



(Please scan this QR Code to view the Addendum to DRHP)



**DHARA RAIL PROJECTS LIMITED**  
CIN: U74210MH2010PLC201669

Our Company was originally incorporated as Private Limited Company in the name of “Dhara Rail Projects Private Limited” under the Companies Act, 1956 vide Certificate of Incorporation dated April 05, 2010 issued by the Registrar of Companies, Maharashtra, Mumbai (“RoC”). Thereafter, pursuant to the Business Takeover Agreement dated July 21, 2010, our Company took over the business of the proprietorship concern, M/s. Dhara Industries. Thereafter, our Company was converted into a public limited company, pursuant to a special resolution passed by our Shareholders at the Extra Ordinary General Meeting held on August 09, 2025 and consequently, the name of our Company was changed from “Dhara Rail Projects Private Limited” to “Dhara Rail Projects Limited” vide a fresh Certificate of Incorporation consequent upon Conversion to public company dated August 25, 2025 issued to our Company by the Registrar of Companies, Central Processing Centre, Manesar. The corporate identification number of our Company is U74210MH2010PLC201669. For further details of Incorporation, change of registered office of our Company, please refer to chapter titled “*History and Corporate Structure*” beginning on page 138 of the Draft Red Herring Prospectus.

**Registered Office:** Gala No. O, 196-K, Girgaum Gaiwadi, Girgaum, Mumbai-400004, Maharashtra, India.

**Corporate Office:** 208, 2nd Floor, Plot-16, The Jewel Roxy Chambers, Mama Parmanand Marg, Opera House, Girgaon, Mumbai-400004, Maharashtra, India.

**Tel No:** +91-22-23865040; **E-mail:** [cs@drppl.com](mailto:cs@drppl.com) ; **Website:** <https://drppl.com/>

**Contact Person:** Suraj Bohra, Company Secretary & Compliance Officer

<b>PROMOTERS OF OUR COMPANY: TEJAS LALIT MEHTA, JAGRUTI TEJAS MEHTA &amp; DHARA TEJAS MEHTA</b>	
<b>ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED SEPTEMBER 30, 2025: NOTICE TO THE INVESTORS (“THE ADDENDUM”)</b>	
INITIAL PUBLIC OFFER OF UPTO 39,84,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH (THE “EQUITY SHARES”) OF DHARA RAIL PROJECTS LIMITED (“OUR COMPANY” OR “THE ISSUER”) AT AN ISSUE PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) FOR CASH, AGGREGATING UP TO ₹[●] LAKHS (“PUBLIC ISSUE”) OUT OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH, AT AN ISSUE PRICE OF ₹[●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹[●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH, AT AN ISSUE PRICE OF ₹[●] PER EQUITY SHARE FOR CASH, AGGREGATING UPTO ₹[●] LAKHS IS HEREIN AFTER REFERRED TO AS THE “NET ISSUE”. THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE 26.41% AND [●] % RESPECTIVELY OF THE POST- ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.	
<b>ISSUER ABSOLUTE RESPONSIBILITY</b>	
The Company, having made all reasonable inquiries, accepts responsibility for and confirms that the Draft Red Herring Prospectus contains all information with regard to the 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 makes 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.	
Potential Bidders may note the following:	
<ol style="list-style-type: none"> <li>1. The Chapter titled “<b>Summary of Draft Red Herring Prospectus</b>” beginning on page 23 of the Draft Red Herring Prospectus has been updated;</li> <li>2. The Chapter titled “<b>Risk Factors</b>” beginning on page 32 of the Draft Red Herring Prospectus has been updated;</li> <li>3. The Chapter titled “<b>General Information</b>” beginning on page 61 of the Draft Red Herring Prospectus has been updated;</li> <li>4. The Chapter titled “<b>Objects of the Issue</b>” beginning on page 87 of the Draft Red Herring Prospectus has been updated;</li> <li>5. The Chapter titled “<b>Our Business</b>” beginning on page 116 of the Draft Red Herring Prospectus has been updated;</li> <li>6. The Chapter titled “<b>Key Industry Regulations and Policies</b>” beginning on page 125 of the Draft Red Herring Prospectus has been updated;</li> <li>7. The Chapter titled “<b>History and Corporate Structure</b>” beginning on page 138 of the Draft Red Herring Prospectus has been updated;</li> <li>8. The Chapter titled “<b>Our Management</b>” beginning on page 143 of the Draft Red Herring Prospectus has been updated;</li> <li>9. The Chapter titled “<b>Management’s Discussion and Analysis of Financial Condition and Results of Operations</b>” beginning on page 215 of the Draft Red Herring Prospectus has been updated;</li> </ol>	

10. The Chapter titled “**Outstanding Litigation and Material Developments**” beginning on page 224 of the Draft Red Herring Prospectus has been updated;
11. The Chapter titled “**Government and Other Approvals**” beginning on page 231 of the Draft Red Herring Prospectus has been updated;
12. The Chapter titled “**Other Regulatory and Statutory Disclosures**” beginning on page 238 of the Draft Red Herring Prospectus has been updated;
13. The Chapter titled “**Declaration**” beginning on page 310 of the Draft Red Herring Prospectus has been updated;
14. Please note that all other details in, and updates to the Red Herring Prospectus/ Prospectus with respect to Issue price and/or other relevant details will be carried out in the Red Herring Prospectus, as and when filed with ROC, SEBI and the Stock Exchange.

The above is to be read in conjunction with the Draft Red Herring Prospectus and accordingly their references in the Draft Red Herring Prospectus stand amended pursuant to this Addendum. Please note that the changes pursuant to this Addendum will be appropriately included in the Red Herring Prospectus/ Prospectus, as and when filed with the RoC, the SEBI and the Stock Exchanges. All capitalized terms used in this Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Red Herring Prospectus.

**On behalf of Dhara Rail Projects Limited**

**Place:** Mumbai, Maharashtra

**Date:** December 06, 2025

Sd/-

Suraj Bohra

**Company Secretary & Compliance Officer**

BOOK RUNNING LEAD MANAGER TO THE ISSUE		REGISTRAR TO THE ISSUE	
 <b>Hem Securities</b>			
<b>HEM SECURITIES LIMITED</b> <b>Address:</b> 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai-400013, Maharashtra, India. <b>Tel. No.:</b> +91- 22- 4906 0000 <b>Email:</b> <a href="mailto:ib@hemsecurities.com">ib@hemsecurities.com</a> <b>Investor Grievance Email:</b> <a href="mailto:redressal@hemsecurities.com">redressal@hemsecurities.com</a> <b>Website:</b> <a href="http://www.hemsecurities.com">www.hemsecurities.com</a> <b>Contact Person:</b> Ajay Jain <b>SEBI Registration Number:</b> INM000010981 <b>CIN:</b> U67120RJ1995PLC010390		<b>BIGSHARE SERVICES PRIVATE LIMITED</b> <b>Address:</b> S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai-400093, Maharashtra, India. <b>Telephone:</b> +91-22 6263 8200 <b>Facsimile:</b> +91-22 6263 8299 <b>Email:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> <b>Investor Grievance Email:</b> <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a> <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> <b>Contact Person:</b> Babu Rapheal C. <b>SEBI Registration Number:</b> MB/INR000001385 <b>CIN:</b> U99999MH1994PTC076534	
BID/ISSUE PERIOD			
ANCHOR PORTION ISSUE OPENS/CLOSES ON*: [●]		BID/ISSUE OPENS ON**: [●]	BID/ISSUE CLOSES ON**: [●]***

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

*\*\*\*The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Issue Closing Day.*

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**SECTION II – SUMMARY OF DRAFT RED HERRING PROSPECTUS****K. Summary of Related Party Transactions:**

As per the Restated Consolidated Financial Information for the financial year ended on March 31, 2025, March 31, 2024 and March 31, 2023, following are the details of the related party transactions of our Company:

**(b) Transactions with related parties: -**

		<i>Amount in Rs. lakhs</i>		
<b>(i) Transactions with Directors/KMP</b>		<b>31-Mar-25</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>
<b>Revenue From Operation</b>		<b>4,448.42</b>	<b>3,146.84</b>	<b>2,660.11</b>
<b>1</b>	<b>Tejas Lalit Mehta</b>			
	Opening balance of Loan taken by the Company	1,827.02	1,678.67	359.09
	% to Revenue	41.07	53.34	13.50
	Loan Taken by the Company	791.93	459.73	1,387.49
	% to Revenue	17.80	14.61	52.16
	Loan Repaid by the Company	2,432.50	313.18	69.71
	% to Revenue	54.68	9.95	2.62
	Interest on Loan	-	-	-
	% to Revenue	-	-	-
	Director Remuneration	1.80	1.80	1.80
	% to Revenue	0.04	0.06	0.07
	<b>Closing Balance-Cr</b>	<b>188.25</b>	<b>1,827.02</b>	<b>1,678.67</b>
	% to Revenue	4.23	58.06	63.11
<b>2</b>	<b>Jagruti Tejas Mehta</b>			
	Opening balance of Loan taken by the Company	420.50	412.38	393.98
	% to Revenue	9.45	13.10	14.81
	Loan Taken by the Company	315.15	75.00	67.60
	% to Revenue	7.08	2.38	2.54
	Loan Repaid by the Company	331.83	68.68	51.00
	% to Revenue	7.46	2.18	1.92
	Interest on Loan	-	-	-
	% to Revenue	-	-	-
	Director Remuneration	1.80	1.80	1.80
	% to Revenue	0.04	0.06	0.07
	<b>Closing Balance-Cr</b>	<b>405.62</b>	<b>420.50</b>	<b>412.38</b>
	% to Revenue	9.12	13.36	15.50
<b>3</b>	<b>Dhara Tejas Mehta</b>			
	Opening balance of Loan taken by the Company	118.30	119.20	96.70
	% to Revenue	2.66	3.79	3.64
	Loan Taken by the Company	-	-	31.20
	% to Revenue	-	-	1.17
	Loan Repaid by the Company	76.65	0.90	8.70
	% to Revenue	1.72	0.03	0.33
	Interest on Loan	-	-	-
	% to Revenue	-	-	-
	Director Remuneration	-	-	-
	% to Revenue	-	-	-
	<b>Closing Balance-Cr</b>	<b>41.65</b>	<b>118.30</b>	<b>119.20</b>
	% to Revenue	0.94	3.76	4.48
<b>(ii) Transactions with Relative of Director &amp; KMP</b>				
<b>1</b>	<b>Lalit R Mehta</b>			
	Opening balance of Loan taken by the Company	-	-	690.32
	% to Revenue	-	-	25.95
	Loan Taken by the Company	-	-	139.48

	% to Revenue	-	-	5.24
	Loan Repaid by the Company	-		829.80
	% to Revenue	-	-	31.19
	Interest on Loan	-	-	-
	% to Revenue	-	-	-
	<b>Closing Balance-Cr</b>	-	-	-
	% to Revenue	-	-	-
<b>2</b>	<b>Tejas Lalit Mehta HUF</b>			
	Purchases/Labour Charges	74.93	-	-
	% to Revenue	1.68	-	-
	Loan Given by the Company	0.92	2.30	7.56
	% to Revenue	0.02	0.07	0.28
	Loan Return to the Company	0.92	2.30	7.56
	% to Revenue	0.02	0.07	0.28
	Interest on Loan	-	-	-
	% to Revenue	-	-	-
	<b>Closing Balance-Cr</b>	-	-	-
	% to Revenue	-	-	-
<b>3</b>	<b>Lalit R Mehta HUF</b>			
	Purchases/Labour Charges	56.00	268.76	68.88
	% to Revenue	1.26	8.54	2.59
	Loan Given by the Company	0.64	7.51	13.17
	% to Revenue	0.01	0.24	0.50
	Loan Return to the Company	0.64	7.51	13.17
	% to Revenue	0.01	0.24	0.50
	Interest on Loan	-	-	-
	% to Revenue	-	-	-
	<b>Closing Balance-Cr</b>	-	<b>1.22</b>	-
	% to Revenue		0.04	
<b>4</b>	<b>Megha Tejas Mehta</b>			
	Opening balance of Loan taken by the Company	63.44	63.94	82.95
	% to Revenue	1.43	2.03	3.12
	Loan Taken by the Company	-	-	44.05
	% to Revenue	-	-	1.66
	Loan Repaid by the Company	60.25	0.50	63.05
	% to Revenue	1.35	0.02	2.37
	Interest on Loan	-	-	-
	% to Revenue	-	-	-
	<b>Closing Balance-Cr</b>	<b>3.19</b>	<b>63.44</b>	<b>63.94</b>
	% to Revenue	0.07	2.02	2.40
<b>(iii) Enterprises in which KMP/Relatives of KMP can exercise significant influence</b>				
<b>1</b>	<b>Medha Family Office LLP</b>			
	Consultancy Charges (excl GST)	16.05	1.50	-
	% to Revenue	0.36	0.05	-
	Purchases of Raw Material	-	-	-
	% to Revenue	-	-	-
	Advance for Goods	-	-	-
	% to Revenue	-	-	-
	<b>Closing Balance - Cr</b>	-	<b>1.62</b>	-
	% to Revenue	-	0.05	-
<b>2</b>	<b>Dhara Industries</b>			
	Labour Charges	67.41	-	-
	% to Revenue	1.52	-	-
	Loan Given by the Company	-	-	5.11

