

Passenger coaches ramping up, while wheelset JV set to navigate supply chain constraints.

CMP: INR 801

Rating: BUY

Target Price: INR 1,143

Stock Info

BSE	532966
NSE	TITAGARH
Bloomberg	TWL:IN
Reuters	TITG.NS
Sector	Capital Goods
Face Value (INR)	2
Equity Capital (INR mn)	269
Mkt Cap (INR mn)	1,07,855
52w H/L (INR)	974 / 569
Avg Yearly Volume (in 000')	1,484.4

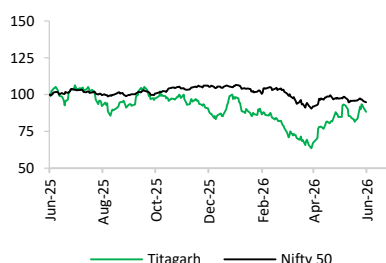
Shareholding Pattern %

(As on Mar, 2026)

Promoters	40.46
DII	12.46
FII	10.67
Public & Others	36.42

Stock Performance (%)	3m	6m	12m
TITAGARH	14.3	-2.6	-11.7
NIFTY	-7.1	-10.7	-5.4

Titagarh vs Nifty



Abhishek Jain

Head of Research & Director

abhishek.jain@arihantcapital.com

022-67114871

Balasubramanian A

Senior Research Analyst

bala@arihantcapital.com

022-67114870

Titagarh Rail Systems reported numbers, Q4FY26 revenue stood at INR 8,754mn (-12.9% YoY/+5.2% QoQ); slightly below our estimates of INR 9,356mn, sequential recovery supported by passenger systems. Gross Profit stood at INR 2,341mn (-9.9% YoY/+4.3% QoQ), below our estimates of INR 2,454mn. Gross margins improved 91 bps YoY (down by 23bps QoQ) to 26.7% in Q4FY26. EBITDA stood at INR 972mn (-4.4% YoY/+5.6% QoQ); slightly below our estimates of INR 1,035mn. EBITDA margin improved by 99bps YoY (up by 4bps QoQ) to 11.1% in Q4FY26, supported by lower other expenses in-terms of sales. PAT stood at INR 516mn vs INR -1,235mn in Q4FY25, slightly below our estimates of INR 638mn. PAT margin stood at 5.9% vs -12.3% in Q4FY25.

Key Highlights

Freight stability & Passenger super-cycle is expected to drive business growth: The company is equally exposed to the steady, high-volume freight wagon business and high-growth passenger rail segment. The freight business acts as a reliable cash flow generator, producing 600-1,000 wagons per month with a stable EBIT margin of 11%-12%. It's backed by an annual demand of 10% (6% GDP growth + 4% replenishment) from India's 4,00,000 wagons fleet. The passenger segment is scaling rapidly from 12 cars (FY25) to 63 cars in FY26E, targeting 200 cars in FY27E (our estimates: 120cars). The standalone order book stood at INR 106bn, and passenger revenue is expected to reach 70%-80% of total business by FY30E. The company completed Pune Metro's defect liability period with a repeat order and active progress on Gujarat, Mumbai, and Bangalore Metros. Vande Bharat prototype delivery is expected in Q3FY27E/Q4FY27E. The company is the sole domestic manufacturer of both stainless steel and aluminium coaches, with full aluminium self-sufficiency from extrusion by FY27-FY28E, enabling high-speed rail opportunities.

Margin expansion via backward integration & JV synergies: Foundries has resin-based molding capacity to support 1,000 wagons per month. The company employs 150 skilled R&D and design engineers, creating significant operating leverage as volumes scale. Propulsion systems and traction motors are targeted for backward integration within 2 years, which would improve margins from 12% to 15% going forward. The Ramkrishna-Titagarh wheelset JV (49% share) begins production in Jun-26 with a 20-year, 80,000 wheels/annum contract from Indian Railways, offering additional revenue and export potential. A newly secured wagon leasing license adds a 3rd revenue outlet alongside direct sales to railways and the private sector. These initiatives drive cost savings, reduce import dependence, and improve working capital over time.

Clean exit from Firema and new growth vectors in Naval Systems: The company has fully exited the loss-making Italian subsidiary, removing persistent drag. This cleanup enabled a sharp improvement in cash flows and improved working capital, despite inventory buildup related to passenger ramp-up. Titagarh Naval Systems (a wholly owned subsidiary) is a high-conviction new growth vector. The company secured land and a long-term leased jetty in Falta, West Bengal, for an INR 6.1bn project, which has received 25% capital subsidy approval under the Government's Shipbuilding Assistance Scheme. The production is expected to start in FY27E, and a separate listing of the naval subsidiary is a future possibility.

Outlook & Valuation: Titagarh Rail Systems' order book of INR 275.4bn (8.6x FY26 revenue) shows multi-year visibility, and new wagon tenders will be beneficial in the future. The margin improvements are expected through backward integration in propulsion, wheelset JV, etc. The company ramped up passenger rail systems from 12 cars (FY25) to 63 cars in FY26E, with a target of 200 cars in FY27E (our estimates: 120 cars), supported by completion of major metro orders for Gujarat, Pune and Bangalore. Vande Bharat prototype delivery is scheduled for Q3FY27E/Q4FY27E, with two trains to be delivered in FY27E. The freight wagon business remains a stable cash flow generator, and production rate is expected to improve once wheelset constraints normalize. The new wagon tenders are expected to be finalized in 2 quarters and will support the order book. The new wagon leasing license opens a 3rd revenue channel. The Ramkrishna-Titagarh wheelset JV will commence commercial production in Jun-26, adding long-term recurring revenue under a 20-year railway contract. Titagarh Naval Systems is on track to start production in FY27E at its Falta yard, backed by a 25% government capital subsidy. The clean exit from the loss-making Firema improved cash flows and working capital, removing a persistent drag. In the Base Case, Revenue is expected to grow at a CAGR of 33.2% for FY26-FY28E, and RoE is expected to be at 15.2% in FY28E. The stock is trading at 39.1x of its FY27E EPS. In the Base Case Scenario, At the CMP of INR 801 per share, we are maintaining our "BUY" rating and value the stock at 35x (~50% of Mean 1-Year Forward PE) of its FY28E EPS of INR 32.7 and arrive at a price objective of INR 1,143, an upside of 42.7%.

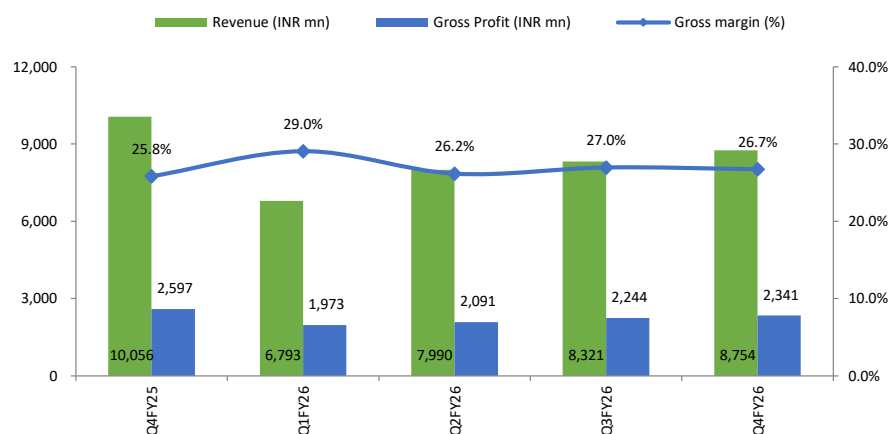
Q4FY26 Results

Exhibit 1: Income statement summary

Particular (INR Mn)	Q4FY25	Q3FY26	Q4FY26	YoY (%)	QoQ (%)
Revenue	10,056	8,321	8,754	-12.9%	5.2%
Net Raw Materials	7,458	6,077	6,414	-14.0%	5.5%
Gross Profit	2,597	2,244	2,341	-9.9%	4.3%
Gross Margin (%)	25.8%	27.0%	26.7%	+91 bps	-23 bps
Employee Cost	280	306	278	-0.6%	-9.0%
Other Expenses	1,300	1,017	1,090	-16.2%	7.2%
EBITDA	1,017	920	972	-4.4%	5.6%
EBITDA Margin (%)	10.1%	11.1%	11.1%	+99 bps	+4 bps
Depreciation	84	125	142		
Interest expense	221	178	169		
Other income	299	108	116		
Share of profits associate & JV	(834)	(11)	(50)		
Profit before tax	(1,398)	606	727		
Taxes	(163)	152	212		
PAT	(1,235)	454	516	-141.7%	13.6%
PAT Margin (%)	-12.3%	5.5%	5.9%		
EPS (INR)	(9.2)	3.4	3.8		

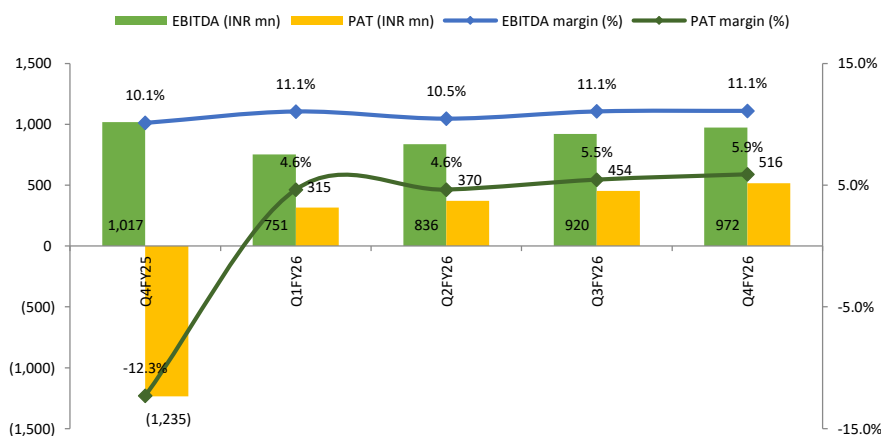
Source: Company Reports, Arihant Capital Research

Exhibit 2: Gross margins improved by 91bps YoY (down by 23bps QoQ) to 26.7% in Q4FY26, due to lower RM costs.



Source: Company Reports, Arihant Capital Research

Exhibit 3: EBITDA margin improved by 99bps YoY (up by 4bps QoQ) to 11.1% in Q4FY26, due to lower other expenses in-terms of sales.



Source: Company Reports, Arihant Capital Research

Segments and Order book

Exhibit 4: Freight wagons volumes impacted due to wheelset supply chain constraints. The JV wheelset plant is expected to commence production by Jun-26 and expected to resolve wheelset constraints. Passenger rolling stock volumes improved from 12 cars (FY25) to 63 cars in FY26. The company is targeting 200 cars in FY27E (our estimates: 120 cars).

