



Retail Research	: IPO Note
Sector	: Industrials
Price Band (INR)	: 120 to 126
Issue Type	: Bookbuilding IPO

About The Company

Company ki incorporation 2010 me hui thi aur yeh ek ISO 9001:2015 certified company hai, jo apne quality-driven processes ke liye jaani jaati hai. Company ka core business Indian Railways ke liye electrical aur maintenance related contracts execute karna hai. Iska business model railway rolling stock jaise passenger coaches, power cars, OHE maintenance vehicles aur HVAC systems ki maintenance, repair aur electrical services par based hai. Company ka sabse strong segment Annual Maintenance Contracts (AMC) hai, jisme yeh train lighting systems, power cars, HVAC systems aur tower wagons ka saal bhar preventive aur breakdown maintenance karti hai. AMC model ke through company ko stable, predictable aur recurring revenue milta hai, jisse cash flow visibility strong rehti hai.

Passenger coaches ke lighting equipment ke maintenance me company LED lights, emergency lighting, wiring, switches aur battery backup systems ki regular inspection, cleaning aur replacement karti hai, jisse passenger safety aur comfort ensure hota hai. Power cars ke case me company Diesel Generator sets, battery banks, electrical distribution boards aur cooling systems ka preventive aur emergency maintenance provide karti hai, kyunki power car failure poori train operations ko impact kar sakta hai. Iske alawa company railway rolling stock me lage HVAC systems ka bhi AMC karti hai, jisme AC units ki servicing, blower motor inspection aur electrical control testing shamil hai, jo directly passenger experience se linked hai.

Maintenance ke saath-saath company Supply, Installation, Testing aur Commissioning (SITC) services bhi provide karti hai, jisme LED lighting, control panels, battery chargers aur HVAC electrical components jaise equipment ka end-to-end execution hota hai. Yeh services project-based revenue generate karti hain, jo AMC ke recurring revenue ko further supplement karti hain. Company ek high-value service ke roop me en-route outsourcing services bhi provide karti hai, jisme trained technical staff train ke chalne ke dauran onboard ya key stations par deploy kiya jata hai, taaki lighting, HVAC, battery, fire safety aur electrical systems me aane wale faults ka real-time troubleshooting ho sake. Isse train delays kam hote hain aur passenger complaints reduce hoti hain, jo Indian Railways ke liye kaafi critical hai.

Company ka primary client Indian Railways hai, jisse contracts competitive tendering ke through ya OEMs ke saath pre-bid arrangements ke zariye milte hain. Company regularly Railway tender portals, GeM Portal, IREPS aur government notifications ko track karti hai, taaki naye projects ke liye timely bidding ki ja sake. Management ki baat karein to company ko Tejas Lalit Mehta (Chairman & Managing Director) aur Jagruti Tejas Mehta (Whole Time Director) lead kar rahe hain, jinke paas railway sector me 20+ aur 24+ saalon ka experience hai. Promoters day-to-day operations me actively involved hain, jo execution-heavy railway service business ke liye ek strong positive factor hai.

Company ka order book kaafi strong hai, jisme 59 ongoing projects hain aur total order value lagbhag ₹14,409.81 lakh (~₹144 crore) hai, jo India ke multiple railway zones me spread hai. Isse company ko achchi revenue visibility milti hai aur geographical concentration risk reduce hota hai. Financial performance ki baat karein to company ne consistent growth dikhayi hai, jahan revenue FY23 me ₹2,660 lakh se badhkar FY25 me ₹4,448 lakh tak pahunch gaya hai, jo AMC-led recurring revenue aur pan-India expansion strategy ko reflect karta hai. Overall, company ki strengths me Indian Railways ke saath long-term relationship, diversified service portfolio, ISO-certified quality standards, experienced promoters, pan-India presence aur recurring revenue-heavy business model shamil hai, jabki future growth ke liye company operational efficiency improve karne, skilled manpower training, quality aur safety par focus badhane aur naye railway zones me apni presence expand karne ki strategy par kaam kar rahi hai.

Issue Details	
IPO Open Date	23-Dec-25
IPO Close Date	26-Dec-25
Price Band (Rs)	120 to 126
Lot Size	1000 Shares
Issue Size (Rs Cr)	39,84,000 shares
Face Value	RS 10 per share
Sales Type	Fresh Capital
Issue Type	Bookbuilding IPO
Listing At	NSE, SME
Share Holding Pre Issue	1,11,00,000 shares
Share Holding Post Issue	1,50,84,000 shares
QIB Share	47.41%
Retail Share	33.23%
NII Share	14.23%
Promoter Holding Pre Issue	98.33%
Promoter Holding Post Issue	72.36%

Shareholding Pattern	
Tejas Lalit Mehta	50%
Jagruti Tejas Mehta	40%
Dhara Tejas Mehta	5%

Objects of the Issue	Estimated Amount (INR Cr.)
Repayment and/or pre-payment, in full or part, of borrowing availed by our Company	7
To Meet Working Capital Requirements of our Company	30.5



