



ORIENTAL RAIL INFRASTRUCTURE LIMITED

(Formerly known as Oriental Veneer Products Limited)

Date: October 27, 2026

To,
Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Fort, Mumbai - 400 001.
Scrip Code: 531859

Dear Sir/Madam,

Sub.: Transcript of Earnings call held on Saturday, October 24, 2026
Ref.: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
("SEBI Listing Regulations")

Pursuant to Regulation 30 of the SEBI Listing Regulations and in continuation of our letters dated October 17, 2026 - regarding Intimation of Earnings Call and our letter dated October 24, 2026 - regarding Uploading of Audio Recording of Earnings Call, please find enclosed the transcript of the discussion held during the said Earnings Call held on October 24, 2026, at 12:00 pm (IST) w.r.t. discussion of operational and financial performance for Q2FY27 of the Company

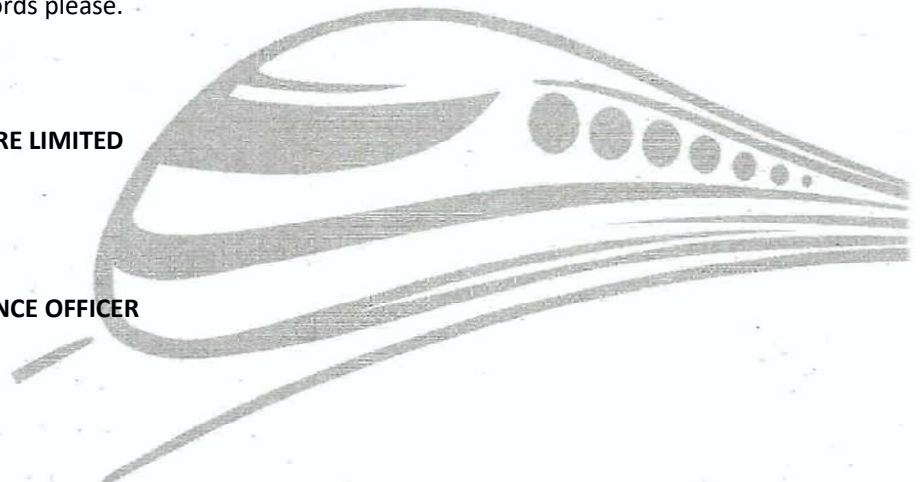
The transcript is also hosted on the Company's website i.e. at
<https://www.orientalrail.com/earningscall.php>

This is for your information and records please.

Thanking you,
Yours truly,
For **ORIENTAL RAIL INFRASTRUCTURE LIMITED**

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Date: 2026.10.27
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COMPANY SECRETARY & COMPLIANCE OFFICER



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“Oriental Rail Infrastructure Limited
Q2 FY27 Earnings Conference Call”

October 24, 2026



MANAGEMENT: **MR. SALEH MITHIBORWALA – CHAIRMAN, MANAGING
DIRECTOR AND CHIEF FINANCIAL OFFICER –
ORIENTAL RAIL INFRASTRUCTURE LIMITED
MR. TAHAA MITHIBORWALA – WHOLE-TIME
DIRECTOR – ORIENTAL RAIL INFRASTRUCTURE
LIMITED
MR. NAJMUDDIN MITHIBORWALA – CHIEF STRATEGY
AND INVESTOR RELATIONS OFFICER – ORIENTAL RAIL
INFRASTRUCTURE LIMITED**

MODERATOR: **MR. AKHILESH GANDHI – STELLAR INVESTOR
RELATIONS**

Moderator: Ladies and gentlemen, good day, and welcome to the Q2 FY27 Earnings Conference Call of Oriental Rail Infrastructure Limited. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone.

I now hand the conference over to Mr. Akhilesh Gandhi from Stellar IR. Thank you, and over to you, Mr. Gandhi.

Akhilesh Gandhi: Thank you, Rutuja. Good afternoon, everyone. Thank you for joining us this Saturday morning. I, Akhilesh Gandhi, on behalf of Stellar Investor Relations, welcome you all to the Oriental Rail Infrastructure Limited's Q2 and H1 FY27 earnings conference call.

Today, we shall be sharing the key operating and the financial highlights for the second quarter ended on 30th September 2026. Today, we have with us the senior management team of Oriental Rail Infrastructure Limited, mainly Mr. Saleh Mithiborwala. He is the Chairman and Managing Director, along with CFO as well. With him, we have Mr. Tahaa Mithiborwala. He is the Whole-Time Director; and Mr. Najmuddin Mithiborwala. He is our Chief Strategy and Investor Relations Officer.