Segment Revenue (INR mn)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	YoY (%)	QoQ (%)
Freight Rolling Stock	8,528	9,101	6,019	6,768	6,564	6,852	-24.7%	4.4%
Passenger Rolling Stock	494	903	774	1,222	1,664	1,733	91.9%	4.2%
Shipbuilding		52	-	-	93	169	224.8%	80.8%
Total Revenue	9,022	10,056	6,793	7,990	8,321	8,754	-12.9%	5.2%

Segment Revenue share (%)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	YoY (%)	QoQ (%)
Freight Rolling Stock	94.5%	90.5%	88.6%	84.7%	78.9%	78.3%		
Passenger Rolling Stock	5.5%	9.0%	11.4%	15.3%	20.0%	19.8%		
Shipbuilding		0.5%	0.0%	0.0%	1.1%	1.9%		
Total Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		

Exhibit 5: Freight wagon margins are expected to stabilize 11%-12% going forward. Passenger Rail Systems margins stood at 19% in Q4FY26, due to free supply material contracts (Bangalore Metro) and expected to stabilize 12% in the near term and 15% over the next 2-3 years, supported by backward integration.

Segment EBIT (INR mn)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	YoY (%)	QoQ (%)
Freight Rolling Stock	1,018	1,158	671	726	822	886	-23.5%	7.8%
Passenger Rolling Stock	47	33	86	140	216	329	883.5%	52.2%
Shipbuilding		(83)	-	-	(75)	(58)	-29.8%	-22.6%
Total EBIT	1,065	1,109	758	866	963	1,157	4.3%	20.1%

Segment EBIT Margin (%)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	YoY (%)	QoQ (%)
Freight Rolling Stock	11.9%	12.7%	11.2%	10.7%	12.5%	12.9%	+21 bps	+41 bps
Passenger Rolling Stock	9.4%	3.7%	11.1%	11.4%	13.0%	19.0%	+1525 bps	+597 bps
Shipbuilding		-159.4%			-80.5%	-34.5%		
EBIT Margin	11.8%	11.0%	11.2%	10.8%	11.6%	13.2%	+218 bps	+164 bps

Source: Company Reports, Arianth Capital Research

Exhibit 6: The order book stood at INR 275.4bn as of Q4FY26. Freight wagon tenders are expected within two quarters, which would improve the order book going forward.

Standalone Order book (INR bn)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	YoY (%)	QoQ (%)
Freight Rolling Stock	51.6	43.5	41.1	36.3	31.3	31.0	-28.7%	-0.8%
Passenger Rolling Stock	68.5	68.5	85.8	109.6	107.9	106.0	54.7%	-1.8%
Shipbuilding	-	-	-	4.9	5.0	5.0		
Standalone order book	120.1	112.0	127.0	150.8	144.6	142.4	27.1%	-1.5%

JV - Order book (INR bn)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	YoY (%)	QoQ (%)
Vande Bharat with BHEL	70.3	70.3	70.3	70.3	70.0	70.0	-0.4%	0.0%
Wheelsets with Ramakrishna Forgings	63.0	63.0	63.0	63.0	63.0	63.0	0.0%	0.0%
JV - order book	133.3	133.3	133.3	133.3	133.0	133.0	-0.2%	0.0%
Total order book	253.3	245.3	260.2	284.0	277.6	275.4	12.3%	-0.8%

Standalone Order book (%)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	YoY (%)	QoQ (%)
Freight Rolling Stock	20.4%	17.7%	15.8%	12.8%	11.3%	11.3%		
Passenger Rolling Stock	27.0%	27.9%	33.0%	38.6%	38.9%	38.5%		
Shipbuilding	0.0%	0.0%	0.0%	1.7%	1.8%	1.8%		
Standalone order book	47.4%	45.7%	48.8%	53.1%	52.1%	51.7%		

JV - Order book (%)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	YoY (%)	QoQ (%)
Vande Bharat with BHEL	27.7%	28.6%	27.0%	24.7%	25.2%	25.4%		
Wheelsets with Ramakrishna Forgings	24.9%	25.7%	24.2%	22.2%	22.7%	22.9%		
JV - order book	52.6%	54.3%	51.2%	46.9%	47.9%	48.3%		
Total order book	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		

Source: Company Reports, Arianth Capital Research

Q4FY26 Concall Highlights**Margins**

- Freight Rail margins are stable at 11%-12%. Freight margin varies by 0.5%-1%, depending on public vs private order mix, price variation clause, and commodity price movements.
- Passenger EBIT margin stood at 19% in Q4FY26 (14.3% in FY26), due to free-supply material contracts (Bangalore Metro). Passenger margins are expected to be around 12%, and improvement is expected through backward integration and operating leverage.

Order book

- The order book stood at INR 275.4bn (including JV & Subsidiaries). Standalone passenger rail order book is INR 106bn; Freight rail order book is INR 31bn.
- The outstanding deliveries include 522 metro coaches and 1,280 Vande Bharat coaches. Pending wagon orders are 6,500 units.

Wagons

- Wagon volumes are expected range-bound between 600 wagons (weaker years)-1,000 wagons (stronger years) per month.
- The company has executed specialized high-tech wagons for DFC via Mitsui, Japan (hydraulically operated large discharge wagons).
- Wagon demand is driven by India's logistics needs; existing wagon stock is 4,00,000, with annual growth is estimated 10% YoY (6% GDP growth and 4% replenishment).

Passenger coaches (Vande Bharat & Metros)

- The passenger cars scaled from 12 cars (FY25) to 63 cars in FY26, with a target of 200 cars in FY27E.
- Vande Bharat prototype delivery is scheduled for Q3FY27E/Q4FY27E, with two trains to be delivered in FY27E.
- Pune Metro completed 34 trains, the defect liability period successfully ended, and a repeat order of 12 trains was received. Gujarat (34 trains, 103 cars) is expected to be completed in FY27E. Mumbai Metro (Line 5 & 6) first car body production in Q2FY27E, first train delivery by Q3FY27E/Q4FY27E. Bangalore Metro to be completed within FY27E, possible 1-2 quarter spillover.
- The company is the only Indian manufacturer capable of both stainless steel and aluminum coaches. Aluminum coach production will become fully self-sufficient (from extrusion) by FY27E-FY28E, enabling high-speed train opportunities.

Backward integration

- Foundries have been upgraded with resin-based molding for 1,000 wagons per month casting capacity.
- Propulsion systems and traction motors backward integration is expected in the next two years to enhance margins.

Q4FY26 Concall Highlights**Wheelset JV**

- The wheelset JV (49% share) will start production in Jun-26.
- It has a 20-year contract with Indian Railways for 80,000 wheels per annum, with additional export and private sector opportunities.

Shipbuilding

- The shipbuilding business is now a wholly owned subsidiary (Titagarh Naval Systems) with land acquired in Falta, West Bengal, and a long-term leased concrete jetty.
- The project cost is INR 6.1bn. It's approved under the Government's shipbuilding assistance scheme for a 25% capital subsidy. Production is expected to start in FY27E. The shipbuilding subsidiary may be listed separately.
- Naval systems capex of INR 6.1bn funded by 25% government subsidy, debt, and equity.

Wagon leasing

- Wagon leasing license has been received, with the 1st contract signed for two rakes. Leasing is offered only to very safe clients as an extension of the product offering.

Supply chain

- Supply chain constraints (gas, steel, components) have improved. Inventory days increased due to supply chain imbalances and passenger ramp-up.
- Normalized net working capital days are 30 days for freight and 75 days for passenger, expected to be achieved by the end of FY27E.

Other highlights

- The company employs 150 highly skilled people exclusively in design engineering and R&D for passenger rail systems, creating significant operating leverage as volumes scale.
- The company has fully exited Firema, selling it to Italian State Railways.

Sensitivity Analysis

Exhibit 7: Freight Rail Systems Revenue (INR mn) - FY27E

		Freight Wagon Realization (INR Mn/Wagon)										
	30,192	3.5	3.6	3.7	3.8	3.9	4.0	4.1	4.2	4.3	4.4	4.5
Wagon Volumes	7,200	25,200	25,920	26,640	27,360	28,080	28,800	29,520	30,240	30,960	31,680	32,400
	7,400	25,900	26,640	27,380	28,120	28,860	29,600	30,340	31,080	31,820	32,560	33,300
	7,600	26,600	27,360	28,120	28,880	29,640	30,400	31,160	31,920	32,680	33,440	34,200
	7,800	27,300	28,080	28,860	29,640	30,420	31,200	31,980	32,760	33,540	34,320	35,100
	8,000	28,000	28,800	29,600	30,400	31,200	32,000	32,800	33,600	34,400	35,200	36,000
	8,200	28,700	29,520	30,340	31,160	31,980	32,800	33,620	34,440	35,260	36,080	36,900
	8,400	29,400	30,240	31,080	31,920	32,760	33,600	34,440	35,280	36,120	36,960	37,800
	8,600	30,100	30,960	31,820	32,680	33,540	34,400	35,260	36,120	36,980	37,840	38,700
	8,800	30,800	31,680	32,560	33,440	34,320	35,200	36,080	36,960	37,840	38,720	39,600
	9,000	31,500	32,400	33,300	34,200	35,100	36,000	36,900	37,800	38,700	39,600	40,500
	9,200	32,200	33,120	34,040	34,960	35,880	36,800	37,720	38,640	39,560	40,480	41,400

Exhibit 8: Freight Rail Systems Revenue (INR mn) - FY28E

		Freight Wagon Realization (INR Mn/Wagon)										
	35,520	3.5	3.6	3.7	3.8	3.9	4.0	4.1	4.2	4.3	4.4	4.5
Wagon Volumes	8,600	30,100	30,960	31,820	32,680	33,540	34,400	35,260	36,120	36,980	37,840	38,700
	8,800	30,800	31,680	32,560	33,440	34,320	35,200	36,080	36,960	37,840	38,720	39,600
	9,000	31,500	32,400	33,300	34,200	35,100	36,000	36,900	37,800	38,700	39,600	40,500
	9,200	32,200	33,120	34,040	34,960	35,880	36,800	37,720	38,640	39,560	40,480	41,400
	9,400	32,900	33,840	34,780	35,720	36,660	37,600	38,540	39,480	40,420	41,360	42,300
	9,600	33,600	34,560	35,520	36,480	37,440	38,400	39,360	40,320	41,280	42,240	43,200
	9,800	34,300	35,280	36,260	37,240	38,220	39,200	40,180	41,160	42,140	43,120	44,100
	10,000	35,000	36,000	37,000	38,000	39,000	40,000	41,000	42,000	43,000	44,000	45,000
	10,200	35,700	36,720	37,740	38,760	39,780	40,800	41,820	42,840	43,860	44,880	45,900
	10,400	36,400	37,440	38,480	39,520	40,560	41,600	42,640	43,680	44,720	45,760	46,800
	10,600	37,100	38,160	39,220	40,280	41,340	42,400	43,460	44,520	45,580	46,640	47,700