RISK

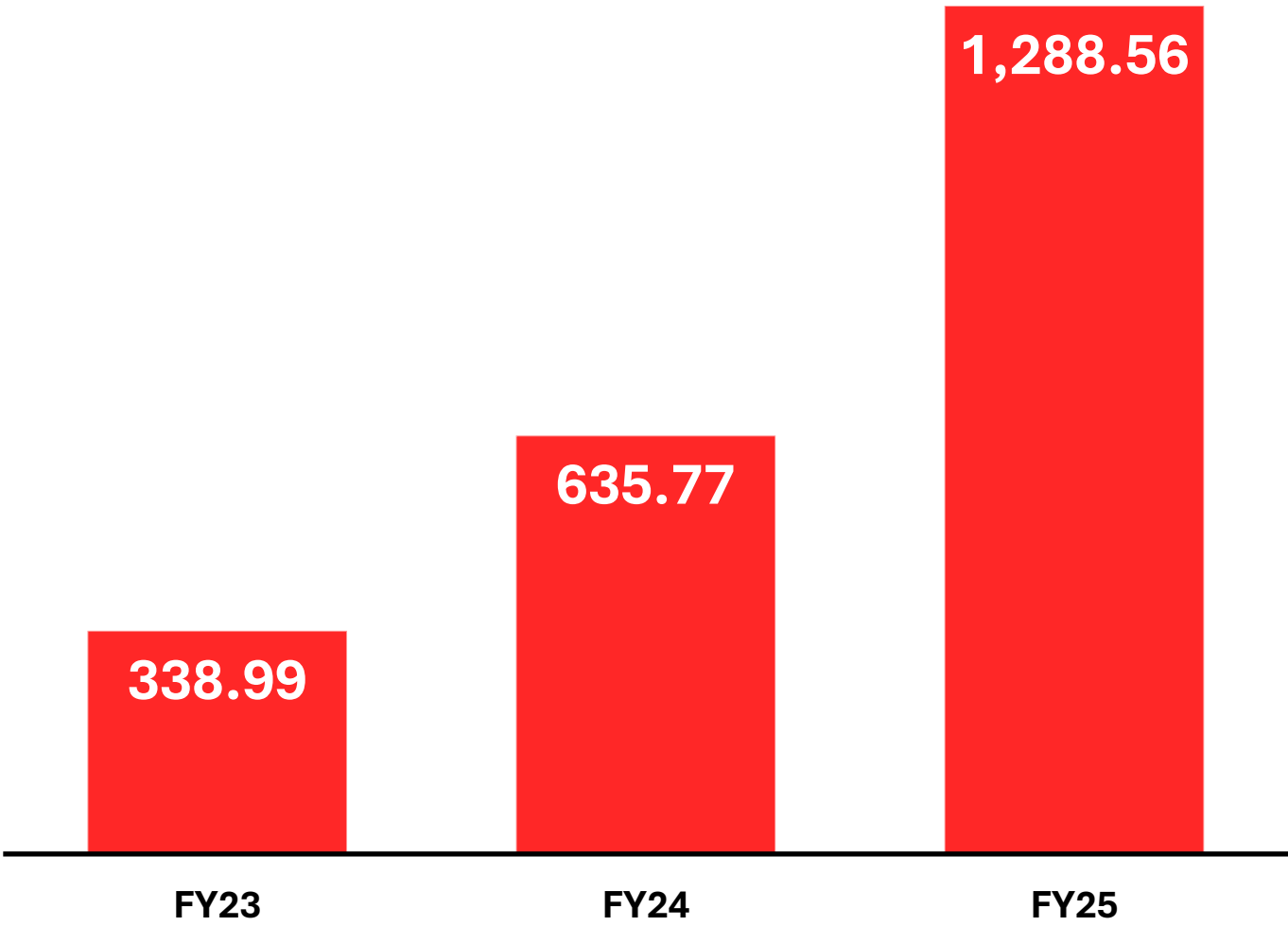
- Company ka business Indian Railways par highly dependent hai, jahan se iska major revenue generate hota hai. Is wajah se agar government policies me change hota hai, railway budget cut hota hai, contracts cancel ya renegotiate hote hain, to company ke revenue aur profitability par direct aur significant impact pad sakta hai, jo ek clear single-client concentration risk ko highlight karta hai. Saath hi, railway sector ek policy-driven industry hai, jahan tender norms, outsourcing rules, payment terms ya compliance framework me kisi bhi tarah ka change company ke control ke bahar hota hai aur existing contracts ke cancellation ya future orders ke loss ka risk create karta hai.
- Company ka business labour-intensive hai, jisme 800+ workers involved hain, jisse strike, labour disputes, wage inflation, accidents aur labour-related claims ka risk bana rehta hai. Aise cases me project delays, cost overruns aur margin pressure dekhne ko mil sakta hai. Iske alawa, company kuch specific tools, consumables aur vendors ke liye limited suppliers par depend karti hai, aur agar supply chain disrupt hoti hai ya supplier fail hota hai, to railway projects delay ho sakte hain, penalties lag sakti hain aur cash flow disturb ho sakta hai.
- FY24 ke audited financial statements me statutory auditor qualification ek important red flag maana jata hai, jo accounting, compliance ya internal control related weaknesses ki taraf indication deta hai, jab tak management se clear explanation aur corrective action samne na aaye. Company ke registered aur corporate offices owned nahi balki rented hain, jisse lease renewal failure ya landlord dispute ke case me operations aur business continuity par impact pad sakta hai.
- Company ki future growth largely naye railway tenders jeetne par depend karti hai, lekin competitive tender process me L1 bidding, strict technical qualifications aur aggressive competition ke chalte naye contracts milna uncertain rehta hai. Agar company price competitive nahi rahi ya technical scores kam rahe, to order inflow slow ho sakta hai. Saath hi, railway contracts me security deposits, performance guarantees aur bank guarantees deni hoti hain, jahan BG encashment ya funding constraints cash flow aur financial stability ko negatively impact kar sakte hain.
- Railway contracts me liquidated damages aur penalties ka bhi risk hota hai, jo delays, quality failures ya non-compliance ke case me lag sakti hain, jisse profitability aur reputation dono affect hote hain. Railways ke strict quality standards aur frequent inspections ke chalte, kisi bhi audit failure ya quality lapse se contract termination aur future tenders me blacklisting ka risk bhi bana rehta hai. Is business ki nature working-capital intensive hai, jisme inventory, labour cost aur receivables ka level high hota hai, aur payment delays se liquidity pressure create ho sakta hai.