Before we begin, I would like to state that this call may contain some of the forward-looking statements, which are completely based upon the company's beliefs, opinions, and expectations as of today. The statements made in today's call are not a guarantee of future performance and also involve unforced risks and uncertainties.

The company also undertakes no obligation to update any forward-looking statements to reflect development that occur after the statement is made. Document related to company's financial performance, including the investor presentation, has already been uploaded on the stock exchanges.

With that, I now invite Mr. Saleh Mithiborwala to share his initial remarks on the company's performance for the second quarter. Thank you, and over to you, sir.

Saleh Mithiborwala: Good afternoon, everyone. A very warm welcome to the Oriental Rail Infrastructure Limited Financial Year 2027 Q2 earnings conference call. First, I would like to thank all those who are with us, joining us today, who found out the time, especially on a Saturday, we sincerely appreciate your interest in our company and look forward to further fruitful engagement with you.

Following our first earning calls last quarter, we are pleased to continue our engagement with the investment community and share updates on our financial performance, the plans for business developments, and the growth initiatives taken by the company. I hope you have had an opportunity to review our financial results and the investor presentation uploaded on the stock exchanges.

For those joining us for the first time, I will briefly again introduce our business. Established in 1991, Oriental Rail Infrastructure has over three decades of experience in the Indian Railway

ecosystem. Today, we operate through two complementary business verticals supported by four manufacturing units spread across approximately 100 acres.

Our first vertical is the rolling stock interior and allied products housed with the listed parent company. We have an established position in the organized seat and berth market with an estimated 30% market share and installed capacities of approximately 3,600 coach sets annually. We have supplied more than 40,000 coach sets till date to the Indian Railways.

Further, our backward-integrated capabilities include the artificial leather, commonly known as the rexine cloth. We do various types, all types of foams for speciality applications like fire-retardant, long-performance, example silicone foams, PU foams, which meet all the requirements of safety and durability on the railways, which is one of the toughest operating systems for the PU foam. As explained, we manufacture the artificial leather under the brand name of Orvin, serving railway and other non-railway applications.

The second vertical is the freight wagons and wagon components operated through our wholly-owned subsidiary, Oriental Foundry Private Limited, or OFPL. OFPL operates an RDSO-approved manufacturing platform with an installed capacity of 2,400 wagons annually. We have delivered close to 3,000 wagons as on date.

Our integrated operations include in-house manufacturing of critical components such as bogies, couplers, draft gears, springs, providing greater control over quality, supply, and manufacturing costs. Together, this business gives us an established presence across both passenger and freight railway segments.

With that brief background of our company, I would like to now move forward to the financial performance in quarter 2 of financial year '27. Supported by improved order execution and healthy business volumes, our consolidated revenue stood at INR172.5 crores, growing 29% year-on-year. EBITDA increased by 29% to INR27.9 crores with an EBITDA margin of 16.2%, while PAT grew by 44% to INR15.3 crores. We also witnessed healthy sequential growth across revenue and profitability, reflecting improved business momentums.

For H1 financial year '27, consolidated revenue stood at INR310.1 crores, growing 23% year-on-year, while EBITDA increased by 35% to INR48.8 crores, and PAT grew by 58% to INR26.1 crores. Importantly, profitability has grown faster than revenue, supported by a favorable product mix, as explained earlier, backward integration for better cost control, improved operating leverages, and better cost absorptions.

Another encouraging development has been the improvement in our cash generation and financial positions. Cash flow during H1 financial year '27 stood at approximately INR42 crores, improving on a year-to-year basis. Our cash and cash equivalents stood at INR115 crores, while long-term debt reduced further to INR16 crores.

Short-term borrowings increased during the period, primarily to support the higher working capital requirements associated with the increased production volumes, raw material planning, and procurement for further order executions. We remain focused on efficient working capital management and maintaining adequate liquidity to support the business growth.

Coming to our business operations, OFPL continues to demonstrate strong growth momentum, recording 41% year-on-year revenue growth in H1 financial year '27 to INR250 crores. During quarter 2 financial year '27, we manufactured 390 wagons compared with 300 wagons in quarter 1 financial year '27, representing sequential growth of 30%. We are encouraged by this improvement and remain further focused on increasing production and capacity utilization.

In our seat and berth business, we secured multiple orders during the quarter and first half. Given the longer-duration nature of these contracts and their scheduled deliveries, we expect higher revenue recognition in H2 as compared with H1.