	% to Revenue	-	-	0.19
	Loan Return to the Company	-	-	5.11
	% to Revenue	-	-	0.19
	Interest on Loan	-	-	-
	% to Revenue	-	-	-
	<b>Closing Balance-Cr</b>	-	-	-
	% to Revenue	-	-	-
<b>3</b>	<b>Perfect Enterprises</b>			
	Sales	-	23.15	-
	% to Revenue	-	0.74	-
	Labour Charges	59.20	-	-
	% to Revenue	1.33	-	-
	Loan Given by the Company	-	-	6.44
	% to Revenue	-	-	0.24
	Loan Return to the Company	-	-	6.44
	% to Revenue	-	-	0.24
	Interest on Loan	-	-	-
	% to Revenue	-	-	-
	<b>Closing Balance-Cr</b>	-	<b>0.46</b>	-
	% to Revenue	-	0.01	-
<b>4</b>	<b>Safety Projects Pvt. Ltd.</b>			
	Sales	-	-	-
	% to Revenue	-	-	-
	Purchase	0.26	0.65	0.89
	% to Revenue	0.01	0.02	0.03
	<b>Closing Balance-Cr</b>	-	-	<b>0.10</b>
	% to Revenue	-	-	0.004
<b>5</b>	<b>PE-DRPPL JV</b>			
	Sales	-	22.10	31.93
	% to Revenue	-	0.70	1.20
	Purchases	18.39	258.40	51.48
	% to Revenue	0.41	8.21	1.94
	Loan Given by the Company	-	2.30	0.38
	% to Revenue	-	0.07	0.01
	Loan Return to the Company	-	2.30	2.79
	% to Revenue	-	0.07	0.10
	Advance (Received)/Return	126.00	-126.00	-
	% to Revenue	2.83	-4.00	-
	<b>Closing Balance-Cr</b>	-	<b>126.00</b>	-
	% to Revenue	-	4.00	-
<b>6</b>	<b>DRESL-DRPPL JV</b>			
	Sales	184.60	207.34	94.95
	% to Revenue	4.15	6.59	3.57
	Loan Given by the Company	-	5.76	25.94
	% to Revenue	-	0.18	0.98
	Loan Return to the Company	-	279.98	49.20
	% to Revenue	-	8.90	1.85
	<b>Closing Balance-Dr.</b>	-	<b>105.27</b>	<b>255.54</b>
	% to Revenue	-	3.35	9.61

### **SECTION III: RISK FACTORS**

***1. Our business and revenue are substantially dependent on the Ministry of Railways, Government of India. Any adverse change in policy of the Ministry of Railways may lead to our contracts being foreclosed, terminated, restructured or renegotiated, which may have a material effect on our business and results of operations.***

Our business and revenues are substantially dependent on the Indian Railways. We provide services to the Ministry of Railways, Government of India, either through directly awarded contracts secured via competitive tendering or through pre-bid arrangements with various OEM's. Revenue through direct contracts from railways for the financial year ended March 31, 2025, 2024 and 2023, accounted for 69.18%, 31.44% and 35.18% of our revenue from operations for the said period respectively and revenue from Pre-bid arrangements with various OEM's for the financial year ended March 31, 2025, 2024 and 2023, accounted for 30.82%, 68.56% and 64.82% of our revenue from operations for the said period respectively. We cannot assure you that we can maintain the historical levels of business from Indian Railways or from above mentioned OEMs or that we will be able to replace these in case we lose any of them. Furthermore, major events affecting our clients, such as changes in government policies or insufficiency of government funds (in case of railways), change of management, mergers and acquisitions in other cases could impact our business.

Our reliance on Indian Railways for our business exposes us to risks, that may include, but are not limited to, reductions, delays or cancellation of orders from our clients, failure to negotiate favourable terms or the loss of these clients, all of which could affect financial position and future prospects of our Company. We have not faced any past instance wherein we have been blacklisted by Government or Indian Railways, however, there are a number of factors, other than our performance, that are not predictable and could cause our business from the Indian Railways to reduce. Though we enter into definitive agreements with our clients which may range up to 3 years and may further be extended as per the requirements of the contract, the success of our business is dependent on maintaining good relationship with them. If we are not able to continue to receive orders in the manner we have in the past from the Indian Railways, it would have a material adverse effect on our results of operations and financial conditions. In the past, certain contractual agreements have been terminated or suspended due to performance related issues, and any similar occurrences in the future could adversely affect our business operations. In addition, during an economic downturn, many of our competitors may be more inclined to take greater or unusual risks or terms and conditions in a contract that we might not deem as standard market practice or acceptable. As a result, we are subject to the risk of losing new awards to competitors thereby adversely impacting our business growth, financial condition and results of operations. In addition, we are supposed to deposit Earnest Money and performance guarantees to Indian Railways which are released only after the completion of assigned work order. There is no guarantee that our client will honour outstanding amounts in time and whether will be able to fulfil its obligations, due to any financial difficulties, cash flow difficulties, or a downturn in the global economy. If such events or circumstances occur our financial performance and our operating cash flows may be affected.

For details related to revenue from business operations, kindly refer section titled “***Financial Information of the Company***” beginning on Page 166 of this Draft Red Herring Prospectus.

***2. Our industry is labour intensive and our business operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.***

We are engaged in the business of executing various types of contractual railway projects and related services and manpower plays a key role for us in the delivery of essential services under various railway projects. We have a team of more than 800 skilled and semi-skilled employees as on August 31, 2025 and our labour expenses for the financial year ending March 31, 2025, 2024 and 2023 amounted to Rs. 511.55 lakhs, Rs. 249.24 lakhs and Rs. 81.87 Lakhs, respectively, which accounted for 12.97%, 8.24% and 3.16% of our total expenses for said periods respectively. We incur various employee benefits expense, including salaries and bonus, contribution to provident and other funds and staff welfare expenses and for the F.Y. ended March 31, 2025, March 31, 2024 and March 31, 2023 our employee benefits expense accounted to Rs. 1107.24 Lakhs, Rs. 1092.39 Lakhs and Rs. 917.06 Lakhs, respectively, representing for 28.07%, 36.10% and 35.38%, respectively, of our total expense for the respective year. For further details, kindly refer section titled “***Financial Information of the Company***” beginning on Page 166 of this Draft Red Herring Prospectus.

Our Company's performance depends on the continued service of our employees and workers or replacing them with equally capable persons. If we lose the services of any of these or other key individuals and are unable to find suitable replacements in a timely manner, our ability to realize our strategic objectives could be impaired. The attrition rate of the Company in FY 2022-23, 2023-24 and 2024-25 was approx. 10.29%, 55.06% and 31.75% respectively. We may also face challenges in retraining and redeploying our employees and workers to match new industry standards and changing client needs. So far, our operations have not been affected by strikes, work stoppages, or increased wage demands, however, if such issues arise in the future, they could negatively impact our business. The loss of our employees and workers,

particularly to competitors, could have a material adverse effect on our business and results of operations. For further details for employees of our Company, kindly refer section titled “***Our Business***” beginning on Page 116 of this Draft Red Herring Prospectus.

***3. Currently, we are delivering our goods and services to Indian Railways across various zones. Any adverse developments impacting our operations in these zones could negatively affect our revenue and overall financial performance.***

We generate a notable portion of our revenue from operations from Central Railway Zone and for the financial year ended March 31, 2025, March 31, 2024 & March 31, 2023, we derived 37.76%, 65.90% and 70.53% of total revenue from operations, respectively from Central Railway Zone. Further, we derived 60.47%, 83.11% and 84.14% of total revenue from operations from top-3 zones, respectively, for the financial year ended March 31, 2025, March 31, 2024 & March 31, 2023. For details related to total revenue from operations, kindly refer section titled “***Financial Information of the Company***” beginning on Page 166 of this Draft Red Herring Prospectus.

We have delivered our services across various zones in India including Central Railway, Western Railway, Eastern Railway, Northern Railway, North Eastern Railway, Northeast Frontier Railway, East Coast Railway, Southern Railway, South Central Railway, South Eastern Railway, North Western Railway etc. and we further seek to identify other untouched zones where we can provide with our goods and services. Our inability to expand into other areas may adversely affect our business prospects, financial conditions and results of operations.

***4. We conduct all our operations from our registered office and corporate office located in Mumbai, Maharashtra. Any materially adverse social, political, or economic developments, including civil disruptions in the state, may adversely impact our business operations.***

We carry our entire operations from our registered office and corporate office located at Mumbai, Maharashtra. Due to the geographical concentration of our registered office and corporate office at Maharashtra, our operations are prone to local, regional and environmental factors. Any materially adverse social, political or economic development, civil disruptions, or changes in the policies of the state government or central or local governments, may require a modification of our business strategy, or require us to incur significant capital expenditure or suspend our operations. Any such adverse development affecting continuing operations at our office could result in significant loss due to an inability to meet our sale orders and delivery schedules, which could materially affect our business reputation within the industry. Though no such events occurred in past, the occurrence of or our inability to effectively respond to any such events could have an adverse effect on our business, results of operations, financial condition, cash flows and future business prospects.

***5. We have significant working capital requirements. If we experience insufficient cash flows from our operations or are unable to borrow to meet our working capital requirements, it may materially and adversely affect our business, cash flows and results of operations.***

Our business requires significant working capital in connection with financing our inventory, providing performance guarantees which are generally maintained throughout the execution period of the project, providing earnest money deposits, purchase of materials etc. which may be adversely affected by changes in terms of credit and payment. We are required to maintain a high level of working capital as a large amount of our working capital is blocked in availing performance guarantee for our tenders, in trade receivables and inventories. Payments under ongoing purchase orders or of advance payments and/or accelerated payments to suppliers, fixed deposits to facilitate performance guarantees to our clients, making earnest money deposits could adversely affect our working capital, lower our cash flows and materially increase the amount of working capital to be funded. We may also be unable to adequately finance our working capital requirements on account of various factors, including extraneous factors such as delay in disbursements under our financing arrangements, increased interest rates, insurance or other costs, or borrowing and lending restrictions or finance our working capital requirements on commercially acceptable terms or at all, devolvement of our performance guarantees etc., each of which may have a material adverse effect on our business, financial condition, prospects and results of operations. Our working capital for the financial years ending 2023, 2024 and 2025 amounted to Rs. 758.14 Lakhs, 709.41 Lakhs and Rs. 1987.98 Lakhs respectively. Continued increase in our working capital requirements may have an adverse effect on our financial condition and results of operations. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations.

For details, kindly refer section titled “***Financial Information of the Company***” beginning on Page 166 and “***Objects of the Issue***” beginning on page 87 of this Draft Red Herring Prospectus.



**6. We do not own the registered office and corporate office from which we carry out our business activities. In case of nonrenewal of rent agreements or dispute in relation to use of the said premise, our business and results of operations can be adversely affected.**

Our office from which we carry out our business activities, are being taken by us on rent. We do not own the registered office and corporate office from which we carry out our business activities. While we have taken the corporate office on rent, our registered office is owned by our Promoter Tejas Lalit Mehta who has granted permission to use the said entity as the registered office through a no objection certificate (NOC). Though, there were no instances w.r.t. the revocation of NOC/ termination of lease agreements in past, any such event in future, may require us to vacate the said premises which may cause disruption in our corporate affairs and business and impede our effective operations which could temporarily impact on our business operations until we get suitable alternative premises. For details on the duration of existing rent/lease agreements for our premises, please refer to the section titled **“Our Business”** beginning on page 108 of this Draft Red Herring Prospectus.

There can be no assurance that we will, in the future, be able to renew the rent agreement or NOC for the existing locations on same or similar terms, or will be able to find alternate location for the registered and corporate office on similar terms favourable to us, or at all. We may also fail to negotiate the renewal of our rent agreement for our corporate office, either on commercially acceptable terms or at all, which could result in increased rental rates for subsequent renewals or searching of new location, affecting our financial condition and operations. In the event that the rent agreement is terminated or is not renewed on commercially acceptable terms, we may suffer a disruption in our business operations which could affect our business, financial condition and results of operations.

**7. Our current order book value is not necessarily indicative of future growth. These orders that constitute our current order book could be cancelled, put in abeyance, delayed, modified, put on hold or not paid for by our client, which could adversely affect our financial condition.**

Our business operations involve a lead time between allotment of work contract and its successful closeout & billing. We expend significant time and effort of our organization to ensure successful completion of our work contract. Even after expending significant time and effort we may not materialize an order which may consequently impact our business operations. As on September 29, 2025, we have an outstanding order book of 59 projects worth Rs. 14,409.81 Lakhs for Indian Railways comprising of various services. Although we have not encountered any past instances of order cancellations or orders being held in abeyance, certain contractual agreements have previously been terminated or suspended due to performance-related issues. We cannot assure you that such an event of cancellation of orders or orders being put in abeyance will not occur in future. Any potential disassociation with our clients in the future could adversely impact our ability to execute the existing order book.

Our order book value is neither an indicative of future growth nor is it a guarantee of future revenues. Further, our order book value is based on work orders which are considered firm orders. However, these orders may be exposed to several uncertainties, many of which are beyond our control, including cancellation, modification, withholding, partial or non-payment, or delays or suspensions in the implementation schedule. In the event our client renege on our work orders or payments terms, our anticipated revenues may not materialize and we may be required to seek recourse to dispute resolution mechanisms which could be time consuming and, or, expensive which could adversely affect our financial condition. While we expect our order book to translate into future revenues, we cannot assure you that such revenues will be realized on time or be profitable.