- Company ki insurance coverage agar kisi major accident, equipment damage ya legal liability ke liye insufficient hui, to direct financial loss uthana pad sakta hai. Past aur potential related party transactions governance concern create kar sakte hain, khaaskar agar ye arm’s length basis par na hui ho. Inventory aur receivables current assets ka bada hissa hone ke kaaran slow recovery, obsolete stock aur liquidity stress ka risk bhi maujood hai. Company ke trademarks abhi registered nahi hone ke kaaran brand protection weak hai aur legal disputes ka scope bana rehta hai.
- Company ne past me negative operating cash flow report kiya hai, aur agar future me bhi cash flow weak raha to debt servicing aur liquidity par pressure badh sakta hai. Kuch provisions of Companies Act, 2013 ke non-compliance ke cases regulatory penalties aur reputation damage ka risk create karte hain. Company kuch ongoing legal proceedings ka bhi hissa hai, jahan adverse judgement aane par financial loss aur operational disruption ho sakta hai. Pichla performance future growth ka guarantee nahi hota, aur rising costs, competition aur margin pressure se future results impact ho sakte hain.
- Business chalane ke liye company ko multiple statutory licenses, approvals aur regulatory permits ki zarurat hoti hai, aur inka renewal na hona ya cancellation hona operations ko directly disrupt kar sakta hai. Company ka business promoters aur key managerial personnel ke experience, relationships aur active involvement par heavily dependent hai, aur unke exit ya reduced involvement se execution aur strategy par negative impact pad sakta hai. Railway sector me safety, health, environment aur labour laws ka compliance bahut strict hota hai, jahan violations ya regulatory changes se penalties, delays aur reputation damage ho sakta hai.
- Company Indian Railways ke multiple zones me operate karti hai, lekin kisi particular zone me policy issue, payment delay ya operational disruption se zonal revenue concentration ka risk bana rehta hai. Current order book strong hone ke bawajood, orders cancel ho sakte hain, delay ho sakte hain ya payments stuck ho sakti hain, isliye order book future growth ki guarantee nahi deta. Contract claims aur variation orders ke recovery me delay ya disputes hone par profitability aur cash flow impact hota hai.
- Railway services ek highly competitive industry hai, jahan PSU contractors, established players aur naye private entrants aggressive pricing ke saath compete karte hain, jisse margin pressure aur contract loss ka risk rehta hai. Kisi bhi tarah ki negative publicity, safety incident ya quality failure se brand image aur future tender prospects par adverse impact pad sakta hai. Company ki contingent liabilities, guarantees aur tax disputes agar actual liabilities ban jaati hain to sudden cash outflow ho sakta hai. Investments par market risk hone ke bawajood provisions na hone se net worth aur earnings volatility badh sakti hai.
- Growth ko efficiently manage na kar paana, technology failure, cyber risk, management estimates aur actual results ke beech mismatch, debt burden, personal guarantees, unsecured loans, restrictive covenants, internal control weaknesses, future dilution, promoter control, IPO-related risks, market volatility, economic slowdown, regulatory changes aur force majeure events jaise natural disasters bhi company ke business, financial performance aur shareholder returns par material adverse effect daal sakte hain.