Source: Company Reports, Arihant Capital Research

- Bull Case

- Base Case

- Bear Case

Sensitivity Analysis

Exhibit 9: Passenger Rail Systems Revenue (INR mn) - FY27E

		Rollingstocks Realization (INR Mn/car)										
	10,200	60.0	65.0	70.0	75.0	80.0	85.0	90.0	95.0	100.0	105.0	110.0
Rollingstocks Volumes	70	4,200	4,550	4,900	5,250	5,600	5,950	6,300	6,650	7,000	7,350	7,700
	80	4,800	5,200	5,600	6,000	6,400	6,800	7,200	7,600	8,000	8,400	8,800
	90	5,400	5,850	6,300	6,750	7,200	7,650	8,100	8,550	9,000	9,450	9,900
	100	6,000	6,500	7,000	7,500	8,000	8,500	9,000	9,500	10,000	10,500	11,000
	110	6,600	7,150	7,700	8,250	8,800	9,350	9,900	10,450	11,000	11,550	12,100
	120	7,200	7,800	8,400	9,000	9,600	10,200	10,800	11,400	12,000	12,600	13,200
	130	7,800	8,450	9,100	9,750	10,400	11,050	11,700	12,350	13,000	13,650	14,300
	140	8,400	9,100	9,800	10,500	11,200	11,900	12,600	13,300	14,000	14,700	15,400
	150	9,000	9,750	10,500	11,250	12,000	12,750	13,500	14,250	15,000	15,750	16,500
	160	9,600	10,400	11,200	12,000	12,800	13,600	14,400	15,200	16,000	16,800	17,600
	170	10,200	11,050	11,900	12,750	13,600	14,450	15,300	16,150	17,000	17,850	18,700

Exhibit 10: Passenger Rail Systems Revenue (INR mn) - FY28E

		Rollingstocks Realization (INR Mn/car)										
	20,400	60.0	65.0	70.0	75.0	80.0	85.0	90.0	95.0	100.0	105.0	110.0
Rollingstocks Volumes	200	12,000	13,000	14,000	15,000	16,000	17,000	18,000	19,000	20,000	21,000	22,000
	210	12,600	13,650	14,700	15,750	16,800	17,850	18,900	19,950	21,000	22,050	23,100
	220	13,200	14,300	15,400	16,500	17,600	18,700	19,800	20,900	22,000	23,100	24,200
	230	13,800	14,950	16,100	17,250	18,400	19,550	20,700	21,850	23,000	24,150	25,300
	240	14,400	15,600	16,800	18,000	19,200	20,400	21,600	22,800	24,000	25,200	26,400
	250	15,000	16,250	17,500	18,750	20,000	21,250	22,500	23,750	25,000	26,250	27,500
	260	15,600	16,900	18,200	19,500	20,800	22,100	23,400	24,700	26,000	27,300	28,600
	270	16,200	17,550	18,900	20,250	21,600	22,950	24,300	25,650	27,000	28,350	29,700
	280	16,800	18,200	19,600	21,000	22,400	23,800	25,200	26,600	28,000	29,400	30,800
	290	17,400	18,850	20,300	21,750	23,200	24,650	26,100	27,550	29,000	30,450	31,900
	300	18,000	19,500	21,000	22,500	24,000	25,500	27,000	28,500	30,000	31,500	33,000

Source: Company Reports, Arianth Capital Research

- Bull Case

- Base Case

- Bear Case

Scenario Analysis

Exhibit 11: Scenario Analysis

Bull Case (INR mn)	FY23	FY24	FY25	FY26	FY27E	FY28E
Freight Rail Systems	22,509	34,176	34,918	26,043	32,680	38,000
Passenger Rail Systems	5,287	4,357	2,575	5,393	12,600	23,400
Shipbuilding	-	-	1,184	422	507	608
Total Revenue	27,796	38,533	38,678	31,858	45,787	62,008

Base Case (INR mn)	FY23	FY24	FY25	FY26	FY27E	FY28E
Freight Rail Systems	22,509	34,176	34,918	26,043	30,192	35,520
Passenger Rail Systems	5,287	4,357	2,575	5,393	10,200	20,400
Shipbuilding	-	-	1,184	422	507	608
Total Revenue	27,796	38,533	38,678	31,858	40,899	56,528

Bear Case (INR mn)	FY23	FY24	FY25	FY26	FY27E	FY28E
Freight Rail Systems	22,509	34,176	34,918	26,043	28,120	34,040
Passenger Rail Systems	5,287	4,357	2,575	5,393	8,000	17,600
Shipbuilding	-	-	1,184	422	507	608
Total Revenue	27,796	38,533	38,678	31,858	36,627	52,248

Source: Company, Arianth Capital Research

Valuation

Exhibit 12: Bull Case Scenario

Bull Case (INR mn)	FY23	FY24	FY25	FY26	FY27E	FY28E
Revenue	27,796	38,533	38,678	31,858	45,787	62,008
EBITDA	2,635	4,519	4,330	3,480	5,162	7,232
EBITDA Margin (%)	9.5%	11.7%	11.2%	10.9%	11.3%	11.7%
PAT	1,157	2,865	853	1,230	3,210	4,932
PAT Margin (%)	4.2%	7.4%	2.2%	3.9%	7.0%	8.0%
EPS (INR)	11.3	21.4	6.4	9.0	23.8	36.6

Valuation - P/E (FY28E)

EPS (INR) 36.6

P/E (x) 35.0

Target Price (INR) 1,282

CMP (INR) 801

Upside/Downside (%) 60.1%

Source: Company, Arianth Capital Research

Exhibit 13: Bear Case Scenario

Bear Case (INR mn)	FY23	FY24	FY25	FY26	FY27E	FY28E
Revenue	27,796	38,533	38,678	31,858	36,627	52,248
EBITDA	2,635	4,519	4,330	3,480	4,129	6,094
EBITDA Margin (%)	9.5%	11.7%	11.2%	10.9%	11.3%	11.7%
PAT	1,157	2,865	853	1,230	2,369	3,982
PAT Margin (%)	4.2%	7.4%	2.2%	3.9%	6.5%	7.6%
EPS (INR)	11.3	21.4	6.4	9.0	17.6	29.6

Valuation - P/E (FY28E)

EPS (INR) 29.6

P/E (x) 35.0

Target Price (INR) 1,035

CMP (INR) 801

Upside/Downside (%) 29.2%

Source: Company, Arianth Capital Research

Exhibit 14: Base Case Scenario

Base Case (INR mn)	FY23	FY24	FY25	FY26	FY27E	FY28E
Revenue	27,796	38,533	38,678	31,858	40,899	56,528
EBITDA	2,635	4,519	4,330	3,480	4,611	6,593
EBITDA Margin (%)	9.5%	11.7%	11.2%	10.9%	11.3%	11.7%
PAT	1,157	2,865	853	1,230	2,761	4,399
PAT Margin (%)	4.2%	7.4%	2.2%	3.9%	6.8%	7.8%
EPS (INR)	11.3	21.4	6.4	9.0	20.5	32.7

Valuation - P/E (FY28E)

EPS (INR) 32.7

P/E (x) 35.0

Target Price (INR) 1,143

CMP (INR) 801

Upside/Downside (%) 42.7%

Source: Company, Arianth Capital Research

Sensitivity Analysis

Exhibit 15: Changes in revenue and EBITDA margin impact on PAT & EPS.

FY28E PAT (INR mn)

		EBITDA Margin (%)						
	4,399	10.5%	11.0%	11.5%	12.0%	12.5%	13.0%	13.5%
Revenue (INR mn)	52,000	3,636	3,830	4,025	4,219	4,414	4,608	4,803
	54,000	3,793	3,995	4,197	4,399	4,601	4,803	5,005
	56,000	3,950	4,159	4,369	4,578	4,788	4,997	5,206
	58,000	4,107	4,324	4,541	4,758	4,975	5,191	5,408
	60,000	4,264	4,488	4,713	4,937	5,162	5,386	5,610
	62,000	4,421	4,653	4,885	5,117	5,349	5,580	5,812
	64,000	4,578	4,818	5,057	5,296	5,536	5,775	6,014

FY28E EPS (INR)

		EBITDA Margin (%)						
	32.7	10.5%	11.0%	11.5%	12.0%	12.5%	13.0%	13.5%
Revenue (INR mn)	52,000	27.0	28.4	29.9	31.3	32.8	34.2	35.7
	54,000	28.2	29.7	31.2	32.7	34.2	35.7	37.2
	56,000	29.3	30.9	32.4	34.0	35.6	37.1	38.7
	58,000	30.5	32.1	33.7	35.3	36.9	38.6	40.2
	60,000	31.7	33.3	35.0	36.7	38.3	40.0	41.7
	62,000	32.8	34.6	36.3	38.0	39.7	41.4	43.2
	64,000	34.0	35.8	37.6	39.3	41.1	42.9	44.7

Source: Company Reports, Arianth Capital Research

Exhibit 16: Target Price range based on PE & EV/EBITDA.

FY28E Target Price (INR)

		PE (x)						
	1,143	25	30	35	40	45	50	55
EPS (INR)	30.0	750	900	1,050	1,200	1,350	1,500	1,650
	31.0	775	930	1,085	1,240	1,395	1,550	1,705
	32.0	800	960	1,120	1,280	1,440	1,600	1,760
	33.0	825	990	1,155	1,320	1,485	1,650	1,815
	34.0	850	1,020	1,190	1,360	1,530	1,700	1,870
	35.0	875	1,050	1,225	1,400	1,575	1,750	1,925
	36.0	900	1,080	1,260	1,440	1,620	1,800	1,980

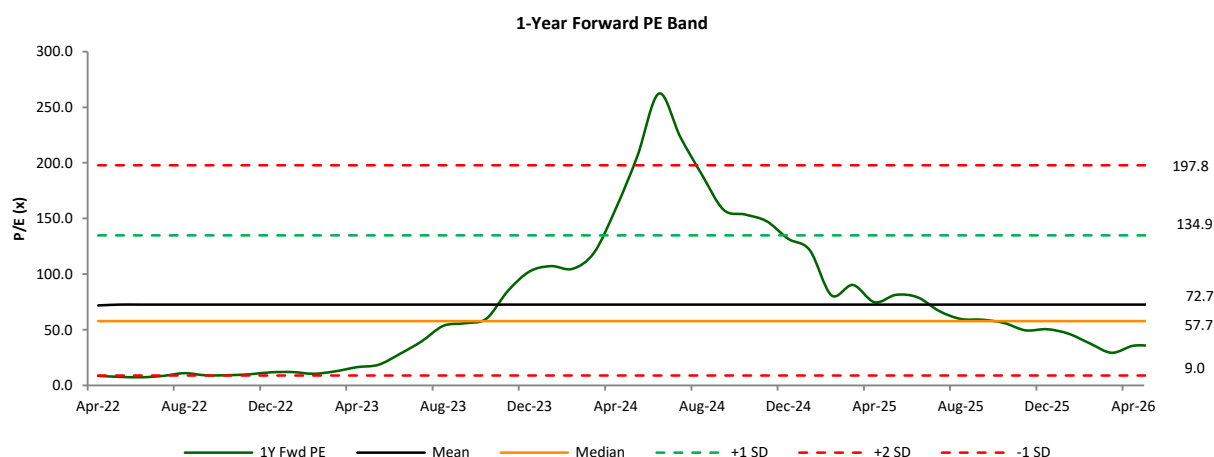
FY28E Target Price (INR)

		EV/EBITDA (x)						
	1,143	15.0x	17.5x	20.0x	22.5x	25.0x	27.5x	30.0x
EBITDA (INR mn)	6,000	718	830	941	1,053	1,164	1,275	1,387
	6,200	741	856	971	1,086	1,201	1,316	1,431
	6,400	763	882	1,001	1,119	1,238	1,357	1,476
	6,600	785	908	1,030	1,153	1,275	1,398	1,520
	6,800	807	934	1,060	1,186	1,312	1,439	1,565
	7,000	830	960	1,090	1,220	1,350	1,480	1,610
	7,200	852	986	1,119	1,253	1,387	1,520	1,654