**8. We have experienced negative operating cash flows in the past. Any operating losses or negative cash flows in the future could adversely affect our results of operations and financial conditions.**

As per our Restated Consolidated Financial Statements, our cash flows are as set out below: -

Particulars	For the year ended		
	31-Mar-25	31-Mar-24	31-Mar-23
Net cash from operating activities	(497.11)	(203.32)	(156.82)
Net cash flow from investing activities	1,657.56	(561.99)	(241.08)
Net cash flow from financing activities	(703.36)	534.20	649.52

(Rs. in lakhs)

Cash flow of a company is a key indicator to show the extent of cash generated to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. Any operating losses or negative cash flows could adversely affect our results of operations and financial conditions. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

***9. The Objects of the Issue for which funds are being raised have not been appraised by any bank or financial institution. Any variation between the estimation and actual expenditure as estimated by the management could result in execution delays or influence our profitability adversely.***

The deployment of funds as stated in the “*Objects of the Issue*” beginning on page 87 of this Draft Red Herring Prospectus is entirely at the discretion of our management and has not been appraised by any independent agency. Further, the purposes for which the Net Proceeds are to be utilized i.e. for meeting working capital requirements of the Company, have not been appraised by an independent entity and are based on our estimates and on third-party quotations. In the event, for whatsoever reason, we are unable to execute our plans, we could have a significant amount of unallocated net proceeds. In such a situation, in accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, we cannot undertake any variation in the utilization of the Net Proceeds as disclosed in this Draft Red Herring Prospectus without obtaining the approval of shareholders of our Company through a special resolution. Any delay or inability in obtaining such approval of the shareholders of our Company may adversely affect our business or operations. Further, our Promoters would be required to provide an exit opportunity to the shareholders of our Company who do not agree with our proposal to modify the objects of the Issue, at a price and manner as prescribed by SEBI. Additionally, the requirement to provide an exit opportunity to such dissenting shareholders of our Company may deter our Promoters from agreeing to the variation of the proposed utilization of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoter will have adequate resources at their disposal at all times to enable them to provide an exit opportunity. In light of these factors, we may not be able to vary the objects of the Issue to use any unutilized proceeds of the Issue, if any, 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, if any, which may adversely affect our business and results of operations.

***10. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule.***

The proposed fund requirement for our Working Capital requirements, as detailed in the section titled “*Objects of the Issue*” is to be funded from the proceeds of this IPO. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute our future plans/strategy within the given timeframe. For details, please refer to the Chapter titled “*Objects of the Issue*” beginning on page 87 of this Draft Red Herring Prospectus.

***11. Our business, growth prospects and financial performance largely depends on our ability to obtain new contracts, and there is no assurance that we will be able to procure new contracts.***

We actively participate in the competitive bidding process for various projects on an ongoing basis, with a focus on Railway maintenance. The Government of Railway typically awards contracts through a competitive bidding process, contingent upon meeting specified qualification criteria. Our bid to win ratio for the financial year ending March 31, 2025, 2024 and 2023 is 13.82%, 19.13% and 20.83% respectively. It is important to acknowledge that there is no guarantee of our ability to fulfil these criteria in the future, whether independently or in collaboration with joint venture partners. Furthermore, we cannot provide assurance that we will be chosen to bid on contracts for which we are qualified, or that our submitted bids, whether pending or already submitted, will be accepted. In case we face challenges in securing new contracts, it will have a significant and adverse impact on our business.

***12. Our Company is dependent on limited number of suppliers, within limited geographical locations for procurement of certain products as tools or consumables to be supplied to our clients. Any delay, interruption or reduction in the supply of such goods may affect our business, results of operations, cash flows and financial condition.***

We are dependent on third party suppliers for certain products to be used as tools or consumables. We source such material from various domestic suppliers. For the financial year ended March 31, 2025, 2024 & 2023, purchases from our top ten suppliers amounted to Rs. 1287.57 Lakhs, Rs. 2203.14 Lakhs and Rs. 1386.40 Lakhs respectively, which represented 90.85%, 91.33% and 87.50% of our total material purchases, respectively, for the said period. We do not have any long-term supply contracts with these suppliers and therefore, we cannot assure that we shall always have a steady supply of material at prices favorable to us.

Any disruption of supply of materials from such suppliers could adversely impact our business if we are unable to replace such suppliers in a timely manner. We cannot assure you that we will be able to enter into new arrangements with suppliers on terms acceptable to us, which could have an adverse effect on our ability to source materials in a commercially viable and timely manner, if at all, which may impact our business and profitability.

Additionally, we source our material requirements indigenously. Major portion of our purchases of materials for the financial year ended March 31, 2025, 2024 and 2023 is from the state of Maharashtra which is 68.22%, 96.14% and 95.17% of the total purchases of material, respectively, for the said period. Our cost of materials consumed constituted a significant component of our expenditure and in financial year ending March 31, 2025, 2024 and 2023 the same were Rs. 1417.26 Lakhs, Rs. 2412.22 lakhs and Rs. 1584.42 lakhs respectively, which constituted 35.93%, 79.72% and 61.13%, respectively, of our total expenses. For details related to purchases of raw material, kindly refer section titled “***Financial Information of the Company***” beginning on Page 166 of this Draft Red Herring Prospectus.

Though, there have been no past disruptions in the supply of tools or consumables from the state of Maharashtra to the Company, any inadequate supply of required material or stock caused either by a sudden change in the prices or imposition of any new taxes or loss of any of our existing major vendors for any reason or any adverse change in the policies of Central/State Government may affect the availability of such material which could have a material adverse effect on our business operations and profitability. Further, any materially adverse social, political or economic development, civil disruptions or changes in the policies of the state government or local governments may affect our continuing business operations which could materially affect our business reputation within the industry. If we cannot fully offset increases in the cost of materials, through increases in the prices for our products, we would experience lower margins and profitability, which would have a material adverse effect on our financial condition and results of operations. Our ability to remain competitive, maintain costs and profitability depend, in part, on our ability to source and maintain a stable and sufficient supply of raw materials at acceptable prices. Further, discontinuation of such supply or a failure of these suppliers to adhere to the delivery schedule or the required quality could hamper our production schedule and therefore affect our business and results of operations.

If we were to experience a significant or prolonged shortage of material from any of our suppliers and we cannot procure such material from other sources, we would be unable to meet the demand for our products and to deliver such products to our clients in a timely manner, which would adversely affect our sales, margins and relations. Further, our Company has outstanding dues of trade payables for the Fiscal years ending 2025, 2024 and 2023 of Rs. 824.14 lakhs, Rs. 1019.43 Lakhs and Rs. 637.00 lakhs respectively for the said period.

For details related to outstanding trade payables, kindly refer section titled “***Financial Information of the Company***” beginning on Page 166 of this Draft Red Herring Prospectus.

***13. We are subject to strict quality requirements and client inspections, 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 are engaged in the business of executing various types of contractual railway projects and related services. Given the nature of our services and the sector in which we operate, our clients have high standards for quality of products or components which are utilized in the delivery of our contractual railway projects and associated delivery schedules. The tools and components to be utilized are generally pre-determined and are required to meet specified quality standards which are supplied after RITES (Rail India Technical and Economic Service) inspection, however, as per the requirements of the project the material is also procured from the open market or from our OEMs,

As part of quality assurance requirements, if specified in the tenders, the Company shall deploy Qualified Graduate Engineer(s) or equivalent personnel, failing which, a penalty shall be applicable. Adherence to quality standards is a critical factor as a defect in products or services provided by our Company or failure to comply with the specifications of our clients may, in turn, lead to the faulty end products or services. If the material procured from the open market or OEMs does not meet the required quality standards, it may have a negative impact on the business or reputation of the Company. This may lead to cancellation of orders by our clients and at certain instances may impose additional costs in the form of damages or penalties. Further our processes are exposed to regular inspection by our clients to ensure that their internal standards are appropriately met. Any non-compliance observed during inspection may have an adverse impact on our business, financial condition, results of operations and future prospects.

***14. Tender are typically awarded to us on satisfaction of prescribed pre-qualification criteria and following a competitive bidding process. Our business and our financial condition may be adversely affected if new projects are not allotted to us.***

Open Tenders typically have two bidding systems. One is technical bid and another is financial bid. Technical bid cover technical ability ageing, years of experience, size of man power, Quality certifications, past performance, reputation for quality, safety record and size of previous contracts/projects in similar projects. Financial bid cover financial strength,

financials for the previous three (3) years, turnover, net worth, solvency certificates etc. Price bid is also made with technical & financial bidding. However, price competitiveness still is a significant selection criterion.

This technical and sufficiency of financial resources are important considerations in awarding contracts, there can be no assurance that we would be able to meet such technical and financial qualification criteria. Further, once prospective bidders satisfy the prequalification requirements of the tender, the project is usually awarded on the basis of price competitiveness of the bid. We generally incur significant costs in the preparation and submission of bids, which are onetime non-reimbursable costs. The ratio of such tender charges varies depending on the nature of the project and the procurement platform. For instance, when tenders are submitted through the Government e-Marketplace (GeM) portal, tender charges amount to 0.30% of the order value for orders exceeding Rs. 10 lakhs but less than Rs. 10 crores. For orders valued at Rs. 10 crores or above, the tender charges are fixed at Rs. 3.00 lakhs. Conversely, when tenders are applied through the Indian Railways E-Procurement System (IREPS) portal, the tender charges vary from nil to Rs. 0.10 lakhs, depending on the specific tender conditions. We cannot assure you that we would be bidding for projects, where we are pre-qualified to submit a bid, or that our bids, when submitted or if already submitted, would result in projects being awarded to us. For the financial year ending March 31, 2025, 2024 and 2023 expenses related to Tender charges were Rs. 4.58 lakhs, Rs. 4.69 lakhs and Rs. 4.64 lakhs respectively

For details, kindly refer section titled “*Financial Information of the Company*” beginning on Page 166 of this Draft Red Herring Prospectus.

***15. As an integral aspect of our business operations, it is necessary for us to provide Security deposit and performance guarantees. Failing to secure these guarantees or the activation of such guarantees has the potential to negatively impact our cash flows and financial standing.***

In alignment with industry norms for the fulfilment of contractual obligations for our contracts, generally we are required to provide Earnest Money Deposits along with Security Deposit & Performance guarantee to Indian Railways. The amount of Earnest Money Deposits, to be provided by the Company at the initial stage of work contract, accounts for approximately 2 percent of contract value if value of contract is upto Rs. 1 crore and if the value of contract is more than Rs. 1 crore the earnest money deposit shall be Rs.2 lakhs plus half percent of the excess of the cost of work beyond Rs. 1 crore, subject to a maximum of Rs. 1 crore. Further, we are required to furnish performance guarantees in the form of fixed deposits and along with the same in some cases, client also holds some amount as security deposits at the time of final bill. The amount of Performance Guarantee and Security Deposits together shall be up to 10% of the total value of the work orders. The amount of EMD & Performance Guarantee is required to be furnished upon receipt of purchase orders and the amount of Security Deposits is deducted from the final bill. This is generally retained by our client till the Defect Liability Period of the Projects, which generally varies from 1-3 years or such extended period as defined in the specific work orders. Typically, these guarantees and deposits are issued to the pertinent authorities with whom contractual arrangements for our contracts have been established. However, a potential challenge lies in consistently securing new performance guarantees in quantities commensurate with our operational requirements. Difficulties in providing sufficient collateral in the form of fixed deposits to underpin these guarantees may impede our capacity to enter into new contracts and procure essential supplies.

Our inability to arrange such deposits and guarantees or the invocation of such guarantees may adversely affect our cash flows and financial condition. If we are unable to provide required security deposits or sufficient collateral to secure the performance guarantees, our ability to procure new purchase orders could be limited and could have a material adverse effect on our business, results of operations and financial condition. Providing security to obtain performance guarantees also increases our working capital requirements. The invocation of such guarantees in relation to our purchase orders or forfeiture of security deposits could have an adverse effect on our business, results of operation, and financial condition.

For details, kindly refer section titled “*Financial Information of the Company*” beginning on Page 166 of this Draft Red Herring Prospectus.

***16. Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject and this may have a material effect on our business and financial condition.***

Our operations are subject to accidents which are inherent to any business such as risks of employee accidents, fire, earthquakes, flood and other force majeure events, acts of terrorism and explosions including accidents that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environment. We have taken ICICI Bharat Sookshma Udyam Suraksha from ICICI Lombard for our registered office which provide general insurance to building, furniture fixtures & fittings. Along with this, we have taken Vehicle Insurance from Reliance General Insurance

and have taken Life Insurance Policy for our promoter Tejas Lalit Mehta from ICICI Prudential life insurance. Below are the details of insurance policies taken by the Company:

Sr. No.	Particulars	Policy No.	Insurer Company's Name	Time Period	Sum Insured – Rs. In Lakhs
1.	Private car package policy	110422523110050426	Reliance General Insurance	From July 31, 2025 to July 30, 2026.	12.00
2.	Life insurance policy (For Tejas Lalit Mehta)	96857758	ICICI Prudential Life Insurance	From March 31, 2021 to March 31, 2029	50.00
3.	ICICI Bharat Sookshma Udyam Suraksha	1016/407948133 /00/000	ICICI Lombard General Insurance Company Limited	September 12, 2025 to September 11, 2026	109.25

In past, there were no instances where we have made insurance claims, however, there can be no assurance that any claims under the aforesaid insurance policies will be fully honoured, partially honoured, or paid in a timely manner, nor can we assure that we have sufficient insurance coverage (either in terms of amount or risks covered) to address all material losses. Our insurance policies are subject to annual renewal and may include exclusions or limitations in coverage, and we cannot guarantee that we will be able to renew them on similar or acceptable terms.

Further, we have not taken insurance in respect of our corporate office situated in Mumbai. Failure to effectively cover ourselves against the associated risks may potentially lead to material losses. If we suffer a significant uninsured loss or if insurance claim in respect of the subject matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected.