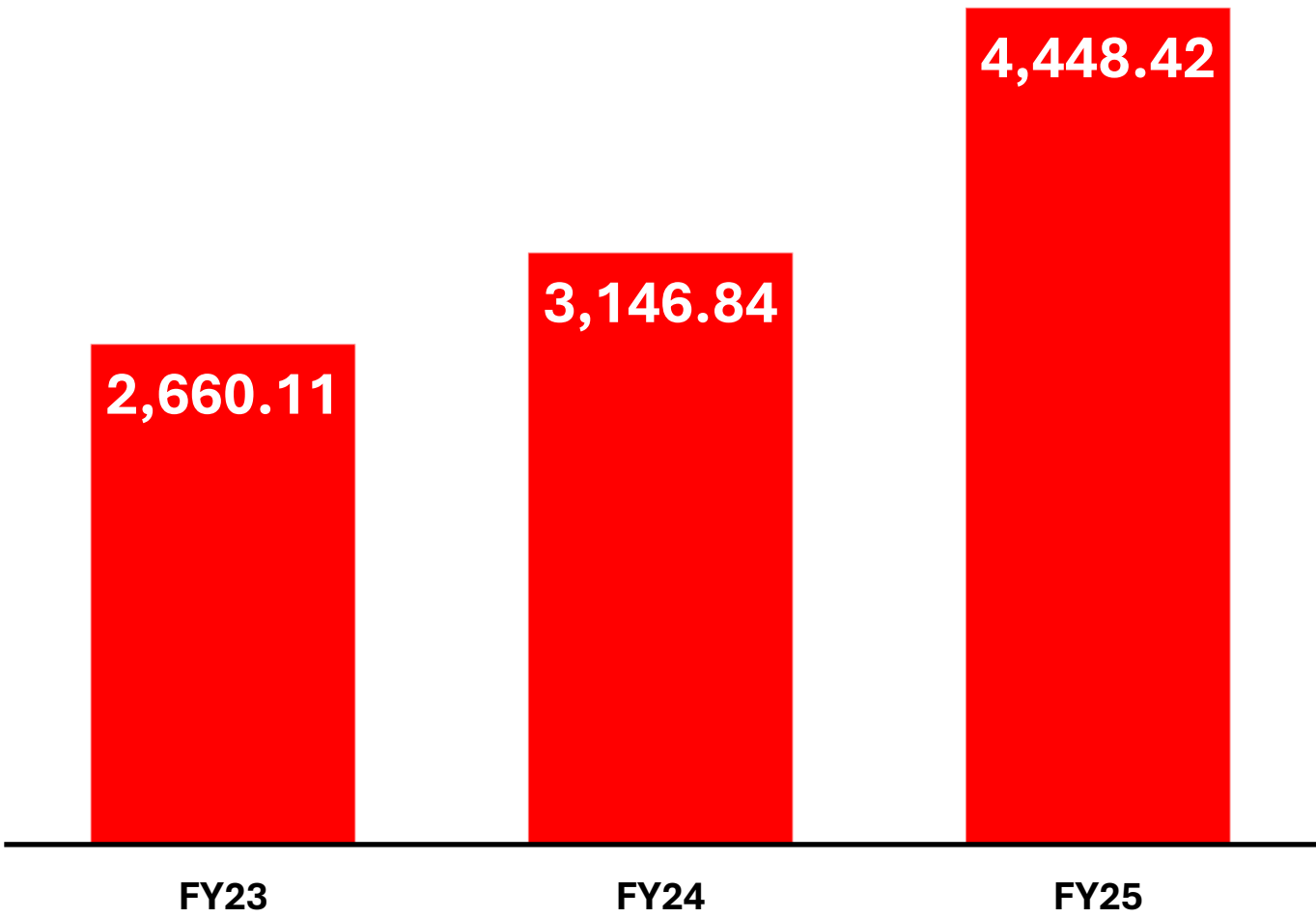
# DHARA RAIL PROJECTS LTD

## FINANCIAL ANALYSIS (Rs. In Lakhs)

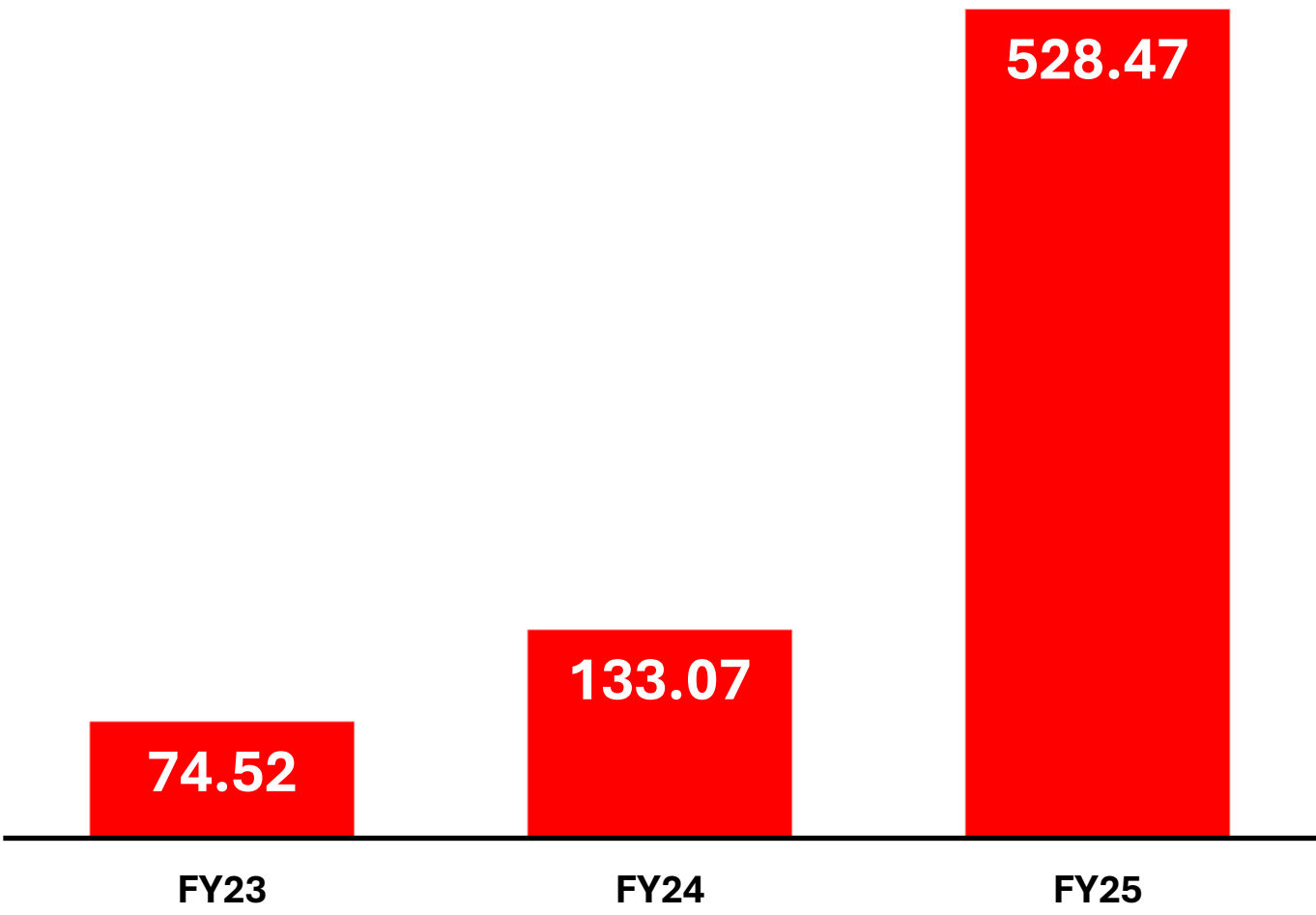
