

## Oriental Rail Infrastructure Limited

January 08, 2026

Facilities	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term bank facilities	45.40	CARE BBB; Stable	Reaffirmed
Short-term bank facilities	17.40	CARE A3	Reaffirmed

Details of facilities in Annexure-1.

### Rationale and key rating drivers

Reaffirmation of ratings assigned to of bank facilities of Oriental Rail Infrastructure Limited (ORIL) factors in revenue growth in FY25 (FY refers to April 01 to March 31), comfortable profitability despite marginal moderation owing to increase cost of raw materials and its strong order book position providing revenue visibility in the medium term. Ratings continue to derive strength from comfortable capital structure and coverage indicators, the company's experienced promoters, established track record with diversified product profile and reputed clientele. However, ratings strengths are tempered by ORIL's working capital intensive operations, susceptibility to raw material price volatility and risk associated with tender-based operations.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors:

- Growth in scale of operations with total operating income (TOI) exceeding ₹750 crore and profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin above 14% on a sustained basis.
- Reduction in working capital cycle below 120 days on a sustained basis.

#### Negative factors:

- Decreasing scale of operations with TOI to below ₹500 crore and declining in PBILDT margin below 10% on a sustained basis.
- Significant elongation in receivables/inventory resulting deterioration in working capital cycle on a sustainable basis.
- Un-ensured debt funded capex or higher working capital borrowings resulting in deterioration in overall gearing ratio to above 1x.

### Analytical approach: Consolidated

CARE Ratings Limited (CareEdge Ratings) has analysed the consolidated financials for arriving at ORIL's ratings comprising ORIL and its 100% subsidiary, Oriental Foundry Private Limited (OFPL), as both have operational and financial linkages and common management. Both cater the demand of products for Indian Railways. Details of entities considered for consolidation as on March 31, 2025, are given in Annexure-6.

### Outlook: Stable

The 'Stable' outlook reflects CareEdge Ratings' expectations that company shall continue to sustain its financial risk profile backed by healthy orderbook position and established relationship with reputed clientele.

### Detailed description of key rating drivers:

#### Key strengths

#### Improved scale of operations and healthy orderbook; improvement in profitability in H1FY26

On a consolidated basis, total operating income (TOI) grew by 12.62% in FY25 to ₹602.23 crore (FY24: ₹526.22 crore). This was driven by 26.60% increase in OFPL TOI to ₹457.22 crore (FY24: ₹361.16 crore) supported by improved capacity utilisation in FY25. Operating profitability declined, with PBILDT margin at 11.48% in FY25 (FY24: 12.52%), mainly due to higher raw material costs and increased professional and contractual fees for projects with HUM Industrial Technology Inc. and UniWagon, Russia. Consequently, profit after tax (PAT) margin fell to 4.79% in FY25 (FY24: 5.63%). In H1FY26, TOI declined to ₹253.86 crore (H1FY25: ₹311 crore), but profitability improved with PBILDT margin at 15.29% (H1FY25: 11.94%) and PAT margin at 6.52% (H1FY25: 4.53%). The orderbook remained strong at ₹2,014.91 crore as on September 30, 2025 (ORIL: ₹152.86 crore; OFPL: ₹1,862.05 crore), reflecting an orderbook-to-sales ratio of 3.35x based on FY25 revenue, ensuring healthy revenue visibility in the medium term. Timely execution without cost overruns remains a key credit monitorable.

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

**Comfortable capital structure and coverage indicators**

Promoters infused ₹31.50 crore as unsecured loans in FY25, treated as quasi equity. ORIL raised ₹212.20 crore through preferential issue of equity shares and warrants in Q4FY24, with full proceeds received by July 2025. These measures strengthened tangible net worth (TNW) and improved the capital structure. Total debt increased from ₹230.40 crore in FY24 to ₹250.86 crore in FY25, primarily due to higher working capital borrowings. Overall gearing remained comfortable at 0.66x in FY25 (FY24: 0.66x), while total outside liabilities (TOL) to TNW was largely stable at 0.85x compared to 0.83x in FY24. The PBILDT interest coverage improved marginally from 3.03x in FY24 to 3.08x in FY25, supported by stable interest costs despite higher working capital borrowings. Total Debt to PBILDT ratio moderated to 3.58x in FY25 (FY24: 3.45x), reflecting the impact of increased borrowings.