**17. We have in the past entered into related party transactions and may continue to do so in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our Company's financial condition and results of operations.**

We have entered into various transactions with our Directors/ Promoters, Promoter Group members and Group company. These transactions, inter-alia include, remuneration, loans and advances, sales, purchase etc. For details of amount of such transactions, please refer to “**Annexure – AB - Related Party Transactions**” under Section titled “**Financial Information of the Company**” of this Draft Red Herring Prospectus. Our Company has entered such transactions due to easy proximity and quick execution on arms-length price in compliance with provisions of Companies Act 2013 and other applicable laws. Although all related-party transactions that we may enter into in the future are subject to approval by Board or shareholders, as required under the Companies Act, we cannot assure you that such future transactions or any other future transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favourable terms if such transactions are not entered into with related parties.

Furthermore, it is likely that we may enter into related party transactions in the future. Any future transactions with our related parties could potentially involve conflicts of interest. Accordingly, there can be no assurance that such transactions, individually or in the aggregate, will not have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

Kindly refer related party transactions for the last three years including percentage of related party transactions as compared to revenue:

		Amount in Rs. lakhs		
(i) Transactions with Directors/KMP		31-Mar-25	31-Mar-24	31-Mar-23
Revenue From Operation		4,448.42	3,146.84	2,660.11
1	Tejas Lalit Mehta			
	Opening balance of Loan taken by the Company	1,827.02	1,678.67	359.09
	% to Revenue	41.07	53.34	13.50
	Loan Taken by the Company	791.93	459.73	1,387.49
	% to Revenue	17.80	14.61	52.16
	Loan Repaid by the Company	2,432.50	313.18	69.71

	% to Revenue	54.68	9.95	2.62
	Interest on Loan	-	-	-
	% to Revenue	-	-	-
	Director Remuneration	1.80	1.80	1.80
	% to Revenue	0.04	0.06	0.07
	<b>Closing Balance-Cr</b>	<b>188.25</b>	<b>1,827.02</b>	<b>1,678.67</b>
	% to Revenue	4.23	58.06	63.11
<b>2</b>	<b>Jagruiti Tejas Mehta</b>			
	Opening balance of Loan taken by the Company	420.50	412.38	393.98
	% to Revenue	9.45	13.10	14.81
	Loan Taken by the Company	315.15	75.00	67.60
	% to Revenue	7.08	2.38	2.54
	Loan Repaid by the Company	331.83	68.68	51.00
	% to Revenue	7.46	2.18	1.92
	Interest on Loan	-	-	-
	% to Revenue	-	-	-
	Director Remuneration	1.80	1.80	1.80
	% to Revenue	0.04	0.06	0.07
	<b>Closing Balance-Cr</b>	<b>405.62</b>	<b>420.50</b>	<b>412.38</b>
	% to Revenue	9.12	13.36	15.50
<b>3</b>	<b>Dhara Tejas Mehta</b>			
	Opening balance of Loan taken by the Company	118.30	119.20	96.70
	% to Revenue	2.66	3.79	3.64
	Loan Taken by the Company	-	-	31.20
	% to Revenue	-	-	1.17
	Loan Repaid by the Company	76.65	0.90	8.70
	% to Revenue	1.72	0.03	0.33
	Interest on Loan	-	-	-
	% to Revenue	-	-	-
	Director Remuneration	-	-	-
	% to Revenue	-	-	-
	<b>Closing Balance-Cr</b>	<b>41.65</b>	<b>118.30</b>	<b>119.20</b>
	% to Revenue	0.94	3.76	4.48
<b>(ii) Transactions with Relative of Director &amp; KMP</b>				
<b>1</b>	<b>Lalit R Mehta</b>			
	Opening balance of Loan taken by the Company	-	-	690.32
	% to Revenue	-	-	25.95
	Loan Taken by the Company	-	-	139.48
	% to Revenue	-	-	5.24
	Loan Repaid by the Company	-	-	829.80
	% to Revenue	-	-	31.19
	Interest on Loan	-	-	-
	% to Revenue	-	-	-
	<b>Closing Balance-Cr</b>	-	-	-
	% to Revenue	-	-	-
<b>2</b>	<b>Tejas Lalit Mehta HUF</b>			
	Purchases/Labour Charges	74.93	-	-
	% to Revenue	1.68	-	-
	Loan Given by the Company	0.92	2.30	7.56
	% to Revenue	0.02	0.07	0.28
	Loan Return to the Company	0.92	2.30	7.56
	% to Revenue	0.02	0.07	0.28
	Interest on Loan	-	-	-
	% to Revenue	-	-	-

	<b>Closing Balance-Cr</b>	-	-	-
	% to Revenue	-	-	-
<b>3</b>	<b>Lalit R Mehta HUF</b>			
	Purchases/Labour Charges	56.00	268.76	68.88
	% to Revenue	1.26	8.54	2.59
	Loan Given by the Company	0.64	7.51	13.17
	% to Revenue	0.01	0.24	0.50
	Loan Return to the Company	0.64	7.51	13.17
	% to Revenue	0.01	0.24	0.50
	Interest on Loan	-	-	-
	% to Revenue	-	-	-
	<b>Closing Balance-Cr</b>	-	<b>1.22</b>	-
	% to Revenue		0.04	
<b>4</b>	<b>Megha Tejas Mehta</b>			
	Opening balance of Loan taken by the Company	63.44	63.94	82.95
	% to Revenue	1.43	2.03	3.12
	Loan Taken by the Company	-	-	44.05
	% to Revenue	-	-	1.66
	Loan Repaid by the Company	60.25	0.50	63.05
	% to Revenue	1.35	0.02	2.37
	Interest on Loan	-	-	-
	% to Revenue	-	-	-
	<b>Closing Balance-Cr</b>	<b>3.19</b>	<b>63.44</b>	<b>63.94</b>
	% to Revenue	0.07	2.02	2.40
<b>(iii) Enterprises in which KMP/Relatives of KMP can exercise significant influence</b>				
<b>1</b>	<b>Medha Family Office LLP</b>			
	Consultancy Charges (excl GST)	16.05	1.50	-
	% to Revenue	0.36	0.05	-
	Purchases of Raw Material	-	-	-
	% to Revenue	-	-	-
	Advance for Goods	-	-	-
	% to Revenue	-	-	-
	<b>Closing Balance - Cr</b>	-	<b>1.62</b>	-
	% to Revenue	-	0.05	-
<b>2</b>	<b>Dhara Industries</b>			
	Labour Charges	67.41	-	-
	% to Revenue	1.52	-	-
	Loan Given by the Company	-	-	5.11
	% to Revenue	-	-	0.19
	Loan Return to the Company	-	-	5.11
	% to Revenue	-	-	0.19
	Interest on Loan	-	-	-
	% to Revenue	-	-	-
	<b>Closing Balance-Cr</b>	-	-	-
	% to Revenue	-	-	-
<b>3</b>	<b>Perfect Enterprises</b>			
	Sales	-	23.15	-
	% to Revenue	-	0.74	-
	Labour Charges	59.20	-	-
	% to Revenue	1.33	-	-
	Loan Given by the Company	-	-	6.44
	% to Revenue	-	-	0.24
	Loan Return to the Company	-	-	6.44
	% to Revenue	-	-	0.24

	Interest on Loan	-	-	-
	% to Revenue	-	-	-
	<b>Closing Balance-Cr</b>	-	<b>0.46</b>	-
	% to Revenue	-	0.01	-
<b>4</b>	<b>Safety Projects Pvt. Ltd.</b>			
	Sales	-	-	-
	% to Revenue	-	-	-
	Purchase	0.26	0.65	0.89
	% to Revenue	0.01	0.02	0.03
	<b>Closing Balance-Cr</b>	-	-	<b>0.10</b>
	% to Revenue	-	-	0.004
<b>5</b>	<b>PE-DRPPL JV</b>			
	Sales	-	22.10	31.93
	% to Revenue	-	0.70	1.20
	Purchases	18.39	258.40	51.48
	% to Revenue	0.41	8.21	1.94
	Loan Given by the Company	-	2.30	0.38
	% to Revenue	-	0.07	0.01
	Loan Return to the Company	-	2.30	2.79
	% to Revenue	-	0.07	0.10
	Advance (Received)/Return	126.00	-126.00	-
	% to Revenue	2.83	-4.00	-
	<b>Closing Balance-Cr</b>	-	<b>126.00</b>	-
	% to Revenue	-	4.00	-
<b>6</b>	<b>DRESL-DRPPL JV</b>			
	Sales	184.60	207.34	94.95
	% to Revenue	4.15	6.59	3.57
	Loan Given by the Company	-	5.76	25.94
	% to Revenue	-	0.18	0.98
	Loan Return to the Company	-	279.98	49.20
	% to Revenue	-	8.90	1.85
	<b>Closing Balance-Dr.</b>	-	<b>105.27</b>	<b>255.54</b>
	% to Revenue	-	3.35	9.61

**18. Inventories and trade receivables form a major part of our current assets. Failure to manage our inventory and trade receivables could have an adverse effect on our sales, profitability, cash flow and liquidity.**

Our Company's business is working capital intensive and hence, inventories and trade receivables form a major part of our current assets. The results of operations of our business are dependent on our ability to effectively manage our inventory (purchases of material) and trade receivables. To effectively manage our inventory, we must be able to accurately estimate client's demand / potential orders and supply requirements and purchase new inventory accordingly. However, if we misjudge expected demand / potential orders, it could cause either a shortage of products or an accumulation of excess inventory. During FY 2024-25, 2023-24 and 2022-23, our inventories were Rs. 212.52 Lakhs, Rs. 912.46 lakhs and Rs. 104.22 lakhs, respectively.

Further, a significant portion of our Company's working capital is tied up in trade receivables due to the nature of the billing cycle. Delays in recoveries and / or write offs could lead to a liquidity crunch, thereby adversely affecting our business and results of operations. During FY 2024-25, 2023-24 and 2022-23 our trade receivables were Rs. 2098.07 Lakhs, Rs. 587.39 lakhs and Rs. 474.73 lakhs, respectively. In the past three years, we have incurred bad debts amounting to Rs. 0.37 lakhs in FY 2022-23 amounting to 0.014% of total revenue from operations in said year and there is no assurance that similar losses will not occur in the future. A liquidity crunch may also result in increased working capital borrowings and, consequently, higher finance cost which will adversely impact our profitability.

For details related to inventory and trade receivables, kindly refer section titled "**Financial Information of the Company**" beginning on Page 166 of this Draft Red Herring Prospectus.



**19. Our company has not complied with certain statutory provisions of the Companies Act, 2013. Any penalty or action taken by any regulatory authorities in future, for non-compliance with provisions of corporate and other law could impact the reputation and financial position of the Company to that extent.**

Our Company has not complied with certain provisions of the Companies Act, 2013, which inter-alia includes non-filing of Form CHG-1 for registration of a charge created in connection with an overdraft facility against a fixed deposit, which constituted a technical non-compliance under Section 77 of the Companies Act, 2013. However, the overdraft facility secured against the fixed deposit has been closed by the Company. Further, the Company had not prepared consolidated financial statements for the financial years 2018-19 to 2023-24 in respect of its joint ventures. The Company has since rectified this by preparing audited consolidated financial statements, which were duly approved by the Board of Directors on September 16, 2025 and have been incorporated in the Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus.

Although, no show cause notice in respect of the non-compliance has been received by the Company till date, any penalty imposed for such noncompliance in future by the any regulatory authority could affect our financial conditions to that extent. In case of any action being taken by the regulatory authorities against the Company and/or its officers, the same may have an adverse effect on our business and reputation.

**20. The Company has entered into Joint Venture (JV) agreements which has been formed to engage in similar line of business, which can affect our company because of the Potential Conflict of Interest.**

Our Company, from time to time, enters into certain joint venture agreements for the purposes of execution of railway projects. As of the date of this Draft Red Herring Prospectus, we have entered into two such agreements in the name of M/s. DRESPL-DRPPL JV and PE-DRPPL JV. Since such Joint ventures have been formed to engage in similar line of business, potential conflicts of interest while availing business opportunities may arise.

However, our Company will ensure necessary procedures and practices as permitted by laws and regulatory guidelines to address situations of conflict of interest as and when they arise. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition which may adversely affect our profitability and results of operations.

**21. Our Company operates under several statutory and regulatory permits, licenses and approvals. Our inability to obtain, renew or retain the statutory and regulatory licenses, permits and approvals required to operate our business may have an adverse effect on our business & operations.**

We require certain statutory and regulatory permits, licenses and approvals to operate our business. We believe that we have obtained those permits and licenses which are adequate to run our business, except for our registration under labour welfare fund. We cannot assure that there is no other statutory/regulatory requirement which we are required to comply with. Further, some of these approvals are granted for fixed periods of time and need renewal from time to time. We are required to renew such permits, licenses and approvals. Failure by us to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

Further, the company has received all the government approvals in its new name i.e. Dhara Rail Projects limited after conversion into public Limited, except for the below for which the Company has filed the application and which are under the process of name change:

Sr. No.	Nature of Registration/ License	Date of Application	Status
1.	Registration under Employees' State Insurance Corporation	October 15, 2025	Applied for
2.	Certificate of Enrolment for Professional Tax (P.T.E.C.)	November 03, 2025	Applied for
3.	Certificate of Registration for Professional Tax (P.T.R.C.)	November 03, 2025	Applied for
4.	Trademark Application under Class 37	September 22, 2025	Formalities Chk Pass

We cannot assure you that the approvals, licenses, registrations and permits required will be issued to us and those already issued will not be suspended or revoked in the event of non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any denial, suspension or revocation of the approvals, licenses, registrations and permits that has been or may be issued to us may affect our business and results of operations.

For further details regarding the material approvals, licenses, registrations and permits, which have not been obtained by our Company or are, pending renewal, see "**Government and Other Approvals**" on page 231 of this Draft Red Herring Prospectus.