Net Worth



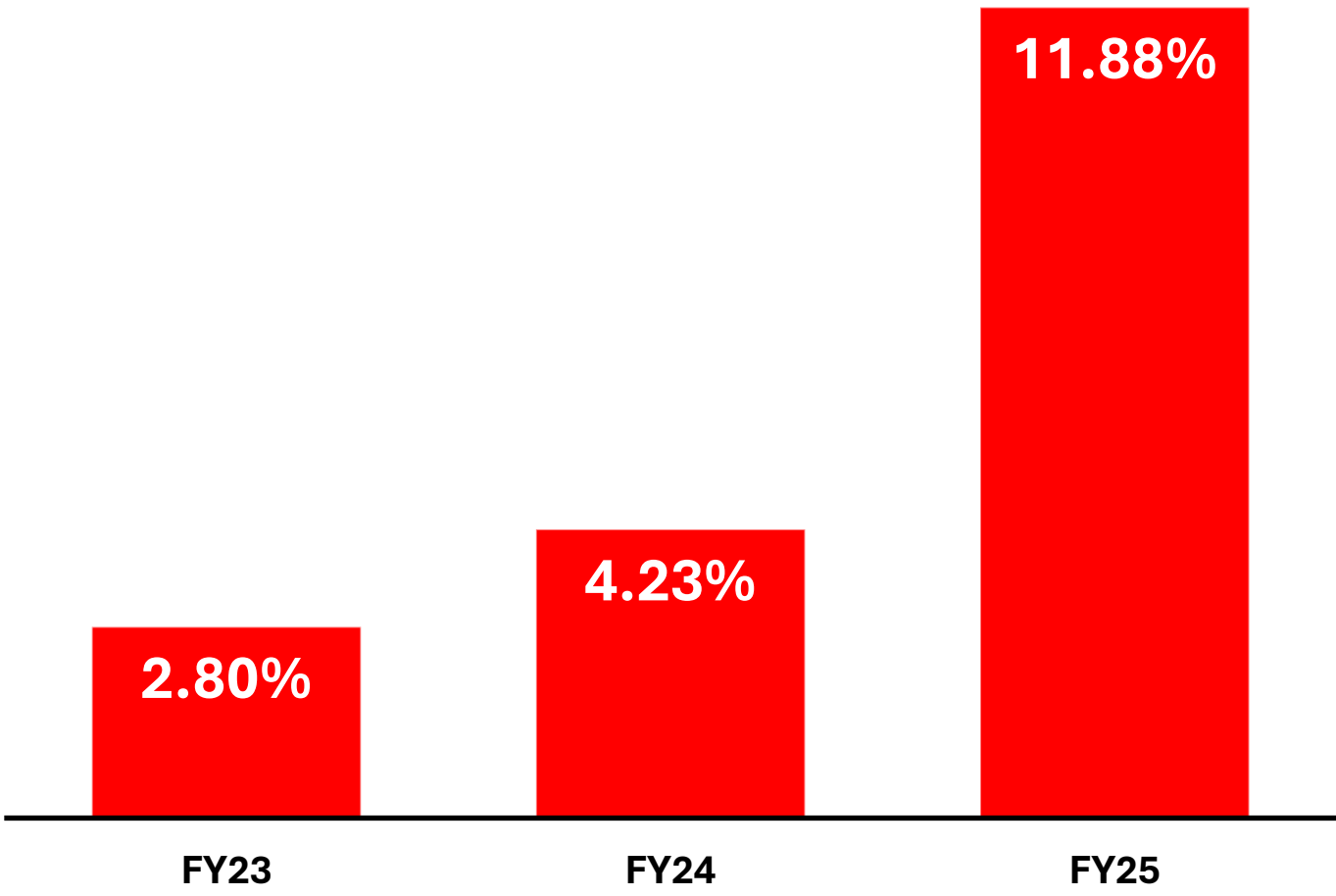
Revenue from operations



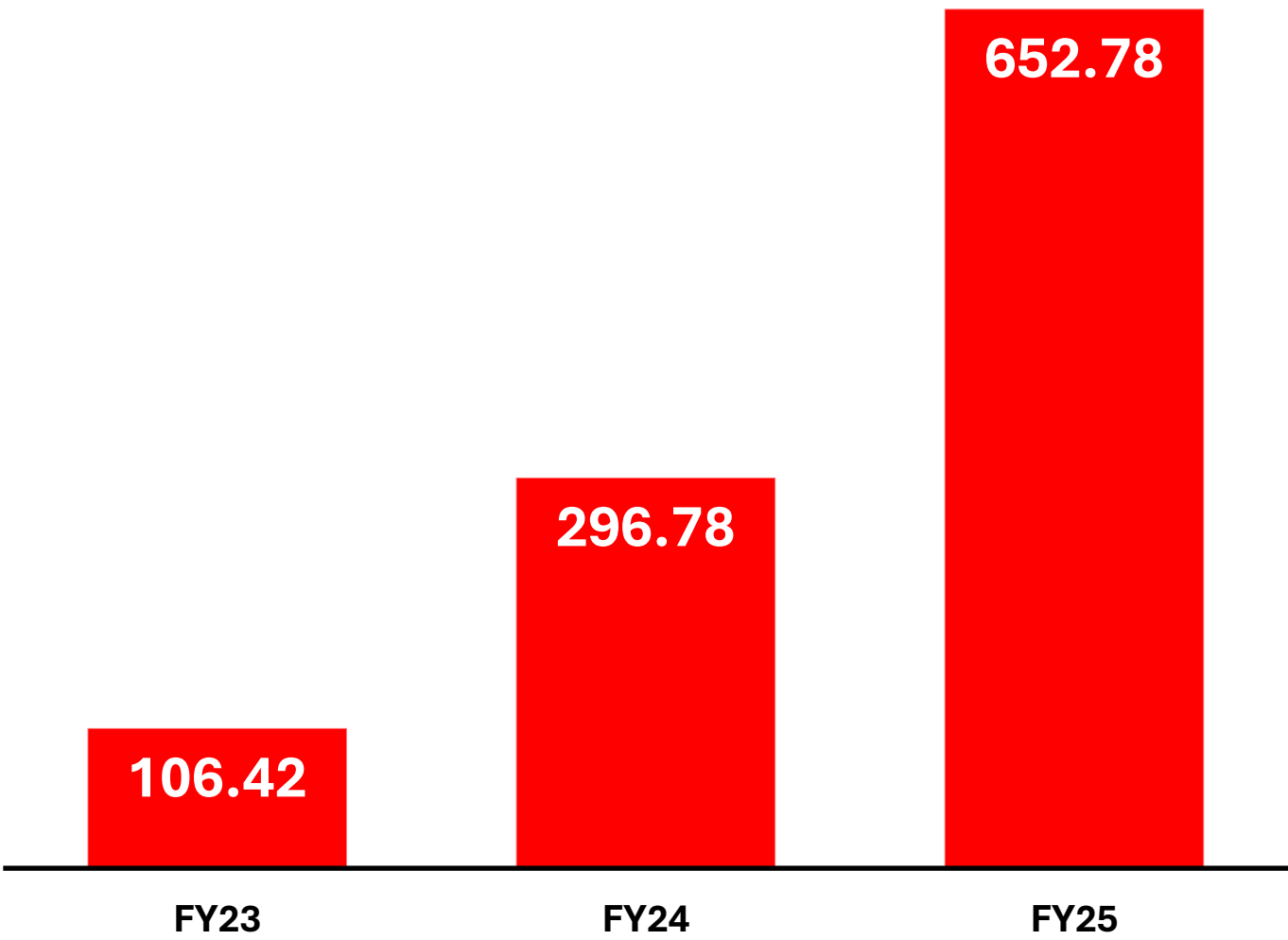
EBITDA



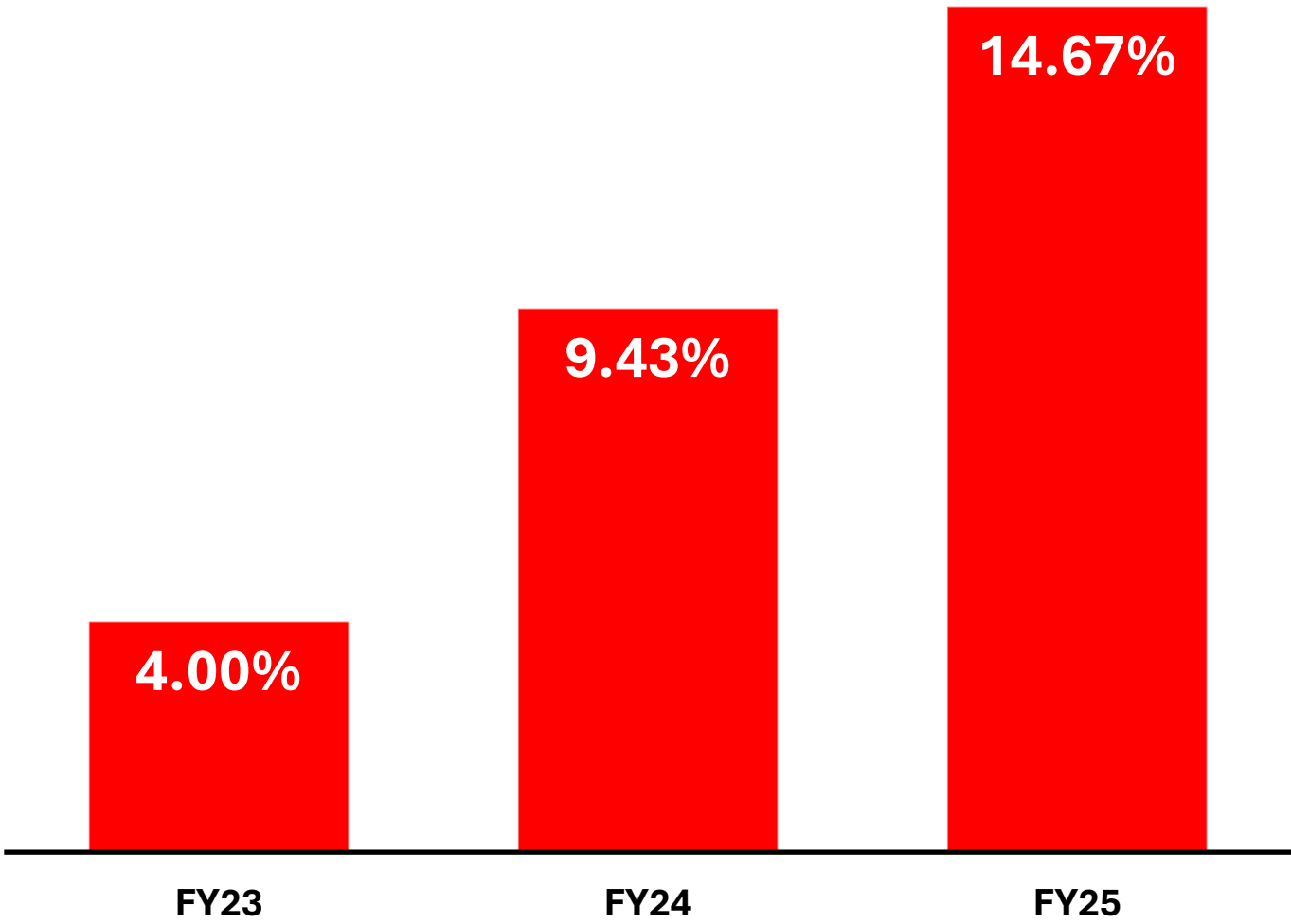