**Established track record and diversified product profile**

ORIL was established in 1991 and has over three decades of experience in supplying products to Indian Railways. It is a Preferred Part I vendor of Research Designs and Standards Organization (RDSO) and serves railway demand directly and through other suppliers. The group has gradually expanded its product portfolio from compreg boards and recron to seats and berths, which now contribute to majority of ORIL's income. In 2014, diversification continued with coupler bodies and bogies through its subsidiary, OFPL. In FY19, the group entered railway wagon manufacturing, leveraging its strong relationship with Indian Railways. In FY25, ORIL secured orders for the Vande Bharat train segment and anticipates deeper participation in semi-high-speed and bullet train infrastructure projects. CareEdge Ratings expects these developments to enhance revenue visibility and support medium-term growth. Product diversification is also expected to mitigate business concentration risk.

**Experienced and resourceful promoters**

ORIL is promoted by Saleh Mithiborwala (Chairman and CFO), Vali Mithiborwala (Director), and Karim Mithiborwala (Managing Director). The promoters have over three decades of experience in supplying products, including coaches and wagons, to Indian Railways. Saleh Mithiborwala manages tendering and financial aspects, while Karim and Vali oversee manufacturing operations. They are supported by a qualified and experienced management team. The promoter group also provides financial support through equity infusion and interest-free unsecured loans.

**Key weaknesses****Working capital intensive operations**

ORIL's business requires significant working capital, funded through both fund-based and non-fund-based borrowings, due to a long processing cycle that leads to high inventory holding and extended collection periods. The working capital cycle lengthened from 205 days in FY24 to 224 days in FY25, driven by high average inventory days of 158 (FY24: 151) and average receivable days of 91 (FY24: 76), which are inherent to the business. Wagons are dispatched in stipulated quantities post inspection, and until dispatch, they remain in inventory, resulting in longer holding periods.

**Profitability susceptible to raw material price volatility**

ORIL's product mix primarily comprises seats, berths, and compreg boards, which require raw materials such as wood, Rexene, cloth, foams, recron, and solvents. While Rexene and foam are manufactured in-house, timber for veneer is sourced from the local market. Profitability is vulnerable to timber price fluctuations, as wood is the key raw material for veneers, particle boards, plywood, and compreg boards. For wagons, bogies, and coupler bodies, steel or steel scrap is the primary raw material, and its prices are highly volatile. The company mitigates this risk through an inbuilt price variation clause for key raw materials like steel and wheels when procured from Indian Railways. Recent bids for wagon manufacturing were placed at higher prices, factoring in elevated steel and wheel costs, which further reduces exposure to price risk. Raw material price volatility, especially in timber and steel, will remain a key monitorable in the near term. CareEdge Ratings expects ORIL's profitability to remain sensitive to raw material price movements, but presence of price variation clauses and strategic pricing in bids is likely to mitigate margin volatility in the near term.

**Risk associated with tender based business**

The company receives majority orders from Indian railways based on tender. Hence, revenue depends on the company's ability to bid successfully for these tenders. There are players operating in the segment, who compete for orders. Profitability margins come under pressure because of this competitive and tender-based industry.

**Liquidity: Adequate**

Despite the high working capital intensity, ORIL's liquidity is adequate marked by moderate term debt repayment obligation against cash accruals and moderate working capital limit utilisation. ORIL on a consolidated basis reported gross cash accruals (GCA) of ₹42.05 crore in FY25. The company has repayment obligation of ₹16.59 crore in FY25 against expected GCA in the range of ₹40-50 crore. Current ratio and quick ratio remained moderate at 1.66x and 0.74x, respectively as on March 31, 2025.

Average fund-based limit utilisation of ORIL and OFPL stood moderate at 73.43% and 71.52%, respectively for 12 months ending October 2025. Cash flow from operations stood negative at ₹18.87 crore, owing to increased receivable and inventory position as on March 31, 2025. The company's unencumbered cash position was at ₹27.09 crore as on March 31, 2025.