***23. Compliance with, and changes in, safety, health and environmental laws and labour regulations may adversely affect our business, prospects, financial condition and results of operations.***

Our operations are subject to central, state, and local laws and regulations relating to the protection of the environment and occupational health and safety, including those governing the generation, handling, storage, use, management, transportation and disposal of, or exposure to, environmental pollutants or hazardous materials resulting from our business processes. Due to the nature of our business, along with extensive and increasingly stringent environmental, health and safety laws and regulations, various labour related laws and regulations are also applicable on us.

The scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted and hence the costs and time required to comply with these requirements could be significant. Amendments to such statutes may impose additional provisions to be followed by our Company and accordingly the Company needs to incur clean-up and remediation costs, as well as damages, payment of fines or other penalties, closure of facilities for non-compliance, other liabilities and related litigation. Though no such instances of non-compliance with safety, health and environmental laws and labour regulations were faced in past, any future occurrence of such events could adversely affect our business, prospects, financial condition and results of operations.

***28. Adverse publicity regarding our products and services could negatively impact us and may cause the Company substantial costs which in turn could adversely affect our goodwill and our sales could be diminished.***

Like any other business our business also relies on our service quality which enables us to gain client trust. Adverse publicity regarding any of our products and services or similar products marketed or sold by others could negatively affect us. Though we have not faced any such adverse publicity in past, if any studies raise or substantiate concerns regarding the efficacy or safety of our products or other concerns, our reputation could be harmed and demand for our products & services could diminish, which could have a material adverse effect on growth in new clients and sales of our product & services, leading to a decline in revenues, cash collections, and ultimately our ability to meet operating cash flow requirements. We currently carry no service liability insurance with respect to our services. Although we attempt to maintain quality standards, we cannot assure that all our services would be of uniform quality, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity.

***32. One of the natures of our business model from government /tenders exposes us to liability claims and contract disputes and our indemnities may not adequately protect us. Any liability in excess of our reserves or indemnities could result in additional costs, which would reduce our profits.***

Time is the essence in our projects. We typically enter into contracts with government, which provide for liquidated damages for time overruns and which may range up to 3 years and further be extended as per the requirements of the contract. In the event there are delays in our current or future orders and we are unable to receive extensions from our clients, we may be exposed to late delivery charges, liquidated damages and termination apart from entailing significant cost and time overruns. Further, the contracts generally include provisions permitting our clients to terminate the agreement at their convenience and if contracts are terminated prematurely, Company may not receive payments otherwise due to company which may result in a material adverse effect on business, financial condition and results of operations.

We are generally required to furnish performance guarantees to our contractors. In the event we fail to perform under the terms of a contract, such performance guarantee may be called upon by our client, which could adversely affect our financial condition and results of operations. Failure to effectively cover ourselves against any of these reasons could expose us to substantial costs and potentially lead to material losses. In addition, if there is a client dispute regarding our product or deliveries, it may delay or withhold payment to us. In the past, certain contractual agreements have been terminated or suspended due to performance related issues. Faults in technical specifications might also lead to order rejection or modification, which may not be foreseen.

***33. Technology failures or Cyber-attacks or other security breaches could have a material adverse effect on our business, results of operation or financial condition.***

IT systems are critical to our ability to manage our operations. Our IT systems enable us to coordinate our operations, from planning, material ordering, invoicing, delivery, client relationship, management and decision support. If we do not allocate

and effectively manage the resources necessary to build and sustain the proper IT infrastructure, we could be subject to transaction errors, processing inefficiencies, client service disruptions and, in some instances, loss of clients.

We face cyber threats, threats to the physical security of our facilities and employees, the potential for business disruptions associated with IT failures, natural disasters, or public health crises. We have installed anti-virus software to prevent our systems and infrastructure from being infected and crippled by computer viruses. All our internet facing servers installed at all our data centres as well as at all our offices are also secured with firewalls and intrusion prevention systems to prevent hacking. Even though we have always been cautious in managing our IT system and have not faced any cyber threats, technology failure or other security breaches in past, if we are unable to protect sensitive information in future, our clients could question the adequacy of our threat mitigation and detection processes and procedures. Due to the evolving nature of these security threats, the impact of any future incident cannot be predicted.

***35. We propose to repay or prepay all or a portion of certain outstanding borrowings availed by our Company from the Net Proceeds of the Issue, and there can be no assurance that such repayment or prepayment will improve our financial condition or result in any significant benefit to our Company.***

As disclosed in the Objects of the Issue, a portion of the Net Proceeds is proposed to be utilized for the repayment or prepayment, in full or in part, of certain borrowings availed by our Company. While we believe this will help reduce our interest burden and improve our leverage position, there can be no assurance that such repayment or prepayment will lead to any significant improvement in our financial condition or operational flexibility. Further, early repayment may result in the loss of existing credit lines or prepayment penalties, and we may need to incur additional debt in the future to meet our working capital or expansion needs. Any such future borrowings may be on terms less favourable than our existing arrangements. Accordingly, there is no guarantee that the intended use of proceeds towards debt reduction will result in long-term financial or strategic benefits for our Company.

***36. We have incurred indebtedness which exposes us to various risks which may have an effect on our business and results of operations. Further, we are required to comply with certain restrictive covenants under our financing agreements and any non-compliance may lead to, amongst others, accelerated repayment schedule and suspension of further drawdowns, which may adversely affect our business, results of operations, financial condition and cash flows.***

Our ability to borrow and the terms of our borrowings will depend on our financial condition, the stability of our cash flows, general market conditions, economic and political conditions in the markets where we operate and our capacity to service debt. As on March 31, 2025, our total outstanding indebtedness was Rs. 2132.96 lakhs

Our significant indebtedness in future may result in substantial amount of debt service obligations which could lead to:

- a) increasing our vulnerability to general adverse economic, industry and competitive conditions;
- b) limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
- c) affecting our credit rating;
- d) limiting our ability to borrow more money both now and in the future; and
- e) increasing our interest expenditure and adversely affecting our profitability.

If the loans are recalled on a shorter notice, we may be required to arrange for funds to fulfil the necessary requirements. The occurrence of these events may have an effect on our cash flow and financial conditions of the company.

Further, we have availed credit facilities with banks to meet our working capital requirements which contain specific covenants which require us to obtain the prior approval/ permission from the banks on the occurrence of certain events such as formulation of any scheme of amalgamation or reconstruction, undertaking of any new project or expansion, making any substantial change in our management set up, any change in our capital structure resulting in reduction of capital, etc. While we have obtained necessary consents from our lenders for the Issue, there can be no assurance that such consents will be granted or that we will be able to comply with the financial covenants under our financing arrangements. In the event we breach any financial or other covenants contained in any of our financing arrangements, we may be required under the terms of such financing arrangements to immediately repay our borrowings either in whole or in part, together with any related costs. This may adversely impact our results of operations and cash flows. For further details regarding our indebtedness and other banking facilities, please see “***Statement of Financial Indebtedness***” on page 213 of this Draft Red Herring Prospectus.

**40. We are subject to the risk of failure of, or a material weakness in, our internal control systems.**

We are exposed to risks arising from the inadequacy or failure of internal systems or processes, and any actions we may take to mitigate these risks may not be sufficient to ensure an effective internal control environment. Given our high volume of transactions, errors may be repeated or compounded before they are discovered and rectified. Our management information systems and internal control procedures may not be able to identify non-compliance or suspicious transactions in a timely manner, or at all. Though no material weakness in our internal control system has been faced in past, if internal control weaknesses are identified in future, our actions may not be sufficient to fully correct such weaknesses. In addition, several of our collection related processes are yet to be fully automated, which may increase the risk that human error, tampering or manipulation will result in losses that may be difficult to detect. As a result, we may incur expenses or suffer monetary losses, which may not be covered by our insurance policies and may result in a material effect on our business, financial condition and results of operations.

**44. We are dependent on third party transportation providers for the delivery of material and the provision of our services. Accordingly, continuing increases in transportation costs or unavailability of transportation services for them, as well the extent and reliability of Indian infrastructure may have an adverse effect on our business, financial condition, results of operations and prospects.**

We rely on third-party transportation providers for the delivery of materials and the provision of our services. Consequently, transportation strikes or disruptions could adversely affect the timely receipt of materials and hinder our ability to deliver products.

In addition, transportation costs in India have been steadily increasing over the past several years. Continuing increases in transportation costs or unavailability of transportation services for our products may have an adverse effect on our business, financial condition, results of operations and prospects.

In addition, India's physical infrastructure is less developed which may create problems like road networks, communication systems or any other public facility could disrupt our normal business activity, including the delivery of our products. These problems, though not encountered in past, could interrupt our business operations in future, which could have a material adverse effect on our results of operations and financial condition.

**46. Any Penalty or demand raised by statutory authorities in future will affect our financial position of the Company.**

Our Company is engaged in the business of executing various types of contractual railway projects and related services which attracts tax liability such as Goods and Service tax and Income tax as per the applicable provisions of Law. We are also subject to the labour laws like depositing of contributions with Provident Fund, ESI and Professional Tax. During the past, our Company has delayed payments of statutory dues such as the depositing of GST, Professional Tax, ESI and provident fund contributions. Such delays were mainly on account of technical glitches in the regulatory website and sometimes due to delay in preparation of information required for filing such return by the Company.

We have taken all the necessary approvals and deposited the required returns and taxes, along with applicable interest, under various applicable Acts and have also appointed Chief Financial Officer to oversee such compliance matters, but any demand or penalty raised by the concerned authority in future for any previous year and current year will affect the financial position of the Company.

Some instances of delay related to statutory compliances in the past are as follows:

**EPF Payments- FY 2022-23**

Sr No.	Month	Due date of payment	Date of Payment
1	April	May 15, 2022	June 16, 2022 & September 20, 2022
2	May	June 15, 2022	June 16, 2022 & October 18, 2022
3	June	July 15, 2022	July 16, 2022, September 24, 2022, October 18, 2022, August 11, 2022, August 16, 2022 & August 18, 2022.
4	July	August 15, 2022	August 16, 2022, August 17, 2022 & October 01, 2022 & October 18, 2022
5	August	September 15, 2022	September 21, 2022, September 24, 2022 & December 15, 2022
6	September	October 15, 2022	October 18, 2022 & December 15, 2022
7	October	November 15, 2022	December 14, 2022, January 16, 2023 & May 13, 2023

8	November	December 15, 2022	December 16, 2022 & May 13, 2023
9	December	January 15, 2023	January 17, 2023 & May 13, 2023
10	January	February 15, 2023	February 17, 2023, February 23, 2023 & May 13, 2023
11	February	March 15, 2023	May 13, 2023
12	March	April 15, 2023	May 13, 2023

**EPF Payments- FY 2023-24**

Sr No.	Month	Due date of payment	Date of Payment
1	May	June 15, 2023	June 17, 2023
2	June	July 15, 2023	July 17, 2023
3	October	November 15, 2023	November 16, 2023
4	February	March 15, 2024	March 16, 2024 & March 20, 2024

**ESI Payments- FY 2022-23**

Sr No.	Month	Due date of payment	Date of Payment
1	April	May 15, 2022	September 21, 2022
2	May	June 15, 2022	June 16, 2022 & October 18, 2022
3	June	July 15, 2022	July 16, 2022, July 23, 2022 & October 18, 2022
4	July	August 15, 2022	August 18, 2022, October 01, 2022, October 12, 2022 & October 18, 2022
5	August	September 15, 2022	September 20, 2022 & October 17, 2022
6	October	November 15, 2022	November 17, 2022, December 15, 2022 & January 16, 2023
7	January	February 15, 2023	February 15, 2023

**ESI Payments- FY 2023-24**

Sr No.	Month	Due date of payment	Date of Payment
1	July	August 15, 2023	August 19, 2023
2	February	March 15, 2024	March 16, 2024

**GSTR 3B Returns:**

Financial Year	Return type	Total no. of filings	Delayed filings
2022-23	GSTR 3B	12	04
2023-24	GSTR 3B	12	01
2024-25	GSTR 3B	12	-

**GSTR1 Returns:**

Financial Year	Return type	Total no. of filings	Delayed filings
2022-23	GSTR 1	12	03
2023-24	GSTR 1	12	01
2024-25	GSTR 1	12	01

**TDS Returns:**

Financial Year	Return type	Total no. of filings	Delayed filings
2022-23	TDS returns Other than Salary	04	02
2023-24	TDS returns Other than Salary	04	03
2024-25	TDS returns Other than Salary	04	01

***54. Employee misconduct or failure of our internal processes or procedures could harm us by impairing our ability to attract and retain clients and subject us to significant legal liability and reputational harm.***

Our business is exposed to the risk of employee misconduct or the failure of our internal processes and procedures. For example, misconduct by employees could involve the improper use or disclosure of confidential information, which could result in costly litigation and serious reputational or financial harm. While we strive to monitor, detect and prevent fraud or misappropriation by our employees, through various internal control measures and internal policies and have not faced any such instance in past, the precautions we take to prevent and detect such activity may not be effective in all cases and we may be unable to adequately prevent or deter such activities in all cases.

In addition, we may be subject to regulatory or other proceedings, including claims for alleged negligence, in connection with any such unauthorized transaction, fraud or misappropriation by our employees, which could adversely affect our reputation, business prospects and future financial performance.

***58. Industry information included in this Draft Red Herring Prospectus has been derived from industry sources. There can be no assurance that such third-party statistical, financial and other industry information is complete, reliable or accurate as the same has not been independently verified.***

This Draft Red Herring Prospectus includes information on Industry in which we operate from various sources. For further detail of such sources, please see “**Industry Overview**” beginning on page 105 of this Draft Red Herring Prospectus. The data has been furnished by independent agency on their websites and has no relationship with our Company, its Promoters, Directors, or the Book Running Lead Manager as on the date of this Draft Red Herring Prospectus. The data used in these sources may have been reclassified by us for the purposes of presentation and may also not be comparable. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. 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. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.