Our consolidated order book stood at approximately INR1,571 crores as of October 21, 2026, representing 2.74x financial year '26 revenue. This provides strong revenue visibility and a healthy execution pipeline available across both businesses. Alongside our core operations, we continue to make progress on several strategic growth opportunities across the railway value chain.

Starting with the smart wagon technologies, through our partnership with HUM International, we have participated in the RDSO development tender for approximately 300 to 400 smart wagons, with the financial bids expected to open shortly and orders to be decided very soon. We remain optimistic about the opportunity and see strong potential in the smart onboard monitoring systems, which greatly help railways in having a predictive maintenance plan across their vast railway network.

On next-generation wagon, OFPL has already taken the technology development agreement with the Uniwagon Design and Engineering Center, a Russia-based company. The arrangement covers the development of a better-performing 25-ton axle load bogie and solid-bottom gondola car, including the technical documentation, testing support, and prototype manufacturing support.

This represents an important step in expanding our product portfolio and not only developing higher capacity, but also having an edge as far as a technically superior wagon for the end user, which will be highly beneficial in terms of performance and maintenance cost to the end users.

In the railway coach refurbishment segment, we have recently formed, entered into a joint venture agreement with a known company for the interior products like FRP panels, etcetera, under the name and style of ABOR Projects LLP. We have actively participated in refurbishment and turnkey project tenders.

We are seeing encouraging opportunities in this segment and remain highly optimistic about potential order wins. With this joint venture, the interior business of Oriental Rail, the parent listed company, is expected to be more than 80% of the turnover in financial year FY26-FY27.

Looking ahead to H2 financial year '27, our immediate priority remains the timely execution of our existing order books. We expect stronger execution across both our freight wagon and railway interior business, supported by improving production and scheduled deliveries, and a better supply chain management, which is already in place. At the same time, we remain focused

on improving capacity utilization, strengthening operational efficiencies, and maintaining disciplined working capital management.

To conclude, we are encouraged by our first-half performance with strong operating momentum, a robust order book, an improving financial position, and multiple growth opportunities. We believe we are well-positioned to build on this performance.

Our focus, as mentioned above, remains on sustainable growth, not only sustainable growth, but improving our growth in the coming period substantially, which will lead to improved profitability and create long-term value for our esteemed stakeholders. I would like to thank all our employees for their continued support, and also our shareholders and investors for their continued trust and support. Thank you once again.

Now we are happy to take the questions from your side.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Harshit Khadka from RoboCapital. Please go ahead.

Harshit Khadka: Hello, am I audible?

Saleh Mithiborwala: Yeah, you're audible.

Harshit Khadka: Yes, sir, thank you for the opportunity. We were expecting to produce around 500 wagons this quarter, but we managed to produce only 390. I just wanted to understand what led to this shortfall and what kind of production run rate should we expect in Q3?

Saleh Mithiborwala: The 390 wagons which have been produced have also been a little short of the target of 500 on account of some technical changes which were to take place on the plant to achieve the 500 wagon output. These changes, being little capital and technical in nature, were executed about a week back, about 15 days behind schedule, and that is what affected our production of 390 wagons only instead of the 500.

We hope that while explaining on this, it is not that the entire wagon has not been manufactured. Work on almost 500 wagons has been substantially done, although not completed, and in the coming quarter, we hope that we are very confident that we will cover the backlog of 390 and meet the demand of 500 also in the coming quarter, that is about 500 plus 110.

Harshit Khadka: All right, sir. Understood. Yes, sir. My second question is on the upcoming railway tenders. What is the expected timeline for the new railway tender and what kind of market share are we expecting to capture? Can you quantify that in terms of number of wagons or order that we could potentially get?

Saleh Mithiborwala: It would be unfair for me to make any predictions on the Indian Railway tender requirement of wagons, but going by the growth and going by the demand and the simple logic that there are about 4 lakh wagons which are in operation, and the growth which is estimated for the freight segment with the continued push of infrastructure by the government also, there is a clear-cut, it could be very well that the Indian Railways require a minimum of around 35,000 to 40,000

wagons every year for replacing the old wagons whose life would be over, plus the new addition into increase the capacity.

This wagon requirement of 35,000 to 40,000 wagons annually is something it could vary by a few percent, it could vary a little bit, but is something which is a driven growth required by the economy. So when the railway does the tender or what timeline is something which I would not be in a position to predict, but the indications are that it could be sometime in the near future.

Harshit Khadka: Right. For this replacement demand of around 35,000 to 40,000 wagons, so what kind of market...

Saleh Mithiborwala: No, no, not replacement. The replacement demand, sorry, complete your question, sorry.

Harshit Khadka: Yes, sir, just wanted to understand what kind of market share could we get?