Source: Company Reports, Arianth Capital Research

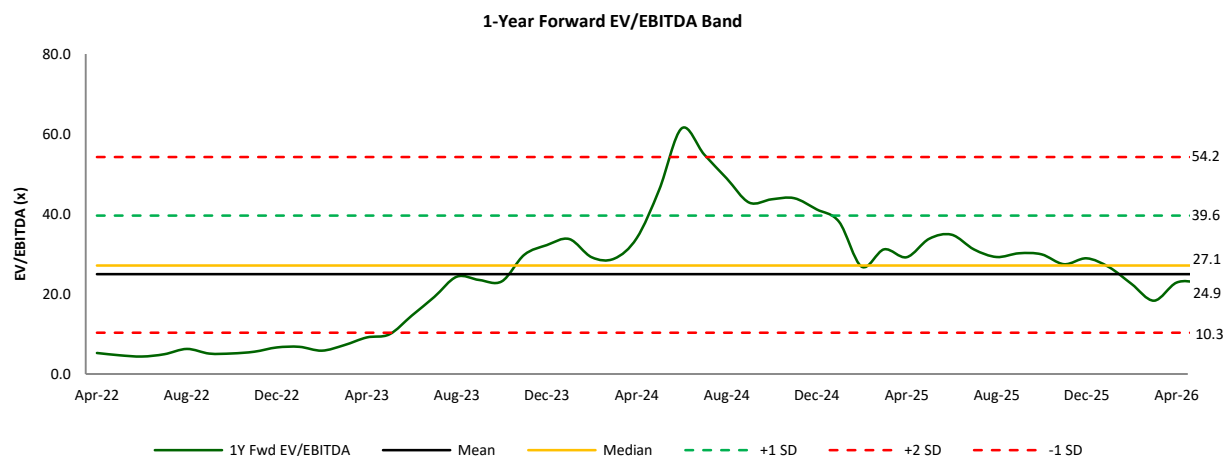
Outlook & Valuation: Titagarh Rail Systems' order book of INR 275.4bn (8.6x FY26 revenue) shows multi-year visibility, and new wagon tenders will be beneficial in the future. The margin improvements are expected through backward integration in propulsion, wheelset JV, etc. The company ramped up passenger rail systems from 12 cars (FY25) to 63 cars in FY26E, with a target of 200 cars in FY27E (our estimates: 120 cars), supported by completion of major metro orders for Gujarat, Pune and Bangalore. Vande Bharat prototype delivery is scheduled for Q3FY27E/Q4FY27E, with two trains to be delivered in FY27E. The freight wagon business remains a stable cash flow generator, and production rate is expected to improve once wheelset constraints normalize. The new wagon tenders are expected to be finalized in 2 quarters and will support the order book. The new wagon leasing license opens a 3rd revenue channel. The Ramkrishna-Titagarh wheelset JV will commence commercial production in Jun-26, adding long-term recurring revenue under a 20-year railway contract. Titagarh Naval Systems is on track to start production in FY27E at its Falta yard, backed by a 25% government capital subsidy. The clean exit from the loss-making Firema improved cash flows and working capital, removing a persistent drag. In the Base Case, Revenue is expected to grow at a CAGR of 33.2% for FY26-FY28E, and RoE is expected to be at 15.2% in FY28E. The stock is trading at 39.1x of its FY27E EPS. In the Base Case Scenario, At the CMP of INR 801 per share, we are maintaining our "BUY" rating and value the stock at 35x (~50% of Mean 1-Year Forward PE) of its FY28E EPS of INR 32.7 and arrive at a price objective of INR 1,143, an upside of 42.7%.

Exhibit 17: We assigned 35x EV/EBITDA (~50% of Mean 1-Year Forward PE).



Source: Arianth Capital Research

Exhibit 18: 1-Year Forward EV/EBITDA



Source: Arianth Capital Research

Industry Wagon Volumes – Indian Railways (RSP)

Wagon Volumes	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
Titagarh Rail Systems	1,666	1,430	949	1,195	1,377	1,515	2,008	1,889	1,910	1,437	1,536	1,423	1,481
Jupiter Wagons	755	557	314	277	816	997	790	1,071	1,490	255	794	865	488
Texmaco	1,046	998	1,098	1,355	1,665	1,439	2,108	1,573	1,520	1,118	1,703	1,349	1,749
Modern	44	27	-	-	-	-	-	-	-	-	-	-	-
H.E.I	735	550	610	566	1,036	758	778	943	1,483	908	1,098	940	957
Besco (WD)	320	249	208	196	157	96	79	108	165	110	157	168	156
Besco (FD)	215	200	225	205	343	310	178	246	215	157	146	238	301
Oriental	232	148	182	264	322	241	373	335	256	176	270	173	306
Amtek	-	-	-	-	-	-	-	-	-	-	-	-	-
CIMMCO	-	-	-	-	-	-	-	-	-	-	-	-	-
CEBBCO	-	-	-	-	-	-	-	-	-	-	-	-	-
Jindal	-	-	-	-	-	-	-	-	-	42	147	168	-
Braithwaite	458	153	111	82	-	284	477	183	532	228	279	260	164
SRBWIL	207	132	-	152	258	263	205	251	187	199	221	269	247
Total Industry Wagons	5,678	4,444	3,697	4,292	5,974	5,903	6,996	6,599	7,758	4,630	6,351	5,853	5,849

Volume Share (%)	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
Titagarh Rail Systems	29.3%	32.2%	25.7%	27.8%	23.0%	25.7%	28.7%	28.6%	24.6%	31.0%	24.2%	24.3%	25.3%
Jupiter Wagons	13.3%	12.5%	8.5%	6.5%	13.7%	16.9%	11.3%	16.2%	19.2%	5.5%	12.5%	14.8%	8.3%
Texmaco	18.4%	22.5%	29.7%	31.6%	27.9%	24.4%	30.1%	23.8%	19.6%	24.1%	26.8%	23.0%	29.9%
Modern	0.8%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
H.E.I	12.9%	12.4%	16.5%	13.2%	17.3%	12.8%	11.1%	14.3%	19.1%	19.6%	17.3%	16.1%	16.4%
Besco (WD)	5.6%	5.6%	5.6%	4.6%	2.6%	1.6%	1.1%	1.6%	2.1%	2.4%	2.5%	2.9%	2.7%
Besco (FD)	3.8%	4.5%	6.1%	4.8%	5.7%	5.3%	2.5%	3.7%	2.8%	3.4%	2.3%	4.1%	5.1%
Oriental	4.1%	3.3%	4.9%	6.2%	5.4%	4.1%	5.3%	5.1%	3.3%	3.8%	4.3%	3.0%	5.2%
Amtek	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CIMMCO	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CEBBCO	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Jindal	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.9%	2.3%	2.9%	0.0%
Braithwaite	8.1%	3.4%	3.0%	1.9%	0.0%	4.8%	6.8%	2.8%	6.9%	4.9%	4.4%	4.4%	2.8%
SRBWIL	3.6%	3.0%	0.0%	3.5%	4.3%	4.5%	2.9%	3.8%	2.4%	4.3%	3.5%	4.6%	4.2%

Source: Ministry of Railways, Arihant Capital Research; Volumes as per RSP (Indian Railway)

Wagon Industry Note

ArihantCapital
31st Mar 2023
Industry Note
Wagons

Wagons are getting up on the right track.

Industry Sector Note

Union Budget 2023-24: Railway capital outlay is INR 2.4 lakh crore for FY23-24. The wagon manufacturing is ramping up due to demand for freight and passenger wagons. There is a shift to commercial vehicles in Rail for transportation. Recently, Indian Railways released a demand for 90,000 wagons and awarded for 7 manufacturers. Further, the industry is expected to manufacture around 30,000 wagons in the next 2 to 3 years. The government is coming up with 10,000 advanced freight wagons to global standards and wagon cost around INR 100 lakhs. It will be a game changer for the wagon business. The wagon manufacturers are full swing mode for manufacturing and operating at full 70% and 80% capacity compared to 40% in past years. The industry currently operates 1,00,000 wagons and new wagons are expected to add going forward. The wagon manufacturing was impacted due to unavailability of wheel sets. Indian wagon manufacturers regularly procure wheel sets from China which was impacted due to supply chain issues. Post Dec-22, wagon manufacturing ramped up due to the normalisation of wheel set supply.

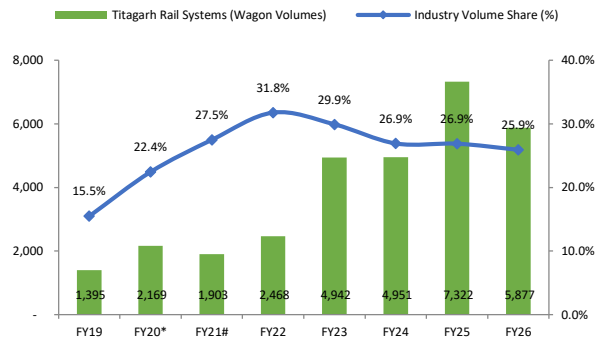
Top wagon manufacturer's revenue is expected to grow at 25% CAGR over the period of FY23-FY26, backed by strong order inflows from the Indian railway along with an increase in price per wagon. Ramp up capacity utilisation and better absorption of fixed costs led to EBITDA margin improvement of 200 bps for top wagon manufacturers in the period of FY23-FY26. Wagon manufacturer's EBITDA is expected to reduce from ~4% to less than 2% going forward. The debt coverage ratio is expected to improve along with steady improvement of revenue and margins. Overall, Wagon manufacturers' credit profile is likely to improve over the medium term.

The price per wagon is currently in the range of INR 8.50 to INR 4.00 based on wagon models. Freight wagon price is INR 400 to INR 1000 higher than freight wagons which is more than 200%. Freight wagon are flat price contracts, as wagon manufacturers are taking 20-30% advance from customers to fix the material price. The price per wagon is expected to increase in 0.2 months. Railway wagon contracts are zero-through to customers. Steel and iron is going through an up cycle. The cost of prime material leads to an increase in cost transparency. The wagon demand is witnessed from Cement, Steel, Coal and Mining industries. Wagon business is more convenient and economical than commercial vehicles.