We have not independently verified data from industry publications contained herein and although we believe these sources to be reliable, we cannot assure that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regard to other countries. Therefore, discussions of matters relating to India and its economy are subject to the limitation that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable.

***60. The estimates and forward-looking statements as provided in this Draft Red Herring Prospectus may prove to be inaccurate and actual results may differ from such estimates and forward-looking statements.***

This Draft Red Herring Prospectus contains forward-looking statements and estimates that are based on management’s current expectations, assumptions and projections about future events. These assumptions may prove to be inaccurate and actual results may differ materially from those expressed or implied. Factors such as market conditions, regulatory changes, competitive developments, operational challenges, economic uncertainties and other external influences may impact our performance. Many of these factors are beyond our control and may cause deviations from our projections. As a result, our estimates may not be reliable indicators of future performance. Inaccurate forward-looking statements may also affect investor expectations. Such variances could adversely impact our business, financial condition, and results of operations. Prospective investors are therefore cautioned not to place undue reliance on these forward-looking statements.

## **GENERAL INFORMATION**

### **Filing of Issue Document with the Designated Stock Exchange/SEBI/ROC**

The Draft Red Herring Prospectus is being filed with SME Platform of National Stock Exchange of India Limited (“NSE Emerge”), Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra, India.

The Draft Red Herring Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Issue Document in terms of Regulation 246(2) of SEBI (ICDR) Regulations, 2018. Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations and amendments thereto and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Red Herring Prospectus/Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

There are no findings/observations of any of the inspections by SEBI or any other regulator, if applicable, which are material and which needs to be disclosed or non-disclosure of which may have bearing on the investment decision, other than the ones which have already disclosed in the offer document

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 26 & 32 of the Companies Act, 2013, will be filed to the Registrar of Companies, through the electronic portal at <http://www.mca.gov.in>, at least (3) three working days prior from the date of opening of the Issue.

## OBJECTS OF THE ISSUE

### Details of Utilization of Net Proceeds

The details of utilization of the Net Proceeds are set forth herein below:

#### 1. Repayment and/or pre-payment, in full or part, of borrowing availed by our Company;

Our Company has entered into various financial arrangements from time to time, with banks and financial institutions. The loan facilities availed by our Company include borrowing in the form of, inter alia, term loans and working capital facility from various lenders. For further details, see “*Statement of Financial Indebtedness*” on page 213 of this Draft Red Herring Prospectus. The total amount of outstanding loans (both secured and unsecured) as per Restated Financial Statements is Rs. 2132.96 Lakhs, Rs. 2816.51 Lakhs and Rs. 2274.19 Lakhs, respectively, for FY 2024-25, 2023-24 & 2022-23. For details kindly refer to **Annexure- B(A) and B(B)** on page no. 190 and 191 under chapter heading “*Restated Financial statements*” of the Draft Red Herring Prospectus. Our Company proposes to utilise an estimated amount of ₹700.00 Lakhs from the Net Proceeds towards full or partial repayment or pre-payment of borrowing, listed below, availed from the lender, in last one year from the date of this Draft Red Herring Prospectus. Pursuant to the terms of the financing arrangements, prepayment of borrowing may attract prepayment charges as prescribed by the respective lender. Such prepayment charges, as applicable, will be funded from the internal accruals of our Company.

We believe that such repayment/ pre-payment will help reduce our outstanding indebtedness, debt servicing costs, assist us in maintaining a favourable debt to equity ratio and enable utilisation of our internal accruals for further investment in our business growth and expansion. Additionally, we believe that the leverage capacity of our Company will improve our ability to raise further resources in the future to fund our potential business development opportunities and plans to grow and expand our business. The company has not obtained a credit rating from any credit rating agency, however, the Company has obtained required Lender’s consent for Initial Public Offering.

The details of the borrowings availed by our Company, which are proposed to be fully or partially repaid or pre-paid from the Net Proceeds is mentioned below:

<i>(Amount in Rs. Lakhs)</i>								
Sr. No.	Name of the lender	Purpose	Letter No, Sanction date & date of disbursement	Sanctioned amount	Prepayment Penalty	Rate of Interest – P.A. (%)	Repayment date/ Schedule	Amount Outstanding as at September 29, 2025
1.	Canara Bank	CC-Working Capital requirements	MSME SULABH/NORTH RO MUM/S-436/2024-25/PP Sanction Date: 21.03.2025 <i>Available for utilisation w.e.f 26.03.2025</i>	750	NA	9.90%	Repayment on Demand	744.32
<b>TOTAL</b>								<b>744.32</b>

**Note:** The details included in the above table have been certified by our Statutory Auditors pursuant to their certificate dated September 30, 2025.

#### 2. To Meet Working Capital Requirements of our Company:

We propose to utilize ₹2800.00 lakhs from the Net Proceeds towards funding our Company’s long-term working capital requirements. We have significant working capital requirements, and we fund our working capital requirements in the ordinary course of business from our internal accruals and financing facilities from various banks and financial institutions. Our Company has demonstrated consistent growth in revenue from operations over the past three financial years. Our Revenue from operations on a standalone basis has increased from ₹2,626.72 lakhs in FY 2022–23 to ₹3,143.66 lakhs in FY 2023–24 and further to ₹4,369.96 lakhs in FY 2024–25. Such an increase in the turnover reflects our business performance and increasing market demand. In line with this growth, the Company requires additional long-term working capital to support its expanding operations and to fund future growth initiatives. We are continuously expanding our business and planning to increase the size of projects and our pre-qualification. In light of the above, our Company will require incremental working capital to fund inventories, trade receivables, trade payables, EMD and arrange fixed deposits



for issuance of Performance Guarantee. Further, Our Company's working capital requirement depends upon the current Order Book value, expected order and the resultant requirement of EMD, Performance Guarantee and Security Deposit for such current and expected orders.

**Details of Estimation of Working Capital requirement on standalone basis are as follows:**

The Company is required to furnish Earnest Money Deposit along with Performance Guarantees and security deposits to the Authority towards performance of its obligations for assigned Work Orders. The amount of Earnest Money Deposits, to be provided by the Company at the initial stage of work contract, accounts for approximately 2 percent of contract value if value of contract is upto Rs. 1 crore and if the value of contract is more than Rs. 1 crore the earnest money deposit shall be Rs.2 lakhs plus half percent of the excess of the cost of work beyond Rs. 1 crore, subject to a maximum of Rs. 1 crore. The performance guarantees are furnished in the form of fixed deposits and along with the same in some cases, client also holds some amount as security deposits at the time of final bill. The amount of Performance Guarantee and Security Deposits together shall be up to 10% of the total value of the work orders. This is retained by company's clients till the Defect Liability Period of the Projects, which generally varies from 1-3 years. The Company is issuing the Performance Guarantee in the form of Fixed Deposits. Thus, its working capital requirement arises from the need to retain bank balances in the form of fixed deposits towards securing such performance guarantees. These Fixed Deposits have a varied period from one to three years and even more if required by the terms of the specific work contracts. This amount of Fixed Deposit is thus classified under 'Current assets' and 'Non-current assets', as per the maturity of the Fixed Deposit in the Restated Standalone Financial Statements.

Below are the details of performance guarantees issued by the Company in the form of FDs in last three years:

<i>Rs. In lakhs</i>					
Sr. No.	Financial Year	Total Contract Value of Projects Awarded	Amount of performance guarantee in the form of Fixed Deposit	Holding period of performance guarantee in the form of Fixed Deposit	% of performance guarantee to total value of Project
1	2022-23	1974.71	84.78	03-38 months	4.29
2	2023-24	6272.97	359.88	03-38 months	5.74
3	2024-25	4900.34	282.16	03-38 months	5.76
	<b>Total</b>	<b>13148.02</b>	<b>726.81</b>		

Management is of the opinion that Fixed Deposit under Non-current assets should be classified as part of long term working capital.

Accordingly, in view of the above, we propose to utilize ₹2800.00 lakhs from the Net Proceeds to fund the working capital requirements for the business operations of our Company in Fiscal 2026 and 2027.

**Justification:**

S. No.	Particulars
<b>Debtors</b>	<p>The historical holding days of trade receivables has been ranging between 62 days to 110 days during Fiscal year 2023 to 2025. The Company has witnessed an increase in its revenue from operations over the past three years and expects continued revenue growth in future periods. Its revenue from operations on a standalone basis has increased from Rs. 2626.72 lakhs in financial year 2022-23, to Rs. 3143.66 Lakhs and Rs. 4369.96 Lakhs in Financial Years 2023-24 and 2024-25 respectively, representing a year on year growth of 19.68% and 39.01% respectively. Such an increase in revenue from operations in FY 2024-25 has led to a corresponding increase in its trade receivables in said period.</p> <p>Further, the projected increase in trade receivables is in line with the projected increase in revenue from operations. As per the current credit terms of the company &amp; prevalent trend in business of the company, the holding level for debtors is anticipated at 115 days and 107 days of total revenue from operations during Fiscal 2026 and Fiscal 2027, respectively. The projected trade receivables days is in line with the nature of the business of the company as the Company's customer base primarily comprises various government authorities. Payments towards running account bills are generally approved and released by such authorities upon completion of inspection and satisfactory verification of the corresponding work or services rendered. Until such approvals are obtained, the related</p>

S. No.	Particulars
	amounts are recorded as trade receivables, which results in an increase in the outstanding receivable balance.
<b>Inventories</b>	<p>Inventories include tools, consumables, overheads and labour expenses incurred to execute railway projects and associated services but are yet to be invoiced to the customers as its customer base comprises of government authorities where payments of running account bills are approved post inspection and satisfactory verification by the authorities.</p> <p>The historical holding days of inventories has been in range of 14 days to 115 days during Fiscal 2023 to 2025. The Company estimates inventories holding days to be around 70 days and 84 days in Fiscal 2026 and Fiscal 2027 respectively considering the scale of operations. Further in order to avoid any supply chain disruption the company expects to increase the inventory levels of regularly used tools &amp; consumables.</p> <p>As on September 29, 2025, the Company has an outstanding order book comprising 59 projects aggregating to ₹14,409.81 lakhs for the Indian Railways, covering various products and services. In order to execute and deliver these work orders within the stipulated timelines, the Company is required to maintain adequate inventory levels of various required tools and components. Consequently, this has resulted in an increase in inventory levels during FY 2026 and FY 2027.</p>
<b>Cash &amp; Cash Equivalents (Fixed Deposit lien with Railways)</b>	Bank balances other than Cash and cash equivalents majorly includes Fixed Deposits issued to customers as Performance Guarantee which have maturity of more than 3 months and less than 12 months. These are included in our internal working capital base.

**Rationale for decrease in Net Working Capital requirements for FY2024 but increase in Net Working Capital requirements for FY2025, FY2026 and FY2027.**

In FY 2023-24, Company's revenue from operations comprised maximum amount of sales through Pre-bid arrangements with various OEM's, which was approx. 68.56% of total revenue from operations. Accordingly, it was not required to retain high bank balances in the form of fixed deposits towards securing of performance guarantees to be provided to Indian Railways. Hence, its working capital requirement was also less in said period.

However, the Company witnessed a gradual increase in its Sales through direct contracts from railways, which has increased from 35.18% & 31.44% of total revenue from operations in FY 2022-23 & 2023-24, respectively, to 69.18% of total revenue from operations in FY 2024-25. Accordingly, there has been a consequent increase in the amount of Earnest Money Deposit, Performance Guarantee and Security Deposits in FY 2024-25, which is to be provided by the Company to its clients i.e. Indian Railways. Also, the Company has an outstanding order book comprising of 59 projects aggregating to ₹14,409.81 lakhs as on September 29, 2025. The average tenure of projects ranges up to 3 years, however, for some of the projects its sometimes expended as per the requirements of the projects. The order book which is expected to be executed in FY 2026 and 2027 is approx. Rs. 8759.34 Lakhs. These work orders are required to be backed by Performance Guarantee, EMD and Security Deposits in said period and subsequent periods, which is retained by company's clients till the Defect Liability Period of the Projects, which generally varies from 1-3 years. The Company is issuing the Performance Guarantee in the form of Fixed Deposits. Thus, its working capital requirement arises from the need to retain bank balances in the form of fixed deposits towards securing such performance guarantees.

Additionally, with increase in revenue, there is consequent increase in trade receivables of the company in FY 2025, 2026 and 2027. All these factors have resulted in a significant increase in Net Working Capital requirements for said periods.

*(Details of order book as on September 29, 2025 is certified by M/s Mundra & Co., Statutory Auditor, through its certificate dated November 08, 2025).*

**OUR BUSINESS****OVERVIEW:**

Incorporated in 2010, we are an ISO 9001:2015 certified company, engaged in the business of executing various types of contractual railway projects and related services which includes Annual Maintenance Contracts (AMC) and repair services for a wide range of railway rolling stock systems. Railway projects includes Supply, Installation, Testing, and Commissioning (SITC) of various electrical equipment across all types of rolling stock and AMC activities involve Annual Maintenance Contracts, repair & maintenance services, inspection and periodic servicing of railway assets such as train lighting equipments, Power car equipments, Tower wagons etc. post its commissioning & installation. Our services include annual maintenance and repair of train lighting equipment across all rolling stock categories, including the latest Vande Bharat trains, along with annual maintenance and repair for Overhead Equipment (OHE) maintenance vehicles (Tower Wagons), Power Car equipment and HVAC systems. We provide services to the Ministry of Railways, Government of India, either through directly awarded contracts secured via competitive tendering, which may range up to 3 years, or through pre-bid arrangements with various OEM's.

