**Nishant Sharma:** So, what you are saying, just to summarize is, if we are able to, we have an order of 1000 locos and if we complete 700, the 300 will go back to the tender pool. So, we will have to forfeit that 300 quantity of locos and we have to re-bid in the newer tender. Is that a fair summary?

**Mohit Vohra:** I will not take it to Quadrant that 700 or 300.

**Nishant Sharma:** Just as an example.

**Mohit Vohra:** You take an example of somebody else, I think not ours. But if all falls short, then it will be rolled out to the next tender, which is also, I hope is expected after this.

**Nishant Sharma:** And then maybe my final question is, what is our installation time? Because these locos that we are trying to install it on, these are not idle locos. These are operational locos in the Indian Railways. So, the railway board or whoever, one of the locomotive works has to do planning. So, how much time does it take to get the loco ready for installation? And then once you get the loco ready, how much time it takes for you to install your system in the loco? Because to me, that also can be one of the bottlenecks because it has to be planned in a way that the operations are not impacted.



**Mohit Vohra:** So, one good thing is that locomotives or a train which goes to a destination, it comes back after a particular run. So, the locomotive or a train has to come back, no doubt, several times in a shed. So, generally, we require one day like other suppliers to completely install and commission our locomotive. So, as and when the locomotives are available, because the big quantities of locomotives, if one is not available, second is available, second is not available, third is available. Always big quantities of locomotives are always available in the shed. So, one day is a comfortable time for railways to give us. And they have prepared for it and they have been already advised for it so that we can do installation and commission.

**Nishant Sharma:** So, how much time do they take to prepare? And then once installation, do you have to conduct some tests and get a certificate that now this installation is done? After post installation, there must be some verification from the railway side? So, both parts, if you can explain.

**Mohit Vohra:** I can explain very much. So, it is called commissioning test and there is a protocol defined. It is not a very long test. Please don't quote my words, but it should take not more than half an hour to conduct those software tests to demonstrate.

**Nishant Sharma:** So, these 4.0 certification tests you are doing, eventually interoperability is going to be a big part of it because maybe station might be from one vendor, loco might be from another vendor, RFID tags might be from the third vendor. So, there are so many variations. So, where are we? I mean, how big interoperability is in the Kavach 4.0 testing and where are we? If you can give some idea that maybe there are X number of tests, maybe 50% we are already there, 60% we are already there. If you can give some color on the interoperability part to get the certificate, basically.

**Mohit Vohra:** Very good question, as I said. See, as I mentioned, now we have entered into our final field trial stage. You are given to enter into final field trial stage. Before that, there is an informal testing on the field that continues to happen. Say, for instance, one of our EMU is installed with the Kavach system. So, this has been interacting with HBL, Medha, Kernex, their stations for quite some time. And the communication, when they find it is very stable, the interoperability is stable, only then they are allowed to, we are allowed to enter into the formal field trials. Otherwise, why would they allow a permit to enter into the formal field trials if that itself is not ready? So, interoperability has been happening for some good amount of time already.

**Nishant Sharma:** you for answering all my questions, sir. And my best wishes. I hope you get the certificate soon.

**Mohit Vohra:** Thank you.

**Moderator:** Thank you. The next question is from the line of Karan from Nivishaay. Please go ahead.



- Karan:** Thank you for the opportunity. So, I have a question regarding the Kavach order we have already won from RailTel. It was around Rs. 288 crores for RailTel and then we got around Rs. 155 crores out of it. So, roughly around 54% of the order. So, can we expect similar proportion of orders from RailTel in future as well, around 50%-60% of the order they get?
- Mohit Vohra:** It goes like this. If it is a very dense station, then our percentage increases even to an extent of 75%-80%. If it is a very lean station or a track, then the percentage decreases. So, for instance, if you have a station very dense like Delhi, Mumbai and all. So, it will be densely populated with equipment. So, obviously, the percentage content goes high, the Kavach equipment content, So, it goes like that. But if it is a very lean station, you may take any example where only one line is there or two lines are there, maybe. So, there it may go slightly down also.
- Karan:** So, it would be varying based on the content, is what you are trying to say.
- Mohit Vohra:** It will vary based on density of the stations or number of lines in the station, I should say.
- Karan:** Understood. Also, on the past participant that you touched upon, about rolling of the orders in case of non-execution. I just wanted to understand, this is the first time we have been implementing Kavach at such a scale. And there is a lot of learning on the part of RDSO as well as the vendors as well. So, wouldn't there be some stage of extension towards maybe 1-2 months to conduct orders? It is very strict to sticking to the guidelines. What are if you could highlight any unofficial talks if you are having with the railways as well? Would it be possible?
- Mohit Vohra:** That goes strictly in discretion of railways. So, I actually cannot comment on this, whether this will be allowed or not. I cannot comment. But we, from our side, are just committed to the timelines they have given in the document at the moment.
- Karan:** Understood. And also, when we bid for the contract, we are the exclusive partner for RailTel. So, would we be able to quantify the total bid that they have done for Kavach orders that they have already done? And maybe not one, if it would be possible for you to say?
- Mohit Vohra:** Only thing I can tell you that they have already bid for in the tenders like this more. I do not know whether I am authorized to tell you the value of those tenders at the moment.
- Karan:** Makes sense, no problem. One last question. You alluded to the fact that we have been appointing a lot of changes in the internal teams and we have hired a few people on the board as well. So, I wanted to understand, when we are talking about the revival of the cable business, can we expect that business to grow at the rate it was growing in the past? Maybe 20%-30% growth YOY and margins in the range of 15-20%. Just wanted to understand, like, how are we seeing that division of the Company? If you could highlight something more on that.



**Mohit Vohra:** Sure. See, at the moment, as I mentioned, we are doing only railway business and that too railway rolling stock. That means the cable that goes inside the train and also Naval Defence. You will agree that both of them are very-very niche markets and very limited and measurable because there are budgers which can be seen for next 2-3 years. But there are certain areas like solar, which is very wide market comparatively. Electric vehicles becoming very wide again. And similarly, export is always very wide. No doubt about it. So, we are entering into these markets now. So, these are mass scale markets and very ambitious ones, going to remain ambitious what we see in future. So, I think, that should give you an answer of this thing.

**Karan:** Have you already started supplying to the solar, EV and exports that you are talking about or is it still, you will be doing it in future?

**Mohit Vohra:** First of all, there is an approval, which is mandatory for to enter into solar business. So, we received that approval. We have supplied solar orders to the prospective solar companies. And now we have a very good enquiry-based standing on top of that. I am mentioning that we will be entering full scale into solar.

**Karan:** Understood. And one last thing. So, would it be possible to comment on the margin that will be making in the Kavach business or would it be too soon to comment on it? Maybe with the guidance, if you could highlight.

**Mohit Vohra:** I am not authorized to actually answer this particular question.

**Karan:** No, no problem. Thank you for answering my question and all the very best.

**Mohit Vohra:** Thank you, sir.

**Moderator:** Thank you. Ladies and gentlemen, due to time constraint, we will take this as the last question. I now hand the conference over to the management for closing comments. Over to you, sir.

**Mohit Vohra:** Thank you very much, respected sir, for all your questions. All of them are very-very relevant and very intelligent questions. Thank you for your time and keeping confidence in us. We look forward to meet you very soon with some very good results coming in, some ambitious plans for the coming meetings. Thank you so much to you for your time once again.

**Moderator:** Thank you. On behalf of Quadrant Future Tek Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.