EBITDA Margin



PAT



PAT Margin

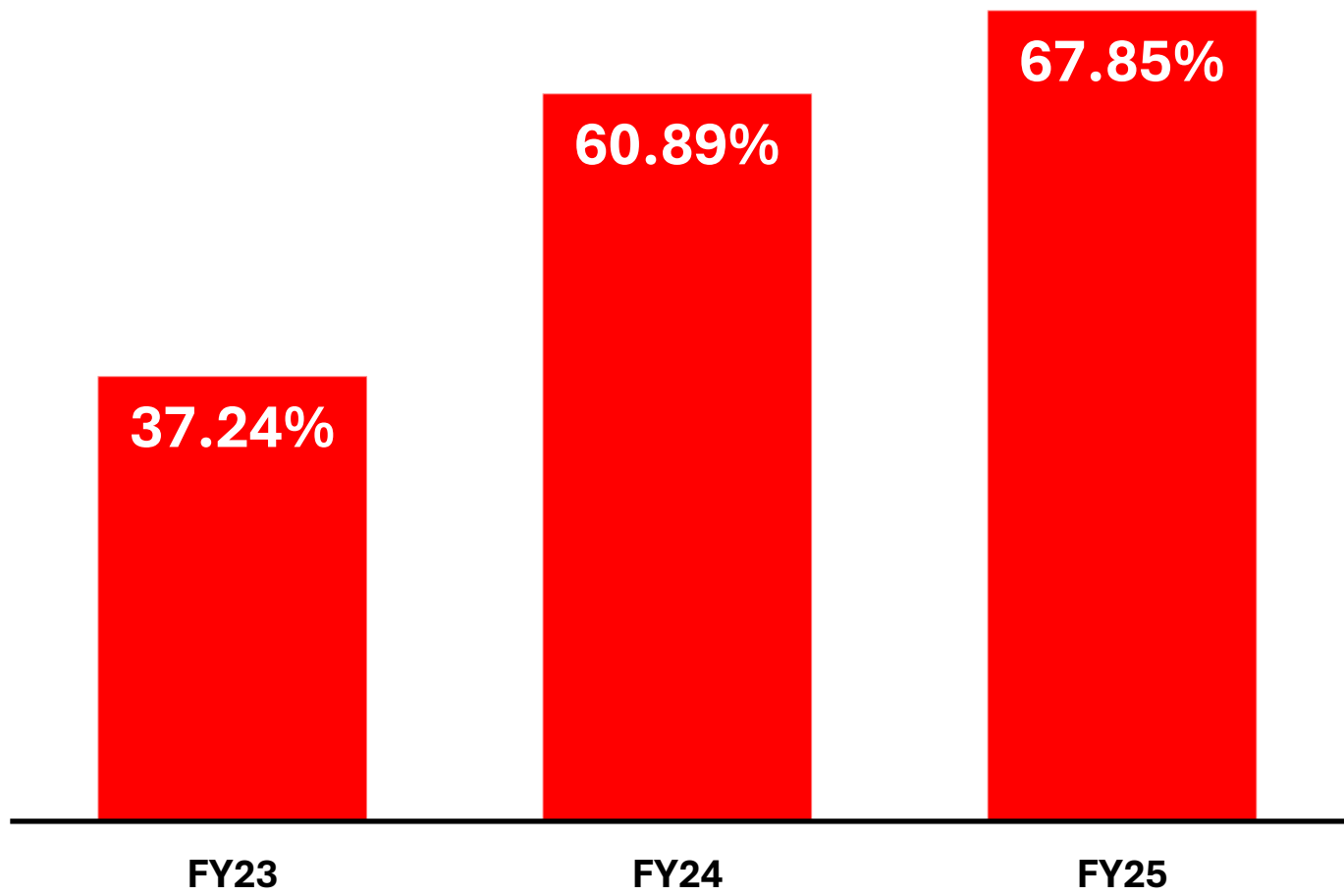




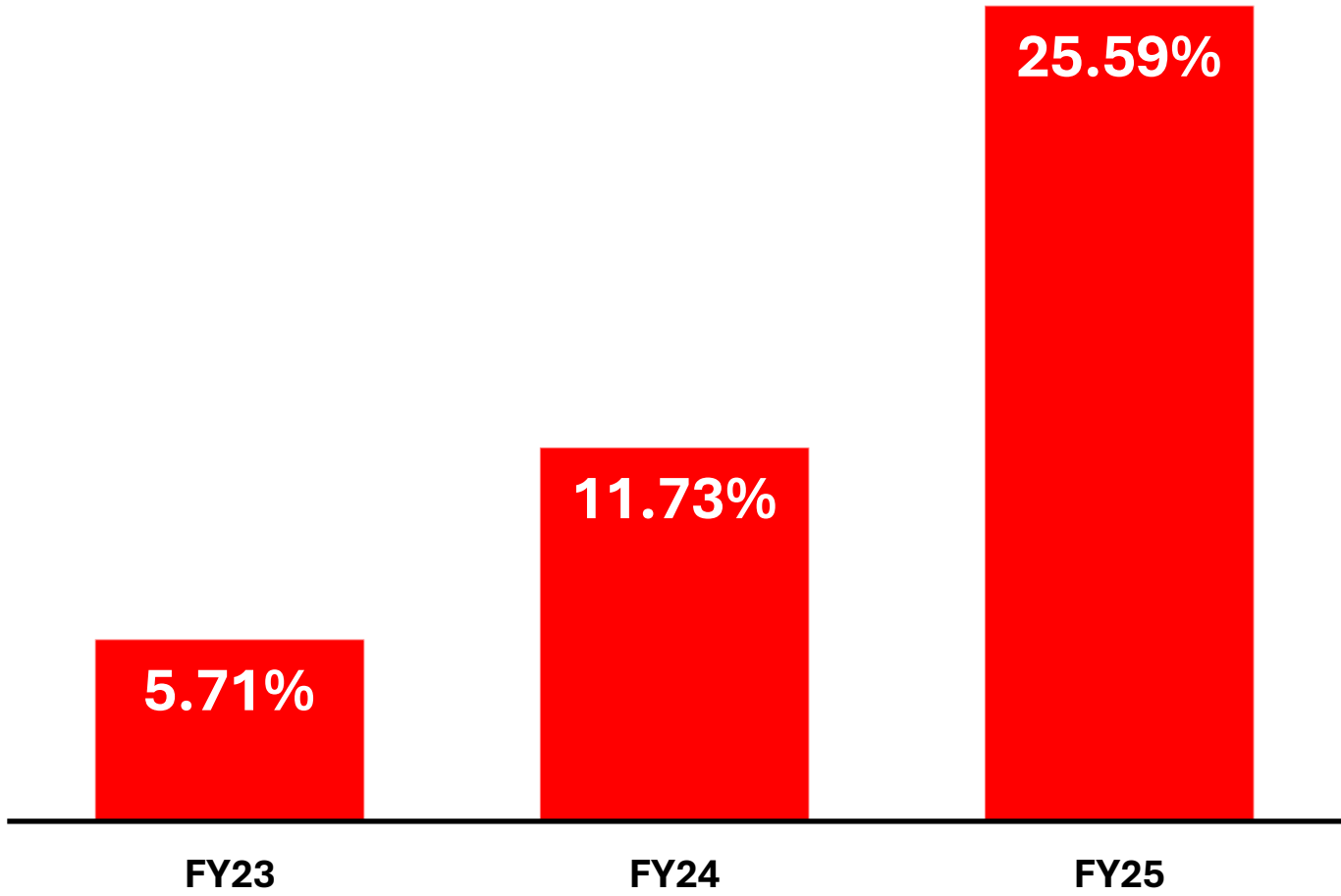


FINANCIAL ANALYSIS

RoE(%)



RoCE (%)



CASH FLOW

Particulars	FY23	FY24	FY25
Net cash from operating activities	-156.82	-203.32	-497.11
Net cash flow from investing activities	-241.08	-561.99	1,657.56
Net cash flow from financing activities	649.52	534.2	-703.36

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