**OUR STRENGTHS:*****Diversified Order Book of projects across India.:***

In our industry, the number, size and duration of simultaneously ongoing railway projects and related services is considered an indicator of future performance since they provide an indication of anticipated future revenue. Our portfolio of 59 ongoing projects amounting Rs. 14409.81 lakhs for Indian Railway as on September 29, 2025, comprises of various services as mentioned below:

**(Rs. in Lakhs)**

<b>Sr. No.</b>	<b>Service Description</b>	<b>Amount</b>
1	Repair & Maintenance of Train Lighting Equipment	2,043.75
2	Wiring Work and Non-core activities like cleaning of fans, lights, batteries, switches etc.	1,211.39
3	AMC for Tower Wagon Engines & DG Sets	2,541.89
4	Repair & Maintenance of Power car Equipments	2,804.04
5	Repair & Maintenance of Heating, Ventilation and Air Conditioning (HVAC) systems	1,280.52
6	Provision of additional Mobile Charging Points in Railway Coaches	1,141.17
7	Other services related to Escorting operations, troubleshooting, calibration & testing	3,387.05
	<b>Total</b>	<b>14,409.81</b>

Further, the following are the details of orders currently in hand across various zones as of the date of this Draft Red Herring Prospectus:

**(Rs. in Lakhs)**

<b>Name Of Zone</b>	<b>Total Amount of Order</b>	<b>Balance Order to be served</b>
Central Railway	2,817.98	1,014.41
East Central Railway	697.52	363.52
East coast Railway	2,562.92	1,681.98
Eastern Railway	2,138.84	1,394.30
North Central Railway	1,128.58	555.54
North East Frontier Railway	722.68	633.33
North Eastern Railway	446.50	280.51
North Western Railway	558.10	558.10
Northern Railway	971.89	816.63
South Central Railway	674.62	575.40
South East Central Railway	1,146.79	1,146.79
South Eastern Railway	1,562.38	1,401.04
Southern Railway	98.98	80.29
West Central Railway	488.55	488.55
Western Railway	3,914.68	3,419.40
<b>Total</b>	<b>19,931.02</b>	<b>14,409.81</b>

### Revenue from multiple geographies

The Company is associated with Indian Railways since its incorporation and have built a long-term relationship with Indian Railways, by delivering our services through directly awarded contracts obtained via competitive tendering, as well as by Pre-bid arrangements with various OEM's.

Below is a detailed bifurcation of the services we have rendered to Indian Railways, either through direct contracts or by Pre-bid arrangements:

<i>(Rs. in Lakhs)</i>						
Particulars	F.Y 2024-25	% to Total Sales	F.Y 2023-24	% to Total Sales	F.Y 2022-23	% to Total Sales
Sales through direct contracts from Railways	3077.35	69.18	989.39	31.44	935.71	35.18
Pre-bid arrangements with various OEM's	1371.07	30.82	2157.45	68.56	1724.41	64.82
<b>Total</b>	<b>4448.42</b>	<b>100.00</b>	<b>3146.84</b>	<b>100.00</b>	<b>2660.11</b>	<b>100.00</b>

Such an association has helped us expand our product and service offerings across multiple geographical locations in India. The long-term relationships signify a foundation built on trust, reliability and a consistent track record of delivering significant value. This often translate into repeat business, referrals and additional opportunities for growth and collaboration. As we have secured orders from our renowned client in the past, and have been able to deliver successfully on these mandates, we believe that we are well positioned to capitalize on this opportunity and to take advantage of future orders placed by them.

The Company's reliance on pre-bid collaborations with various OEMs has progressively reduced over time. The Company has, in turn, enhanced its direct engagements through contracts awarded by the Indian Railways. As a result, the Company has diversified its presence beyond the Central Railway to include zones such as East Coast Railway, Western Railway, North Central Railway and Eastern Railway. Consequently, revenue contribution from the Central Railway has reduced proportionately, while revenue from other zones has increased correspondingly. Our revenue from top-5 zones across India for the past three years is as follows:

<i>(Rs. in Lakhs)</i>						
Name of Zone	F.Y 2024-25	% to Total Sales	F.Y 2023-24	% to Total Sales	F.Y 2022-23	% to Total Sales
Central Railway	1,679.65	37.76	2,073.83	65.90	1,876.29	70.53
East coast Railway	535.29	12.03	35.83	1.14	-	-
Western Railway	474.88	10.68	225.68	7.17	212.83	8.00
North Central Railway	397.86	8.94	223.09	7.09	42.60	1.60
Eastern Railway	325.42	7.32	85.69	2.72	52.06	1.96
<b>Total</b>	<b>3,413.10</b>	<b>76.73</b>	<b>2,644.13</b>	<b>84.02</b>	<b>2,183.78</b>	<b>82.09</b>

## OUR STRATEGIES

### Focus on consistently meeting quality standards

Safety and quality assurance are paramount in any industry, ensuring the well-being of individuals and the reliability of services. In order to ensure the well-being of our workers, we are always looking for ways to improve our safety regulations to prevent mishaps, injuries and hazards. Quality assurance processes, on the other hand, focus on maintaining and improving the excellence of services through systematic inspections, adherence to standards and continuous refinement of processes.

Given the nature of our services and the sector in which we operate, our clients have high standards for quality of products or components which are utilized in the delivery of our contractual railway projects and associated delivery schedules. The tools and components to be utilized are pre-determined and required to meet specified quality standards and shall be supplied after RITES (Rail India Technical and Economic Service) inspection. As part of quality assurance requirements, the Company shall deploy Qualified Graduate Engineer(s) or equivalent personnel, failing which, a penalty shall be applicable. Together, these measures create a robust framework that not only safeguards against potential risks but also guarantees the consistent delivery of high-quality outcomes, fostering trust and confidence among stakeholders.

### ***Maintaining cordial relationship with our Suppliers and Clients***

We believe in maintaining good relationship with our suppliers and clients which is the most important factor to keep our Company growing. Our dedicated and focused approach and efficient and timely delivery of our services and products has helped us build strong relationships with our existing clients over a number of years. We have been associated with the Indian Railways since our incorporation and with other OEMs from more than three years. We bag and place repetitive order with our clients as well as with our suppliers. For us, establishing strong, mutually beneficial long-term relationships with strategic supplier relationship management is a critical step in improving performance across the supply chain, generating greater cost efficiency and enabling the business to grow and develop.

### **OUR SERVICES:**

#### **1. Annual Maintenance Contracts and repair services for train lighting equipment:**

##### **Case Study:**

The Company had provided comprehensive maintenance and repair services of train lighting equipment for Vande Bharat Rakes (Total Qty of rakes-8 no.). Said project began in January 2025, where in the Company is providing various services such as pre-inspection of the coaches for supply of 415 VAC (Volts of Alternating Current) on arrival, checking the working of all lights and replace the defective ones, operating rotary switches on switch panels, check and ensure working of lavatory exhaust fans, checking MCBS along with main & auxiliary connection, checking earthing of each equipment, inspecting electrical component and wiring, check the battery box unit for damages, if any, inspecting all the mounting hardware mechanical and electrical components etc.

#### **2. Annual Maintenance Contracts and repair services for Overhead Equipment maintenance vehicles:**

##### **Case Study:**

The Company had provided Comprehensive Annual Maintenance Contract (AMC) for Diesel engine of 8-Wheeler Tower wagon for 02 years for TRD unit of Ahmedabad Division (Western Railways). The Company provided Service Visit for schedule maintenance purpose or Breakdown / Emergency visits (of Diesel engine (for all Engine model)). The scope of work included inspection, minor repairs and adjustments according to schedule of maintenance prescribed by OEM & RDSO and to give expert advice/guidance to operator for the proper maintenance and efficient working, change complete engine oil, Change water filter element, Remove & clean fuel tank breather, Replacement of inner and outer air cleaner elements, Replacement of screen filter, Diesel tank cleaning from inside etc.

#### **3. Annual Maintenance Contracts and repair services for Power Car equipments:**

##### **Case Study:**

The Company had provided Escorting, operation & trouble shooting of DA set installed in power cars equipped with mainly M/s Kirloskar (Kirloskar Oil Engine Ltd, PUNE) diesel engine/Alternator sets attached in various trains leaving from New complex/KKF, ADI/BG, SBI, GIM & Bhuj coaching depot and back along with A Check (Trip inspection) of power cars at Ahmedabad division (Western Railways). The scope of work included the checking of power car equipment's as per the check list provided by Railway, attending the defects / failure noticed, replacing the parts / components as required, cleaning of all the equipment of power car including power car interiors in every trip by suitable cleaning agent, wire brush, clothes, etc.

#### **4. Annual Maintenance Contracts and repair services for Heating, Ventilation and Air Conditioning (HVAC) systems used in rolling stock:**

##### **Case Study:**

The Company had provided services of primary maintenance for Conventional AC coaches for trains of Ahmedabad division (Western Railways). This work included escorting of AC coach as well as to ensure the effective operation, safety & trouble shooting of LHB & conventional (SG) AC coaches. Also, included assistance to be provided to on board AC Coach by monitoring passenger comfort, fans, lighting, mobile charging points, attending complaints (AC & Non-AC coaches) & assisting with issues arising during journey, checking logbook of all AC coaches for any entry by the maintenance staff and act accordingly, monitored and attended electrical defects developing in the coach, Maintain AC

coach Log book, trip sheets and other related works as instructed by AC coach in-charge, ensured availability of proper tool box, charging leads & necessary spares before departure of train etc.

## OUR BUSINESS & SERVICE PROCESS:

### Business Process for Directly awarded contracts secured via competitive tendering:

**5. Bid opening & Evaluation:** Submitted bids are opened and evaluated by clients both on technical and financial grounds. Technical evaluation is done first which includes shortlisting based on eligibility, past experience, proposed methodology etc. Non-compliant bids are disqualified. Financial evaluation is then done for the one's which qualify technical evaluation. Generally, Lowest Bidder (L1) is selected. Sometimes, Quality and cost-based selection method is also used where weightage is given to both technical & financial scores. Our bid to win ratio for FY 2024-25, 2023-24 and 2022-23, based on tenders applied and awarded is 13.82%, 19.13% and 20.83% respectively.

### Business Process for Projects secured through Pre-bid arrangements:

For providing services through Pre-bid arrangements with various OEM's, the process is dependent on the purchase policies of the respective OEMs. In certain cases, OEMs prefer to enter into pre-bid arrangements, whereby if they are awarded the contract, the same is executed in association with our Company. In other instances, OEMs allocate work to our Company based on their specific operational requirements.

## INFRASTRUCTURE & UTILITIES:

**Raw Material:** Our company is engaged in the contractual execution of Railway projects and related services. Therefore, details pertaining to raw materials are not applicable to our operations. However, we do procure certain products as tools or consumables, like Emergency Light unit, filter kit, ATC Conductor, Gasket, Screw Slotted set, hose, Valve, breather plate etc., which are utilized in the delivery of our contractual railway projects and associated services.

Such material is sourced indigenously, majorly from the state of Maharashtra, which is 68.22%, 96.14% and 95.17% of the total purchases of material, respectively, for the period ending March 31, 2025, 2024 and 2023. For the financial year ended March 31, 2025, 2024 & 2023, purchases from top five suppliers amounted to Rs. 1130.96 Lakhs, Rs. 1633.58 Lakhs and Rs. 1149.04 Lakhs respectively, which represented 79.79%, 67.72% and 72.51% of our total material purchases, respectively, for the said period

## HUMAN RESOURCES

Manpower plays a key role for us in the delivery of essential services under various railway projects. We believe that our ability to maintain growth depends to a large extent on our strength in attracting, training, motivating and retaining employees. As on August 31, 2025, our company has employed 849 full-time employees of which majority of the employees are stationed at site itself. Our service processes and skilled/ semi-skilled resources together with our strong management team have enabled us to successfully implement our growth plans. We do not hire labour on contractual basis.

Our Company has deposited Rs. 15.52 lakhs with the Employee Provident Fund Organization for the month of August 31, 2025 for 611 employees and the amount deposited by our Company with the Employees State Insurance Corporation for the month of August 31, 2025 was Rs.4.58 Lakhs for 805 employees.

## INSURANCE

Our operations are subject to accidents which are inherent to any business such as risks of employee accidents, fire, earthquakes, flood and other force majeure events, acts of terrorism and explosions including accidents that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environment. We have taken ICICI Bharat Sookshma Udyam Suraksha from ICICI Lombard for our registered office which provide general insurance to building, furniture fixtures & fittings. Along with this, we have taken Vehicle Insurance from Reliance General Insurance and have taken Life Insurance Policy for our promoter Tejas Lalit Mehta from ICICI Prudential life insurance. For further details, please refer to Risk factor ***“Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject and this may have a material effect on our business and financial condition”*** on page 37 of this Draft Red Herring Prospectus.