Titagarh wagon's order book-to-revenue ratio stood at 4x in FY22 FY23 FY24 FY25 FY26 FY27 FY28 FY29 FY30 FY31 FY32 FY33 FY34 FY35 FY36 FY37 FY38 FY39 FY40 FY41 FY42 FY43 FY44 FY45 FY46 FY47 FY48 FY49 FY50 FY51 FY52 FY53 FY54 FY55 FY56 FY57 FY58 FY59 FY60 FY61 FY62 FY63 FY64 FY65 FY66 FY67 FY68 FY69 FY70 FY71 FY72 FY73 FY74 FY75 FY76 FY77 FY78 FY79 FY80 FY81 FY82 FY83 FY84 FY85 FY86 FY87 FY88 FY89 FY90 FY91 FY92 FY93 FY94 FY95 FY96 FY97 FY98 FY99 FY00 FY01 FY02 FY03 FY04 FY05 FY06 FY07 FY08 FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16 FY17 FY18 FY19 FY20 FY21 FY22 FY23 FY24 FY25 FY26 FY27 FY28 FY29 FY30 FY31 FY32 FY33 FY34 FY35 FY36 FY37 FY38 FY39 FY40 FY41 FY42 FY43 FY44 FY45 FY46 FY47 FY48 FY49 FY50 FY51 FY52 FY53 FY54 FY55 FY56 FY57 FY58 FY59 FY60 FY61 FY62 FY63 FY64 FY65 FY66 FY67 FY68 FY69 FY70 FY71 FY72 FY73 FY74 FY75 FY76 FY77 FY78 FY79 FY80 FY81 FY82 FY83 FY84 FY85 FY86 FY87 FY88 FY89 FY90 FY91 FY92 FY93 FY94 FY95 FY96 FY97 FY98 FY99 FY00 FY01 FY02 FY03 FY04 FY05 FY06 FY07 FY08 FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16 FY17 FY18 FY19 FY20 FY21 FY22 FY23 FY24 FY25 FY26 FY27 FY28 FY29 FY30 FY31 FY32 FY33 FY34 FY35 FY36 FY37 FY38 FY39 FY40 FY41 FY42 FY43 FY44 FY45 FY46 FY47 FY48 FY49 FY50 FY51 FY52 FY53 FY54 FY55 FY56 FY57 FY58 FY59 FY60 FY61 FY62 FY63 FY64 FY65 FY66 FY67 FY68 FY69 FY70 FY71 FY72 FY73 FY74 FY75 FY76 FY77 FY78 FY79 FY80 FY81 FY82 FY83 FY84 FY85 FY86 FY87 FY88 FY89 FY90 FY91 FY92 FY93 FY94 FY95 FY96 FY97 FY98 FY99 FY00 FY01 FY02 FY03 FY04 FY05 FY06 FY07 FY08 FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16 FY17 FY18 FY19 FY20 FY21 FY22 FY23 FY24 FY25 FY26 FY27 FY28 FY29 FY30 FY31 FY32 FY33 FY34 FY35 FY36 FY37 FY38 FY39 FY40 FY41 FY42 FY43 FY44 FY45 FY46 FY47 FY48 FY49 FY50 FY51 FY52 FY53 FY54 FY55 FY56 FY57 FY58 FY59 FY60 FY61 FY62 FY63 FY64 FY65 FY66 FY67 FY68 FY69 FY70 FY71 FY72 FY73 FY74 FY75 FY76 FY77 FY78 FY79 FY80 FY81 FY82 FY83 FY84 FY85 FY86 FY87 FY88 FY89 FY90 FY91 FY92 FY93 FY94 FY95 FY96 FY97 FY98 FY99 FY00 FY01 FY02 FY03 FY04 FY05 FY06 FY07 FY08 FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16 FY17 FY18 FY19 FY20 FY21 FY22 FY23 FY24 FY25 FY26 FY27 FY28 FY29 FY30 FY31 FY32 FY33 FY34 FY35 FY36 FY37 FY38 FY39 FY40 FY41 FY42 FY43 FY44 FY45 FY46 FY47 FY48 FY49 FY50 FY51 FY52 FY53 FY54 FY55 FY56 FY57 FY58 FY59 FY60 FY61 FY62 FY63 FY64 FY65 FY66 FY67 FY68 FY69 FY70 FY71 FY72 FY73 FY74 FY75 FY76 FY77 FY78 FY79 FY80 FY81 FY82 FY83 FY84 FY85 FY86 FY87 FY88 FY89 FY90 FY91 FY92 FY93 FY94 FY95 FY96 FY97 FY98 FY99 FY00 FY01 FY02 FY03 FY04 FY05 FY06 FY07 FY08 FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16 FY17 FY18 FY19 FY20 FY21 FY22 FY23 FY24 FY25 FY26 FY27 FY28 FY29 FY30 FY31 FY32 FY33 FY34 FY35 FY36 FY37 FY38 FY39 FY40 FY41 FY42 FY43 FY44 FY45 FY46 FY47 FY48 FY49 FY50 FY51 FY52 FY53 FY54 FY55 FY56 FY57 FY58 FY59 FY60 FY61 FY62 FY63 FY64 FY65 FY66 FY67 FY68 FY69 FY70 FY71 FY72 FY73 FY74 FY75 FY76 FY77 FY78 FY79 FY80 FY81 FY82 FY83 FY84 FY85 FY86 FY87 FY88 FY89 FY90 FY91 FY92 FY93 FY94 FY95 FY96 FY97 FY98 FY99 FY00 FY01 FY02 FY03 FY04 FY05 FY06 FY07 FY08 FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16 FY17 FY18 FY19 FY20 FY21 FY22 FY23 FY24 FY25 FY26 FY27 FY28 FY29 FY30 FY31 FY32 FY33 FY34 FY35 FY36 FY37 FY38 FY39 FY40 FY41 FY42 FY43 FY44 FY45 FY46 FY47 FY48 FY49 FY50 FY51 FY52 FY53 FY54 FY55 FY56 FY57 FY58 FY59 FY60 FY61 FY62 FY63 FY64 FY65 FY66 FY67 FY68 FY69 FY70 FY71 FY72 FY73 FY74 FY75 FY76 FY77 FY78 FY79 FY80 FY81 FY82 FY83 FY84 FY85 FY86 FY87 FY88 FY89 FY90 FY91 FY92 FY93 FY94 FY95 FY96 FY97 FY98 FY99 FY00 FY01 FY02 FY03 FY04 FY05 FY06 FY07 FY08 FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16 FY17 FY18 FY19 FY20 FY21 FY22 FY23 FY24 FY25 FY26 FY27 FY28 FY29 FY30 FY31 FY32 FY33 FY34 FY35 FY36 FY37 FY38 FY39 FY40 FY41 FY42 FY43 FY44 FY45 FY46 FY47 FY48 FY49 FY50 FY51 FY52 FY53 FY54 FY55 FY56 FY57 FY58 FY59 FY60 FY61 FY62 FY63 FY64 FY65 FY66 FY67 FY68 FY69 FY70 FY71 FY72 FY73 FY74 FY75 FY76 FY77 FY78 FY79 FY80 FY81 FY82 FY83 FY84 FY85 FY86 FY87 FY88 FY89 FY90 FY91 FY92 FY93 FY94 FY95 FY96 FY97 FY98 FY99 FY00 FY01 FY02 FY03 FY04 FY05 FY06 FY07 FY08 FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16 FY17 FY18 FY19 FY20 FY21 FY22 FY23 FY24 FY25 FY26 FY27 FY28 FY29 FY30 FY31 FY32 FY33 FY34 FY35 FY36 FY37 FY38 FY39 FY40 FY41 FY42 FY43 FY44 FY45 FY46 FY47 FY48 FY49 FY50 FY51 FY52 FY53 FY54 FY55 FY56 FY57 FY58 FY59 FY60 FY61 FY62 FY63 FY64 FY65 FY66 FY67 FY68 FY69 FY70 FY71 FY72 FY73 FY74 FY75 FY76 FY77 FY78 FY79 FY80 FY81 FY82 FY83 FY84 FY85 FY86 FY87 FY88 FY89 FY90 FY91 FY92 FY93 FY94 FY95 FY96 FY97 FY98 FY99 FY00 FY01 FY02 FY03 FY04 FY05 FY06 FY07 FY08 FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16 FY17 FY18 FY19 FY20 FY21 FY22 FY23 FY24 FY25 FY26 FY27 FY28 FY29 FY30 FY31 FY32 FY33 FY34 FY35 FY36 FY37 FY38 FY39 FY40 FY41 FY42 FY43 FY44 FY45 FY46 FY47 FY48 FY49 FY50 FY51 FY52 FY53 FY54 FY55 FY56 FY57 FY58 FY59 FY60 FY61 FY62 FY63 FY64 FY65 FY66 FY67 FY68 FY69 FY70 FY71 FY72 FY73 FY74 FY75 FY76 FY77 FY78 FY79 FY80 FY81 FY82 FY83 FY84 FY85 FY86 FY87 FY88 FY89 FY90 FY91 FY92 FY93 FY94 FY95 FY96 FY97 FY98 FY99 FY00 FY01 FY02 FY03 FY04 FY05 FY06 FY07 FY08 FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16 FY17 FY18 FY19 FY20 FY21 FY22 FY23 FY24 FY25 FY26 FY27 FY28 FY29 FY30 FY31 FY32 FY33 FY34 FY35 FY36 FY37 FY38 FY39 FY40 FY41 FY42 FY43 FY44 FY45 FY46 FY47 FY48 FY49 FY50 FY51 FY52 FY53 FY54 FY55 FY56 FY57 FY58 FY59 FY60 FY61 FY62 FY63 FY64 FY65 FY66 FY67 FY68 FY69 FY70 FY71 FY72 FY73 FY74 FY75 FY76 FY77 FY78 FY79 FY80 FY81 FY82 FY83 FY84 FY85 FY86 FY87 FY88 FY89 FY90 FY91 FY92 FY93 FY94 FY95 FY96 FY97 FY98 FY99 FY00 FY01 FY02 FY03 FY04 FY05 FY06 FY07 FY08 FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16 FY17 FY18 FY19 FY20 FY21 FY22 FY23 FY24 FY25 FY26 FY27 FY28 FY29 FY30 FY31 FY32 FY33 FY34 FY35 FY36 FY37 FY38 FY39 FY40 FY41 FY42 FY43 FY44 FY45 FY46 FY47 FY48 FY49 FY50 FY51 FY52 FY53 FY54 FY55 FY56 FY57 FY58 FY59 FY60 FY61 FY62 FY63 FY64 FY65 FY66 FY67 FY68 FY69 FY70 FY71 FY72 FY73 FY74 FY75 FY76 FY77 FY78 FY79 FY80 FY81 FY82 FY83 FY84 FY85 FY86 FY87 FY88 FY89 FY90 FY91 FY92 FY93 FY94 FY95 FY96 FY97 FY98 FY99 FY00 FY01 FY02 FY03 FY04 FY05 FY06 FY07 FY08 FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16 FY17 FY18 FY19 FY20 FY21 FY22 FY23 FY24 FY25 FY26 FY27 FY28 FY29 FY30 FY31 FY32 FY33 FY34 FY35 FY36 FY37 FY38 FY39 FY40 FY41 FY42 FY43 FY44 FY45 FY46 FY47 FY48 FY49 FY50 FY51 FY52 FY53 FY54 FY55 FY56 FY57 FY58 FY59 FY60 FY61 FY62 FY63 FY64 FY65 FY66 FY67 FY68 FY69 FY70 FY71 FY72 FY73 FY74 FY75 FY76 FY77 FY78 FY79 FY80 FY81 FY82 FY83 FY84 FY85 FY86 FY87 FY88 FY89 FY90 FY91 FY92 FY93 FY94 FY95 FY96 FY97 FY98 FY99 FY00 FY01 