**Assumptions/Covenants:** Not applicable

**Environment, social, and governance (ESG) risks:** Not applicable

### Applicable criteria

[Consolidation](#)

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

### About the company and industry

#### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital goods	Industrial products	Other industrial products

#### Oriental Rail Infrastructure Limited (ORIL)

Formerly known as Oriental Veneer Private Limited (OVPL), the company was incorporated as Private Limited company on March 08, 1991, by Mumbai-based Mithiborwala family. The company was later converted into a Public Limited Company on July 03, 1995, and got listed on Bombay Stock Exchange. The company is engaged in manufacturing and selling recron, seat and berth, compreg boards, retention tanks and, also the company is engaged in the trading timber woods and all its products. The company caters domestic markets. ORIL is one of the Preferred Part I vendors of Indian Railways, the major consumer of ORIL's products. All the ORIL's products supplied to Indian Railways are approved by the RDSO, the sole vendor approving body for the consumer organisation. Products are also certified by RITES (erstwhile Rail Technical Economic Service), the sole inspecting authority for ensuring quality and clearance of all products for supplying to Indian Railways.

#### Oriental Foundry Private Limited (OFPL)

Incorporated on July 25, 2014, OFPL is a wholly owned subsidiary of Oriental Rail Infrastructure Limited (ORIL). The company is engaged in manufacturing bogies, coupler and wagons for Indian Railways and few other entities. OFPL has two separate units for manufacturing of its product line. OFPL Unit I manufacture Bogie and OFPL Unit II manufacture wagon. OFPL unit-I has manufacturing capacity of 7000 MT per annum while, unit-II has manufacturing capacity of 2400 wagons per annum. The manufacturing facilities for the products have been set up across two locations in Gujrat: Village Chopvadva and Village Lakadia. Both manufacturing plants have been approved by RDSO.

#### Consolidated financials (ORIL):

Brief financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	526.22	602.23	253.86
PBILDT	66.71	70.06	38.81
PAT	30.01	29.22	16.54
Overall gearing (x)	0.66	0.81	NA
Interest coverage (x)	3.03	3.08	3.34

A: Audited UA: Unaudited; NA: Not available; Note: these are latest available financial results

#### Standalone financials (ORIL):

Brief financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	171.60	153.17	79.19
PBILDT	19.68	15.91	11.89
Profit after tax (PAT)	12.01	10.29	6.11
Overall gearing (x)	0.21	0.19	NA
Interest coverage (x)	4.43	3.08	4.78

A: Audited UA: Unaudited; NA: Not available; Note: these are latest available financial results

**Status of non-cooperation with previous CRA:** Not applicable

**Rating history for last three years:** Annexure-2

**Detailed explanation of covenants of rated instrument / facility:** Annexure-3

**Complexity level of instruments rated:** Annexure-4

**Lender details:** Annexure-5

**Annexure-1: Details of instruments/facilities**

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	44.00	CARE BBB; Stable
Fund-based - LT-Term Loan		-	-	July-2029	1.40	CARE BBB; Stable
Non-fund-based - ST-Bank Guarantee		-	-	-	17.40	CARE A3

**Annexure-2: Rating history for last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Cash Credit	LT	44.00	CARE BBB; Stable	-	1)CARE BBB; Stable (28-Nov-24)	1)CARE BBB-; Negative (09-Oct-23) 2)CARE BBB-; Negative (25-Apr-23)	1)CARE BBB-; Stable (10-Oct-22)
2	Fund-based - LT-Term Loan	LT	1.40	CARE BBB; Stable	-	1)CARE BBB; Stable (28-Nov-24)	1)CARE BBB-; Negative (09-Oct-23) 2)CARE BBB-; Negative (25-Apr-23)	1)CARE A3 (10-Oct-22)
3	Non-fund-based - ST-Bank Guarantee	ST	17.40	CARE A3	-	1)CARE A3 (28-Nov-24)	1)CARE A3 (09-Oct-23) 2)CARE A3 (25-Apr-23)	1)CARE A3 (10-Oct-22)

LT: Long term; ST: Short term

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities:** Not applicable

**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - ST-Bank Guarantee	Simple

**Annexure-5: Lender details**

To view lender-wise details of bank facilities please [click here](#)

**Annexure-6: List of entities consolidated**

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Oriental Foundry Private Limited	Full	Wholly owned subsidiary

**Note on complexity levels of rated instruments:** CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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