Below are the details of insurance policies taken by the Company:

<b>Sr. No.</b>	<b>Particulars</b>	<b>Policy No.</b>	<b>Insurer Company's Name</b>	<b>Time Period</b>	<b>Sum Insured –Rs. In Lakhs</b>
1.	Private car package policy	110422523110050426	Reliance General Insurance	From July 31, 2025 to July 30, 2026.	12.00
2.	Life insurance policy (For Tejas Lalit Mehta)	96857758	ICICI Prudential Life Insurance	From March 31, 2021 to March 31, 2029	50.00
3.	ICICI Bharat Sookshma Udyam Suraksha	1016/407948133/00/000	ICICI Lombard General Insurance Company Limited	September 12, 2025 to September 11, 2026	109.25

## **KEY INDUSTRY REGULATIONS AND POLICIES**

### **OTHER REGULATIONS**

#### **SHOPS AND ESTABLISHMENTS LEGISLATIONS**

Under the provisions of local shops and establishments legislations applicable in the respective state, establishments are set up and are required to be registered under the respective legislations. Every corporate body including sole proprietorship is required to have a shops and establishment license. The shops and establishment legislations seek to empower the respective states to impose rules and to ensure conversion of unorganized sector to an organized sector, regulate conditions of workers in shops and establishments (including commercial establishments) and further provide for various welfare provisions with respect to leaves, holidays, working hours, rest intervals and imposes a duty upon the employer to maintain records. The Shops and Establishments Acts of different states levy different quantum of penalties which may be pecuniary fines or imprisonment for contravention of the provisions.



## **HISTORY AND CORPORATE STRUCTURE**

### **Amendments to the Memorandum of Association:**

Except as stated below there has been no change in the Memorandum of Association of our Company since its Incorporation:

<b>Date of Meeting</b>	<b>Type of Meeting</b>	<b>Nature of Amendments</b>
January 27, 2012	EGM	<p><b><u>Alteration in Objects Clause: *</u></b></p> <p>Addition with the following new sub clause 3 after the existing sub clause 1 and 2 of clause III(A) of the main objects of the Company as under:</p> <p><i>1. To carry on in India or elsewhere the business of taking over the existing Proprietary Business i.e. M/s. Sai Industries with all its Assets &amp; Liabilities.</i></p>
December 19, 2017	EGM	<p><b><u>Alteration in Objects Clause: *</u></b></p> <p>Delete the sub clause 3 of clause III(A) of the main objects of the Company.</p>

*\*However, due to business circumstances, the Company did not proceed with the proposed takeover of the said proprietary business, M/s. Sai Industries and Subsequently, the Company further altered its Object Clause pursuant to a special resolution passed by the shareholders at the Extraordinary General Meeting held on December 19, 2017, whereby sub-clause (3) of Clause III(A) was deleted from the main objects of the Company.*

### **Material Agreement:**

There are no other agreements/ arrangements and clauses / covenants in the agreements entered into by our Company, which are material and which needs to be disclosed or non-disclosure of which may have bearing on the investment decision, other than the ones which have already disclosed in this Draft Red Herring Prospectus

Our Company has not entered into any subsisting material agreements including with strategic partners, joint venture partners and/or financial partners, entered into, other than in the ordinary course of business of the Company.

### **Other Confirmation:**

There is no conflict of interest between the suppliers of raw materials and third-party service providers (crucial for operations of our Company) and our Company, Promoters, members of the Promoter Group, Key Managerial Personnel, Directors and Subsidiaries, Associates and its directors, and Group Companies and its directors except as mentioned in Related Party Transactions.

There is no conflict of interest between the lessors of immovable properties (crucial for operations of the Company) and our Company, Promoters, Promoter Group, Key Managerial Personnel, Directors, Subsidiaries, Associate and its directors and our Group Companies and its directors.

### **Other Agreements:**

#### **Joint Venture Agreement:**

Our Company has not entered into any Joint Venture Agreement as on the date of filing of this Draft Red Herring Prospectus, other than those disclosed in this Draft Red Herring Prospectus.

**OUR MANAGEMENT****The remuneration/ Compensation paid to our Directors:**

Except mentioned below, no other current directors have received remuneration during the fiscal year 2024-25:

<b>Name of Directors</b>	<b>Amount (Rs. in lakhs)</b>
Tejas Lalit Mehta	1.80
Jagruti Tejas Mehta	1.80
Dhara Tejas Mehta	Nil*

*Dhara Tejas Mehta was appointed as Non-Executive Director on September 12, 2025.*

**KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL**

Our Company is supported by a team of professionals having exposure to various operational aspects of our business. A brief detail about the Key Managerial Personnel & and Senior Management Personnel of our Company is provided below:

<b>Name, Designation, Educational Qualification &amp; Term of office</b>	<b>Age (Years)</b>	<b>Year of joining</b>	<b>Compensation paid for F.Y. ended 2024-25 (Rs. in Lakhs)</b>	<b>Overall experience (in years)</b>	<b>Previous employment</b>
<b>Tejas Lalit Mehta</b> <b>Designation:</b> Chairman & Managing Director <b>Educational Qualification:</b> Higher Secondary Certificate (12 <sup>th</sup> ) <b>Term of office:</b> For a period of 3 years, w.e.f. September 10, 2025 and liable to retire by rotation	51	2010	1.80	24	M/s. Perfect Enterprises
<b>Jagruti Tejas Mehta</b> <b>Designation:</b> Whole Time Director <b>Educational Qualification:</b> Bachelor of Commerce (Second Year) <b>Term of office:</b> For a period of 3 years, w.e.f. September 10, 2025 and liable to retire by rotation	52	2010	1.80	24	M/s. Dhara Industries
<b>Shivaraja Annappa Devadiga</b> <b>Designation:</b> Chief Financial Officer <b>Educational Qualification:</b> Bachelor of Commerce	35	2025	Nil*	12	-
<b>Suraj Bohra</b> <b>Designation:</b> Company Secretary and Compliance Officer <b>Educational Qualification -</b> Company Secretary, L.L.B. & LL.M.	33	2025	Nil*	4	SMR Jewels Limited
<b>Vishwanatha Shetty</b> <b>Designation:</b> General Manager - Operations <b>Educational Qualification -</b> Bachelor of Commerce	32	2025	Nil*	9	-

*\* Mr. Shivaraja Annappa Devadiga and Mr. Suraj Bohra were appointed on September 10, 2025; and Mr. Vishwanatha Shetty was appointed on September 27, 2025. Accordingly, no remuneration has been paid to them during the financial year 2024-25.*

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS**

**Financial Year ending 2025 Compared to Financial Year ending 2024:**

**Revenue from Operations:**

During the financial year 2024-25, the revenue from operation of our Company increased to Rs. 4,448.42 lakhs as against Rs. 3,146.84 lakhs in the Financial Year 2023-24 representing an increase of 41.36%. The main reason for the increase in revenue is due to increase in revenue from contractual income from railway projects. The Company has witnessed a steady increase in sales through direct contracts with Indian Railways, which rose from 31.44% of total revenue from operations in FY 2023-24 to 69.18% in FY 2024-25. This growth enabled the Company to secure more contracts from diversified railway zones across the country. Such diversification, coupled with reduced dependence on pre-bid arrangements with various OEMs, has led to a significant expansion in business operations and revenue during FY 2025.

**Restated profit for the year:**

The Company reported Restated profit after tax for the financial year 2024-25 of Rs. 652.78 lakhs in comparison to Rs. 296.78 lakhs in the financial year 2023-24. The increase of 119.95% is due to increase in revenue from operations of the company which has increased to Rs. 4,448.42 lakhs in FY 2024-25 as against Rs. 3,146.84 lakhs in the Financial Year 2023-24 representing an increase of 41.36%. The main reason for the increase in revenue is due to increase in revenue from contractual income from railway projects. The Company has witnessed a steady increase in sales through direct contracts with Indian Railways, which rose from 31.44% of total revenue from operations in FY 2023-24 to 69.18% in FY 2024-25. Since the Company secured direct contracts from Railways, its expenses has not increased in line with increase in revenue from business operations, as a result of which total expenses increased by 30.35% only against 41.36% of increase in revenue from business operations, which resulted into an increase in overall profits of the company.

**Financial Year ending 2024 Compared to Financial Year ending 2023:**

**Restated profit for the year:**

The Company reported Restated profit after tax for the financial year 2023-24 of Rs. 296.78 lakhs in comparison to Rs. 106.42 lakhs in the financial year 2022-23. The increase of 178.88% is due to increase in revenue from operations, which has increased from Rs. 2,660.11 Lakhs in FY 2022-23 to Rs. 3,146.84 lakhs in FY 2023-24, representing an increase of 18.30% and increase in other income, which has increased from Rs. 79.22 lakhs in FY 2022-23 to Rs. 275.95 lakhs in FY 2023-24 representing an increase of 248.32% as compared to previous year, due to increase in interest income & profit booked on sale of its investments. However, Expenses of the company has not increased in line with increase in total income as a result of which total expenses increased by 16.75% only against 24.95% of increase in total income, which resulted into an increase in overall profits of the company.

**SECTION VII- LEGAL AND OTHER INFORMATION****OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS**

For the purpose of (v) & (vi) above, our Board, in its meeting held on September 27, 2025 determined that outstanding legal proceedings involving the Company, its Directors, Promoters and Group Companies will be considered as material litigation ("**Material Litigation**") based on lower of the threshold criteria mentioned below:

(i) As per the policy of materiality defined by the board of directors of the issuer where the aggregate amount involved in such individual litigation exceeds 5.00% of profit after tax of the Company, as per the last audited financial statements of the Company (i.e. ₹32.64 Lakhs) or such litigations outcome could have a material impact on the business, operations, prospects or reputations of the Company.

Or

(ii) Litigation where the value or expected impact in terms of value, exceeds the lower of the following:

- two percent of turnover, as per the latest annual restated consolidated financial statements of the issuer being ₹88.97 lakhs; or
- two percent of net worth, as per the latest annual restated consolidated financial statements of the issuer, except in case the arithmetic value of the net worth is negative being ₹25.77 lakhs; or
- five percent of the average of absolute value of profit or loss after tax, as per the last three annual restated consolidated financial statements of the issuer being ₹17.60 lakhs.

In terms of the materiality policy above any litigations (apart from : (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; (iv) disciplinary actions including penalties imposed by SEBI or stock exchanges against the Promoter in the last five financial years, including outstanding action), the monetary value of which or the adverse impact resulting from such litigation exceeds ₹17.60 lakhs shall be considered Material Litigations.

**A. LITIGATION INVOLVING THE COMPANY****e) Tax Proceedings****Direct Tax:**

Sr. No.	Assessment Year	Section	Matter	Demand Outstanding (Amount Involved in ₹ in lakhs)	Current Status
	2017-18	Section 156 of Income Tax Act, 1961	Notice of demand dated March 15, 2022 issued by the Department of Income Tax	0.78	The Company has filed a rectification application, and the said demand amounting to Rs. 0.78 Lakhs has now been settled.
	2024-25	Section 143(1) of Income Tax Act, 1961.	Intimation notice dated January 15, 2025 issued by the Department of Income Tax	1.03	The Company has submitted a response dated September 18, 2025, dis-agreeing with demand of Rs.1.03 Lakhs. The same is under process.
	2024-25, 2023-24, 2022-23, 2021-22, and Prior years	Section 201, 234(E) and 220(2) of Income Tax Act, 1961	Late filing payment default	2.75	The Company had outstanding TDS demands aggregating to Rs. 2.75 lakhs. Out of this, an amount of Rs. 0.72 lakhs have been deposited with the Department. The balance amount of Rs. 2.03 lakhs, is due to PAN-related discrepancies.

**GOVERNMENT AND OTHER APPROVALS**

**H. Licenses/ Approvals for which applications have been made by our Company and are pending for approval:**

The company has received all the government approvals in its new name i.e. Dhara Rail Projects limited after conversion into public Limited, except for the below for which the Company has filed the application and which are under the process of name change:

<b>Sr. No.</b>	<b>Nature of Registration/ License</b>	<b>Date of Application</b>	<b>Status</b>
1.	Registration under Employees' State Insurance Corporation	October 15, 2025	Applied for
2.	Certificate of Enrolment for Professional Tax (P.T.E.C.)	November 03, 2025	Applied for
3.	Certificate of Registration for Professional Tax (P.T.R.C.)	November 03, 2025	Applied for
4.	Trademark Application under Class 37	September 22, 2025	Formalities Chk Pass

## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Filing of Issue Document with the Designated Stock Exchange/SEBI/ROC**

The Draft Red Herring Prospectus is being filed with SME Platform of National Stock Exchange of India Limited (“NSE Emerge”), Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra, India.

The Draft Red Herring Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Issue Document in terms of Regulation 246(2) of SEBI (ICDR) Regulations, 2018. Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations and amendments thereto and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Red Herring Prospectus/Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

There are no findings/observations of any of the inspections by SEBI or any other regulator, if applicable, which are material and which needs to be disclosed or non-disclosure of which may have bearing on the investment decision, other than the ones which have already disclosed in the offer document.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 26 & 32 of the Companies Act, 2013, will be filed to the Registrar of Companies, through the electronic portal at <http://www.mca.gov.in>, at least (3) three working days prior from the date of opening of the Issue.

**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Tejas Lalit Mehta Chairman & Managing Director DIN: 02783675	Sd/-

Date: December 06, 2025

Place: Mumbai, Maharashtra

**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Jagruti Tejas Mehta Whole Time Director DIN: 02783659	Sd/-

Date: December 06, 2025

Place: Mumbai, Maharashtra



**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Dhara Tejas Mehta Non-Executive Director DIN: 06931419	Sd/-

Date: December 06, 2025  
Place: Würzburg, Germany

**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Sachin Mahendra Sheth Independent Director DIN: 11232287	Sd/-

Date: December 06, 2025

Place: Mumbai, Maharashtra

**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Charmi Monil Shah Independent Director DIN: 11237486	Sd/-

Date: December 06, 2025

Place: Mumbai, Maharashtra

**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Shivaraja Annappa Devadiga Chief Financial Officer PAN: AQZPD6983A	Sd/-

Date: December 06, 2025

Place: Mumbai, Maharashtra

**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE COMPANY SECRETARY OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Suraj Bohra Company Secretary & Compliance officer M. No.: A56647	Sd/-

Date: December 06, 2025

Place: Mumbai, Maharashtra