FY02 FY03 FY04 FY05 FY06 FY07 FY08 FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16 FY17 FY18 FY19 FY20 FY21 FY22 FY23 FY24 FY25 FY26 FY27 FY28 FY29 FY30 FY31 FY32 FY33 FY34 FY35 FY36 FY37 FY38 FY39 FY40 FY41 FY42 FY43 FY44 FY45 FY46 FY47 FY48 FY49 FY50 FY51 FY52 FY53 FY54 FY55 FY56 FY57 FY58 FY59 FY60 FY61 FY62 FY63 FY64 FY65 FY66 FY67 FY68 FY69 FY70 FY71 FY72 FY73 FY74 FY75 FY76 FY77 FY78 FY79 FY80 FY81 FY82 FY83 FY84 FY85 FY86 FY87 FY88 FY89 FY90 FY91 FY92 FY93 FY94 FY95 FY96 FY97 FY98 FY99 FY00 FY01 FY02 FY03 FY04 FY05 FY06 FY07 FY08 FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16 FY17 FY18 FY19 FY20 FY21 FY22 FY23 FY24 FY25 FY26 FY27 FY28 FY29 FY30 FY31 FY32 FY33 FY34 FY35 FY36 FY37 FY38 FY39 FY40 FY41 FY42 FY43 FY44 FY45 FY46 FY47 FY48 FY49 FY50 FY51 FY52 FY53 FY54 FY55 FY56 FY57 FY58 FY59 FY60 FY61 FY62 FY63 FY64 FY65 FY66 FY67 FY68 FY69 FY70 FY71 FY72 FY73 FY74 FY75 FY76 FY77 FY78 FY79 FY80 FY81 FY82 FY83 FY84 FY85 FY86 FY87 FY88 FY89 FY90 FY91 FY92 FY93 FY94 FY95 FY96 FY97 FY98 FY99 FY00 FY01 FY02 FY03 FY04 FY05 FY06 FY07 FY08 FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16 FY17 FY18 FY19 FY20 FY21 FY22 FY23 FY24 FY25 FY26 FY27 FY28 FY29 FY30 FY31 FY32 FY33 FY34 FY35 FY36 FY37 FY38 FY39 FY40 FY41 FY42 FY43 FY44 FY45 FY46 FY47 FY48 FY49 FY50 FY51 FY52 FY53 FY54 FY55 FY56 FY57 FY58 FY59 FY60 FY61 FY62 FY63 FY64 FY65 FY66 FY67 FY68 FY69 FY70 FY71 FY72 FY73 FY74 FY75 FY76 FY77 FY78 FY79 FY80 FY81 FY82 FY83 FY84 FY85 FY86 FY87 FY88 FY89 FY90 FY91 FY92 FY93 FY94 FY95 FY96 FY97 FY98 FY99 FY00 FY01 FY02 FY03 FY04 FY05 FY06 FY07 FY08 FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16 FY17 FY18 FY19 FY20 FY21 FY22 FY23 FY24 FY25 FY26 FY27 FY28 FY29 FY30 FY31 FY32 FY33 FY34 FY35 FY36 FY37 FY38 FY39 FY40 FY41 FY42 FY43 FY44 FY45 FY46 FY47 FY48 FY49 FY50 FY51 FY52 FY53 FY54 FY55 FY56 FY57 FY58 FY59 FY60 FY61 FY62 FY63 FY64 FY65 FY66 FY67 FY68 FY69 FY70 FY71 FY72 FY73 FY74 FY75 FY76 FY77 FY78 FY79 FY80 FY81 FY82 FY83 FY84 FY85 FY86 FY87 FY88 FY89 FY90 FY91 FY92 FY93 FY94 FY95 FY96 FY97 FY98 FY99 FY00 FY01 FY02 FY03 FY04 FY05 FY06 FY07 FY08 FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16 FY17 FY18 FY19 FY20 FY21 FY22 FY23 FY24 FY25 FY26 FY27 FY28 FY29 FY30 FY31 FY32 FY33 FY34 FY35 FY36 FY37 FY38 FY39 FY40 FY41 FY42 FY43 FY44 FY45 FY46 FY47 FY48 FY49 FY50 FY51 FY52 FY53 FY54 FY55 FY56 FY57 FY58 FY59 FY60 FY61 FY62 FY63 FY64 FY65 FY66 FY67 FY68 FY69 FY70 FY71 FY72 FY73 FY74 FY75 FY76 FY77 FY78 FY79 FY80 FY81 FY82 FY83 FY84 FY85 FY86 FY87 FY88 FY89 FY90 FY91 FY92 FY93 FY94 FY95 FY96 FY97 FY98 FY99 FY00 FY01 FY02 FY03 FY04 FY05 FY06 FY07 FY08 FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16 FY17 FY18 FY19 FY20 FY21 FY22 FY23 FY24 FY25 FY26 FY27 FY28 FY29 FY30 FY31 FY32 FY33 FY34 FY35 FY36 FY37 FY38 FY39 FY40 FY41 FY42 FY43 FY44 FY45 FY46 FY47 FY48 FY49 FY50 FY51 FY52 FY53 FY54 FY55 FY56 FY57 FY58 FY59 FY60 FY61 FY62 FY63 FY64 FY65 FY66 FY67 FY68 FY69 FY70 FY71 FY72 FY73 FY74 FY75 FY76 FY77 FY78 FY79 FY80 FY81 FY82 FY83 FY84 FY85 FY86 FY87 FY88 FY89 FY90 FY91 FY92 FY93 FY94 FY95 FY96 FY97 FY98 FY99 FY00 FY01 FY02 FY03 FY04 FY05 FY06 FY07 FY08 FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16 FY17 FY18 FY19 FY20 FY21 FY22 FY23 FY24 FY25 FY26 FY27 FY28 FY29 FY30 FY31 FY32 FY33 FY34 FY35 FY36 FY37 FY38 FY39 FY40 FY41 FY42 FY43 FY44 FY45 FY46 FY47 FY48 FY49 FY50 FY51 FY52 FY53 FY54 FY55 FY56 FY57 FY58 FY59 FY60 FY61 FY62 FY63 FY64 FY65 FY66 FY67 FY68 FY69 FY70 FY71 FY72 FY73 FY74 FY75 FY76 FY77 FY78 FY79 FY80 FY81 FY82 FY83 FY84 FY85 FY86 FY87 FY88 FY89 FY90 FY91 FY92 FY93 FY94 FY95 FY96 FY97 FY98 FY99 FY00 FY01 FY02 FY03 FY04 FY05 FY06 FY07 FY08 FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16 FY17 FY18 FY19 FY20 FY21 FY22 FY23 FY24 FY25 FY26 FY27 FY28 FY29 FY30 FY31 FY32 FY33 FY34 FY35 FY36 FY37 FY38 FY39 FY40 FY41 FY42 FY43 FY44 FY45 FY46 FY47 FY48 FY49 FY50 FY51 FY52 FY53 FY54 FY55 FY56 FY57 FY58 FY59 FY60 FY61 FY62 FY63 FY64 FY65 FY66 FY67 FY68 FY69 FY70 FY71 FY72 FY73 FY74 FY75 FY76 FY77 FY78 FY79 FY80 FY81 FY82 FY83 FY84 FY85 FY86 FY87 FY88 FY89 FY90 FY91 FY92 FY93 FY94 FY95 FY96 FY97 FY98 FY99 FY00 FY01 FY02 FY03 FY04 FY05 FY06 FY07 FY08 FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16 FY17 FY18 FY19 FY20 FY21 FY22 FY23 FY24 FY25 FY26 FY27 FY28 FY29 FY30 FY31 FY32 FY33 FY34 FY35 FY36 FY37 FY38 FY39 FY40 FY41 FY42 FY43 FY44 FY45 FY46 FY47 FY48 FY49 FY50 FY51 FY52 FY53 FY54 FY55 FY56 FY57 FY58 FY59 FY60 FY61 FY62 FY63 FY64 FY65 FY66 FY67 FY68 FY69 FY70 FY71 FY72 FY73 FY74 FY75 FY76 FY77 FY78 FY79 FY80 FY81 FY82 FY83 FY84 FY85 FY86 FY87 FY88 FY89 FY90 FY91 FY92 FY93 FY94 FY95 FY96 FY97 FY98 FY99 FY00 FY01 FY02 FY03 FY04 FY05 FY06 FY07 FY08 FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16 FY17 FY18 FY19 FY20 FY21 FY22 FY23 FY24 FY25 FY26 FY27 FY28 FY29 FY30 FY31 FY32 FY33 FY34 FY35 FY36 FY37 FY38 FY39 FY40 FY41 FY42 FY43 FY44 FY45 FY46 FY47 FY48 FY49 FY50 FY51 FY52 FY53 FY54 FY55 FY56 FY57 FY58 FY59 FY60 FY61 FY62 FY63 FY64 FY65 FY66 FY67 FY68 FY69 FY70 FY71 FY72 FY73 FY74 FY75 FY76 FY77 FY78 FY79 FY80 FY81 FY82 FY83 FY84 FY85 FY86 FY87 FY88 FY89 FY90 FY91 FY92 FY93 FY94 FY95 FY96 FY97 FY98 FY99 FY00 FY01 FY02 FY03 FY04 FY05 FY06 FY07 FY08 FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16 FY17 FY18 FY19 FY20 FY21 FY22 FY23 FY24 FY25 FY26 FY27 FY28 FY29 FY30 FY31 FY32 FY33 FY34 FY35 FY36 FY37 FY38 FY39 FY40 FY41 FY42 FY43 FY44 FY45 FY46 FY47 FY48 FY49 FY50 FY51 FY52 FY53 FY54 FY55 FY56 FY57 FY58 FY59 FY60 FY61 FY62 FY63 FY64 FY65 FY66 FY67 FY68 FY69 FY70 FY71 FY72 FY73 FY74 FY75 FY76 FY77 FY78 FY79 FY80 FY81 FY82 FY83 FY84 FY85 FY86 FY87 FY88 FY89 FY90 FY91 FY92 FY93 FY94 FY95 FY96 FY97 FY98 FY99 FY00 FY01 FY02 FY03 FY04 FY05 FY06 FY07 FY08 FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16 FY17 FY18 FY19 FY20 FY21 FY22 FY23 FY24 FY25 FY26 FY27 FY28 FY29 FY30 FY31 FY32 FY33 FY34 FY35 FY36 FY37 FY38 FY39 FY40 FY41 FY42 FY43 FY44 FY45 FY46 FY47 FY48 FY49 FY50 FY51 FY52 FY53 FY54 FY55 FY56 FY57 FY58 FY59 FY60 FY61 FY62 FY63 FY64 FY65 FY66 FY67 FY68 FY69 FY70 FY71 FY72 FY73 FY74 FY75 FY76 FY77 FY78 FY79 FY80 FY81 FY82 FY83 FY84 FY85 FY86 FY87 FY88 FY89 FY90 FY91 FY92 FY93 FY94 FY95 FY96 FY97 FY98 FY99 FY00 FY01 FY02 FY03 FY04 FY05 FY06 FY07 FY08 FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16 FY17 FY18 FY19 FY20 FY21 FY22 FY23 FY24 FY25 FY26 FY27 FY28 FY29 FY30 FY31 FY32 FY33 FY34 FY35 FY36 FY37 FY38 FY39 FY40 FY41 FY42 FY43 FY44 FY45 FY46 FY47 FY48 FY49 FY50 FY51 FY52 FY53 FY54 FY55 FY56 FY57 FY58 FY59 FY60 FY61 FY62 FY63 FY64 FY65 FY66 FY67 FY68 FY69 FY70 FY71 FY72 FY73 FY74 FY75 FY76 FY77 FY78 FY79 FY80 FY81 FY82 FY83 FY84 FY85 FY86 FY87 FY88 FY

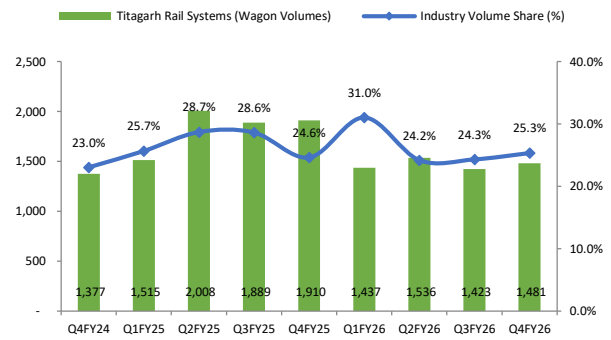
Industry Wagon Volumes – Indian Railways (RSP)

Exhibit 19: Titagarh's railway wagon volume share maintained to 25.9% in FY26.



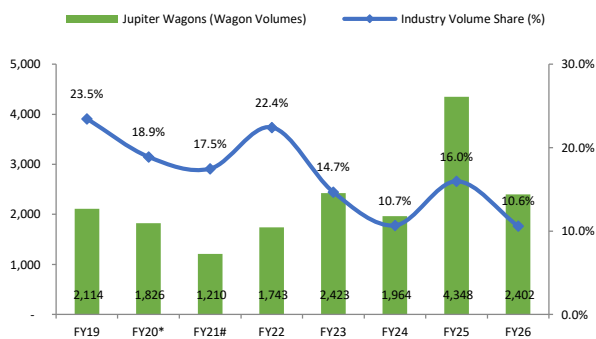
Source: Ministry of Railways, Industry, Arianth Capital Research

Exhibit 20: Titagarh's railway wagon volume share maintained at 25.3% in Q4FY26.



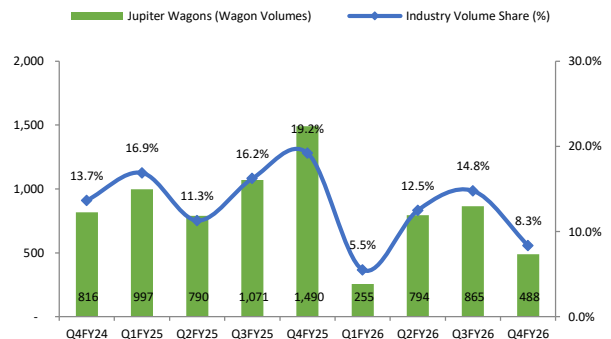
Source: Ministry of Railways, Industry, Arianth Capital Research

Exhibit 21: Jupiter's railway wagon volume share decreased to 10.6% in FY26. Majorly focused on Private wagons



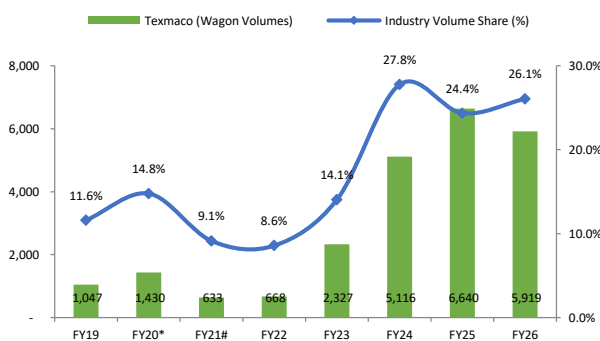
Source: Ministry of Railways, Industry, Arianth Capital Research

Exhibit 22: Jupiter's railway wagons volume share stood at 8.3% in Q4FY26.



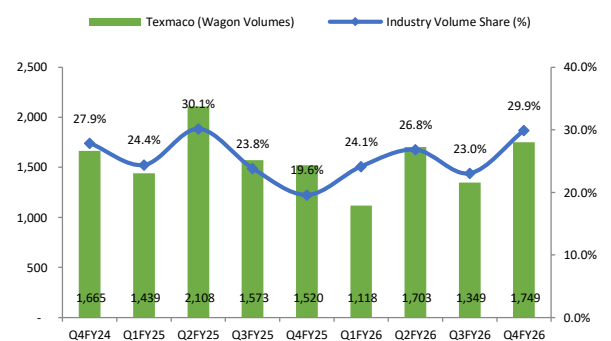
Source: Ministry of Railways, Industry, Arianth Capital Research

Exhibit 23: Texmaco's railway wagon volumes increased to 26.1% in FY26.



Source: Ministry of Railways, Industry, Arianth Capital Research

Exhibit 24: Texmaco's railway wagon volumes share increased to 29.9% in Q4FY26.



Source: Ministry of Railways, Industry, Arianth Capital Research

Financial Statements

Income statement summary

Y/e 31 Mar (INR Mn)	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Revenue	14,675	27,796	38,533	38,678	31,858	40,899	56,528
Net Raw Materials	10,476	21,499	29,881	29,289	23,210	29,715	40,935
Employee Cost	454	565	663	869	1,103	1,396	1,901
Other Expenses	2,096	3,096	3,470	4,190	4,065	5,177	7,099
EBITDA	1,649	2,635	4,519	4,330	3,480	4,611	6,593
EBITDA Margin (%)	11.2%	9.5%	11.7%	11.2%	10.9%	11.3%	11.7%
Depreciation	(184)	(225)	(271)	(296)	(511)	(620)	(699)
Interest expense	(573)	(807)	(735)	(732)	(708)	(714)	(789)
Other income	177	426	398	754	484	626	890
Share of profits associate & JV	-	(127)	(26)	(985)	(172)	(245)	(113)
Profit before tax	1,070	1,901	3,886	1,496	1,927	3,657	5,881
Taxes	(292)	(555)	(1,001)	(629)	(711)	(896)	(1,483)
PAT	778	1,346	2,884	868	1,216	2,761	4,399
PAT Margin (%)	5.3%	4.8%	7.5%	2.2%	3.8%	6.8%	7.8%
Loss from Discontinued operations	(780)	(89)	(23)	(1)	13	-	-
Net PAT	(2)	1,257	2,861	866	1,228	2,761	4,399
Other Comprehensive income	57	(100)	3	(13)	2	-	-
Net profit	55	1,157	2,865	853	1,230	2,761	4,399
EPS (INR)	6.5	11.3	21.4	6.4	9.0	20.5	32.7

Source: Company Reports, Arihant Capital Research

Balance sheet summary

Y/e 31 Mar (INR Mn)	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Equity capital	239	239	269	269	269	269	269
Reserves	8,182	9,396	22,041	24,561	24,288	26,773	30,732
Net worth	8,421	9,636	22,311	24,830	24,558	27,042	31,001
Minority Interest	1	-	-	12	10	10	10
Provisions	912	112	203	313	2,021	112	155
Debt	9,316	3,608	1,919	6,672	6,693	7,593	8,193
Other non-current liabilities	145	417	1,334	562	1,046	1,022	1,413
Total Liabilities	18,796	13,772	25,767	32,389	34,328	35,780	40,772
Fixed assets	8,790	6,200	6,476	8,308	11,057	14,153	15,719
Capital Work In Progress	152	123	1,078	396	716	266	300
Other Intangible assets	646	16	674	1,518	2,010	2,010	2,010
Investments	765	1,006	3,621	3,876	3,041	3,681	5,088
Other non current assets	1,419	1,714	574	1,733	1,730	2,045	2,826
Net working capital	5,729	3,650	7,076	10,459	10,962	10,260	11,668
Inventories	5,039	4,614	5,237	5,233	5,882	6,920	7,851
Sundry debtors	6,591	2,791	5,325	6,709	6,298	6,275	8,208
Loans & Advances	-	-	-	-	-	-	-
Other current assets	2,093	4,953	3,038	3,751	4,847	3,922	4,646
Sundry creditors	(4,387)	(3,231)	(3,194)	(2,350)	(3,300)	(3,380)	(4,515)
Other current liabilities & Prov	(3,606)	(5,478)	(3,330)	(2,884)	(2,764)	(3,476)	(4,522)
Cash	421	1,000	6,091	4,674	3,172	2,139	1,466
Other Financial Assets	874	63	177	1,425	1,641	1,227	1,696
Total Assets	18,796	13,772	25,767	32,389	34,328	35,780	40,772

Source: Company Reports, Arihant Capital Research

Du-Pont Analysis

Y/e 31 Mar	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Tax burden (x)	0.7	0.7	0.7	0.6	0.6	0.8	0.7
Interest burden (x)	0.7	0.8	0.9	0.4	0.6	0.9	1.0
EBIT margin (x)	0.10	0.09	0.11	0.10	0.09	0.10	0.10
Asset turnover (x)	0.6	1.2	1.6	1.3	1.0	1.2	1.5
Financial leverage (x)	2.8	2.5	1.5	1.2	1.3	1.3	1.3
RoE (%)	9.2%	14.9%	18.1%	3.7%	4.9%	10.7%	15.2%

Source: Company Reports, Arihant Capital Research

Financial Statements

Cashflow summary

Y/e 31 Mar (INR Mn)	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Profit before tax	1,070	1,901	3,886	1,496	1,927	3,657	5,881
Depreciation	184	225	271	296	511	620	699
Tax paid	(292)	(555)	(1,001)	(629)	(711)	(896)	(1,483)
Working capital Δ	1,305	2,079	(3,426)	(3,383)	(503)	702	(1,408)
Operating cashflow	2,267	3,651	(271)	(2,220)	1,223	4,083	3,690
Capital expenditure	(633)	2,394	(1,503)	(1,446)	(3,579)	(3,266)	(2,300)
Free cash flow	1,634	6,045	(1,774)	(3,666)	(2,356)	817	1,390
Equity raised	(761)	(134)	9,855	1,771	(882)	-	(0)
Investments	158	(241)	(2,615)	(255)	836	(640)	(1,407)
Others	(957)	1,145	369	(3,250)	(706)	99	(1,250)
Debt financing/disposal	732	(5,708)	(1,688)	4,753	21	900	600
Other items	(1,625)	(528)	1,008	(662)	2,192	(1,932)	434
Net Δ in cash	(820)	579	5,091	(1,417)	(1,502)	(1,033)	(673)
Opening Cash Flow	1,240	421	1,000	6,091	4,674	3,172	2,139
Closing Cash Flow	421	1,000	6,091	4,674	3,172	2,139	1,466

Source: Company Reports, Arianth Capital Research

Ratio analysis

Y/e 31 Mar	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Growth matrix (%)							
Revenue growth	-3.5%	89.4%	38.6%	0.4%	-17.6%	28.4%	38.2%
Op profit growth	104.5%	59.8%	71.5%	-4.2%	-19.6%	32.5%	43.0%
Profitability ratios (%)							
OPM	11.2%	9.5%	11.7%	11.2%	10.9%	11.3%	11.7%
Net profit margin	5.3%	4.8%	7.5%	2.2%	3.8%	6.8%	7.8%
RoCE	6.6%	12.6%	18.3%	9.9%	6.7%	10.2%	13.7%
RoNW	9.2%	14.9%	18.1%	3.7%	4.9%	10.7%	15.2%
RoA	4.1%	9.8%	11.2%	2.7%	3.5%	7.7%	10.8%
Per share ratios (INR)							
EPS	0.5	9.7	21.3	6.3	9.1	20.5	32.7
Dividend per share	-	-	0.5	0.8	4.5	2.1	3.3
Cash EPS	8.0	13.1	23.4	8.6	12.8	25.1	37.9
Book value per share	70.4	80.6	165.7	184.4	182.4	200.8	230.2
Valuation ratios (x)							
P/E	-	82.8	37.7	126.5	87.7	39.1	24.5
P/CEPS	99.6	61.0	34.2	92.7	62.5	31.9	21.2
P/B	11.4	9.9	4.8	4.3	4.4	4.0	3.5
EV/EBITDA	63.5	37.3	22.9	25.4	32.0	24.6	17.4
Payout (%)							
Dividend payout	0.0%	0.0%	2.2%	12.4%	49.9%	10.0%	10.0%
Tax payout	27.3%	29.2%	25.8%	42.0%	36.9%	24.5%	25.2%
Liquidity ratios							
Debtor days	153	62	38	57	75	56	47
Inventory days	155	82	60	65	87	79	66
Creditor days	117	55	34	29	36	34	29
WC Days	190	88	64	93	126	101	84
Leverage ratios (x)							
Interest coverage	2.6	3.0	5.8	5.5	4.2	5.6	7.5
Net debt / equity	1.1	0.3	-0.2	0.1	0.1	0.2	0.2
Net debt / op. profit	5.4	1.0	-0.9	0.5	1.0	1.2	1.0

Source: Company Reports, Arianth Capital Research

Story in Charts

Exhibit 25: Freight Wagons, Metro and Vande Bharat trains are expected to drive revenue growth over the period of FY26-FY28E.

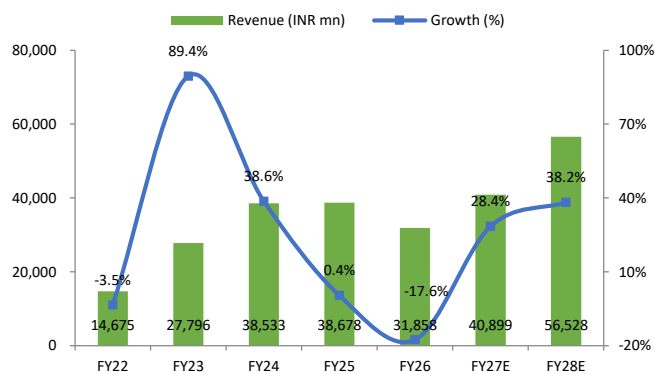


Exhibit 26: Gross margins are expected to improve going forward.

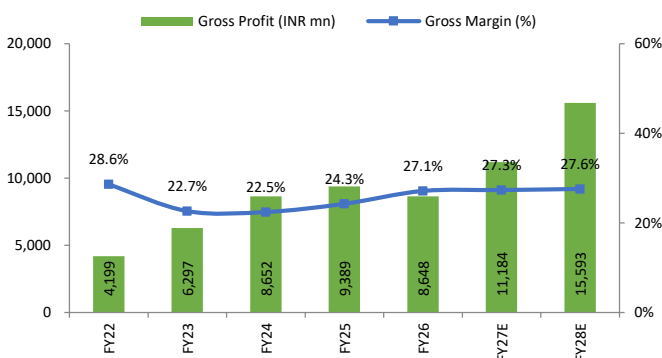


Exhibit 27: Growth in EBITDA & PAT levels

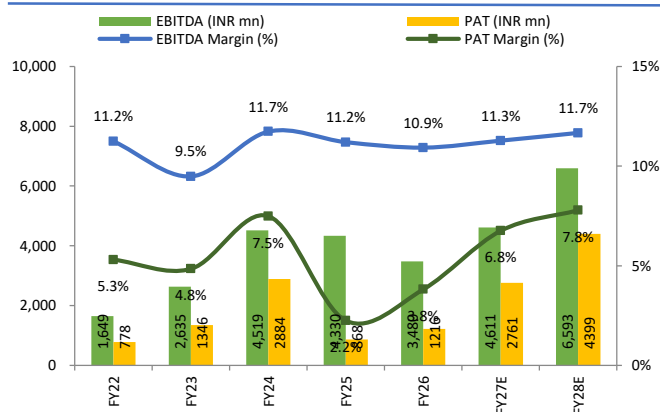


Exhibit 28: Return ratios is expected to improve from FY27E onwards.

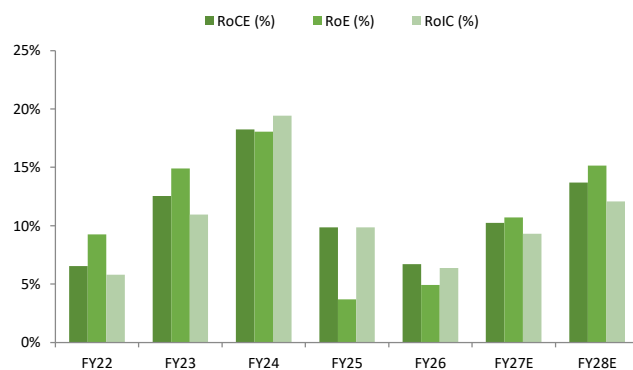


Exhibit 29: Working capital days to be improve.

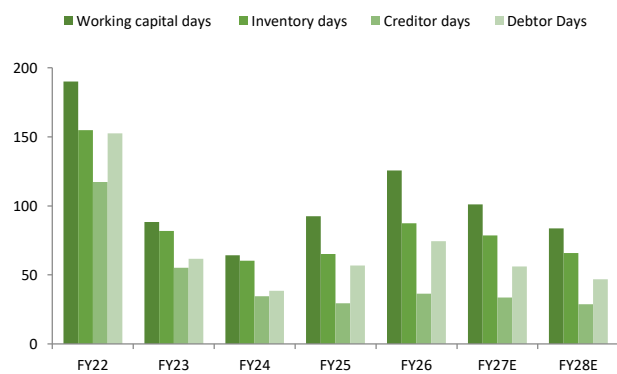
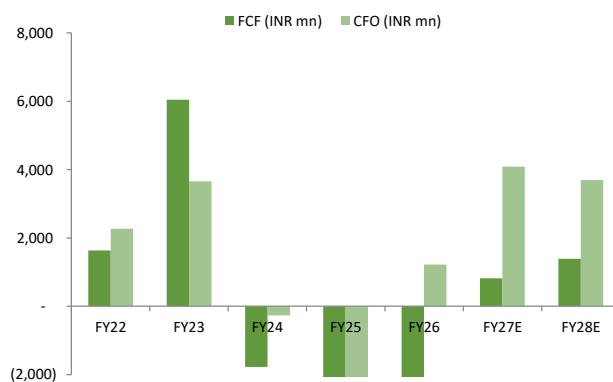


Exhibit 30: Cash flows to be improve.



Source: Company Reports, Arianth Capital Research

Arihant Research DeskEmail: instresearch@arihantcapital.com

Tel. : 022-42254800

Head Office	Registered Office
#1011, Solitaire Corporate Park Building No. 10, 1 st Floor Andheri Ghatkopar Link Road Chakala, Andheri (E) Mumbai – 400093 Tel: (91-22) 42254800	6 Lad Colony, Y.N. Road, Indore - 452003, (M.P.) Tel: (91-731) 4217100/101 CIN: L66120MP1992PLC007182

Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

Research Analyst Registration No.	Contact	Website	Email Id
INH000002764	SMS: 'Arihant' to 56677	www.arihantcapital.com	instresearch@arihantcapital.com

Arihant Capital Markets Ltd.

1011, Solitaire Corporate park, Building No. 10, 1st Floor,
Andheri Ghatkopar Link Road, Chakala, Andheri (E)
Tel. 022-42254800

Disclaimer: This disclosure statement is provided in compliance with the SEBI Research Analyst Regulations, 2014. Arihant Capital Markets Limited (ACML) is a registered stockbroker, merchant banker, and research analyst under SEBI, and is also a Point of Presence with the Pension Fund Regulatory and Development Authority (PFRDA). ACML is registered with SEBI with Research Analyst Registration Number INH000002764, Stock Broker Registration Number INZ000180939, and is a Trading Member with NSE, BSE, MCX, NCDEX, and a Depository Participant with CDSL and NSDL.

ACML and its associates may have business relationships, including investment banking, with companies covered by its Investment Research Department. The analysts of ACML, and their associates, are prohibited from holding a financial interest in securities or derivatives of companies they cover, though they may hold stock in the companies they analyze. The recommendations provided by ACML's research team are based on technical and derivative analysis and may differ from fundamental research reports.

ACML confirms that neither it nor its associates have a financial interest or material conflict concerning the companies covered in the research report at the time of publication. Furthermore, ACML, its analysts, and their relatives have no ownership greater than 1% in the subject companies as of the month prior to publication. ACML guarantees that the compensation for its research analysts is not influenced by specific securities or transactions.

ACML affirms that neither the analyst nor the company has served as an officer, director, employee, or engaged in market-making activities for any of the subject companies. Additionally, the research report does not reflect any conflict of interest and is not influenced by specific recommendations made. Neither ACML nor its analysts have received compensation for investment banking or brokerage services from the subject companies in the last 12 months.

The views expressed in this report are those of the analysts and are independent of the proprietary trading desk of ACML, which operates separately to maintain an unbiased stance. Analysts comply with SEBI Regulations when offering recommendations or opinions through public media. The report is intended for informational purposes only and is not an offer or solicitation for the purchase or sale of securities.

This report, which is confidential, may not be reproduced or shared without written consent from ACML. It is based on publicly available data believed to be reliable but has not been independently verified, and no guarantees are made about its accuracy. All opinions and information contained in the report are subject to change without notice.

ACML disclaims liability for any losses resulting from reliance on this report. The report does not constitute an offer to buy or sell securities, and ACML is not responsible for the risks involved in investments. ACML and its affiliates may have positions in the securities discussed or hold other financial interests in them.

The distribution of this report in certain jurisdictions may be restricted by law, and the report is not intended for distribution where it would violate local laws. Investors are advised to consider their financial position, risk tolerance, and investment objectives before engaging in transactions, particularly in high-risk financial products such as derivatives.

ACML reserves the right to modify this disclosure statement without prior notice. The report has been prepared using publicly available information and internally developed data, though ACML does not guarantee its completeness or accuracy. Historical price data for securities can be accessed via official exchanges like NSE or BSE.

ACML and its affiliates may conduct proprietary transactions or investment banking services for the companies mentioned in this report. In compliance with SEBI regulations, ACML maintains comprehensive records of research reports, recommendations, and the rationale for those recommendations, which are preserved for at least five years. An annual compliance audit is conducted by a member of the ICAI or ICSI to ensure adherence to applicable regulations. This report is issued in accordance with applicable SEBI regulations and does not guarantee future performance or returns.

Arihant Capital Markets Ltd.

1011, Solitaire Corporate park, Building No. 10, 1st Floor,
Andheri Ghatkopar Link Road, Chakala, Andheri (E)
Tel. 022-42254800

Abhishek Jain
Head of Research
Abhishek.jain@arihantcapital.com