Saleh Mithiborwala: What basically happens is that there are about 4 lakh wagons operating on the railway system, and with this, the replacement market would be at least about 18,000 to 20,000 wagons, and another 12,000 to 15,000 wagons for the increased capacity or growth. So that totally makes about 35,000 to 40,000 wagons and this installed capacity of all manufacturing plus new plants coming around is about 30,000 wagons in the wagon industry, so there is enough scope or possibility for each manufacturer to have his share of wagons and accordingly choose the wagon which he's most comfortable to manufacture.

Harshit Khadka: All right, sir. ~~Understood.~~ Thank you.

Moderator: Thank you. The next question is from the line of Maitri Shah from Sapphire Capital. Please go ahead.

Maitri Shah: Yeah, hello. Good morning. Am I audible?

Saleh Mithiborwala: Yeah, good morning. You're audible.

Maitri Shah: Firstly, on the wagon leasing side, we've been talking about this business avenue for a while. Any sort of talks we are in the development phase, any contracts we are supposed to get, probably have before the end of the year? And what sort of financial, like IRR and ROCEs are we targeting here?

Saleh Mithiborwala: On this special, I think this all our financial projections are already uploaded on the stock exchange. If any specific information regarding to the leasing business, IRR, etcetera, are required, we will share with you separately. Stellar is, I believe, on the line. Maybe he will share with you. As far as the leasing business is concerned, it is starting to grow.

The concept is also starting to grow in the entire rail wagon industry. So right now the tenders are few. We are concentrating on our better capacity utilizations, meeting the order books which we have, and the moment we already have the permissions, etcetera, our concentration and entry into the leasing business will be mostly from April 27 onwards, wherein we will be planning to, comfortable with our existing order schedules, we would be planning to approach the customers with the leasing, against the leasing tenders also.

- Maitri Shah:** Got it. If you could help me out with the number of wagons we delivered in FY26 and FY25, if that's possible?
- Saleh Mithiborwala:** At the moment, I don't have those details with me, but even that will be shared, how many wagons we have provided in the financial year '25 and the financial year '26. It's something which is very easy. We will share it with you immediately.
- Maitri Shah:** Got it, got it. On the order inflow side, we've seen a slowdown on the wagon orders, but we are picking up on the orders for the rolling stock interiors. Going forward, maybe probably for FY28, do you expect to hit this quarterly run rate of 600 wagons that we're delivering? And what's the order inflow are we expecting from second half? Just some clarity on the order book, yeah.
- Saleh Mithiborwala:** Yeah, I get your question. First and foremost, the expansion or the joint venture with the railway interior furnishing business is not on account of any slowdown on the wagon industry. It is a growth and a new diversification which has opened because both the manufacturing facilities are entirely independent. As far as the wagon rolling stock position is concerned, we have an order book which is in excess of 2,000 plus wagons. So, we have a coverage for minimum the next three to four quarters, including the present quarter.
- In the meantime, I would not like to -- I'm very clear, I'm not making any, you can say, estimates based on the being a wagon manufacturer, but the economy or the ecosystem will require wagons of at least about minimum to about 30,000 plus to be inducted into the system, for which the tenders should come at timing. By that time, we have at least a coverage for the next four quarters, which we have to execute orders on hand.
- Maitri Shah:** Got it. Have we started bidding for the coach refurbishment segment? What sort of bids have we put forward, and when do we expect to receive the orders?
- Saleh Mithiborwala:** I'm sorry, there was something wrong with the audio. I could not get you clearly. Could you please repeat the question?
- Maitri Shah:** Yeah. Is this better?
- Saleh Mithiborwala:** Yeah.
- Maitri Shah:** Have we started bidding for the coach refurbishment orders and what sort of pipeline do we have there? And who are we kind of competing with on these bids, and when do we expect to receive the orders?
- Saleh Mithiborwala:** We have already bidden for tenders of approximately INR150 crores plus. The competing bidders are about two competing bidders. I don't know if I am permitted to take names on this call, maybe Akhilesh can guide me, but there are maximum of about three to four players and we are very confident that we should be successful.
- Against, there are upcoming tenders of another INR200 crores which are on the pipeline. So till December, for the end of this quarter, the total tender quoted position would be about INR400 crores. We hope that even with a 30% strike rate, we should get orders of about INR130 crores

and the financial projections would be an at least an order book of about INR200 crores in the next financial year, apart from the seat and berth business.

Maitri Shah: Got it. And on the coach refurbishment side, what sort of margins do we have comparatively on the EBITDA side?

Saleh Mithiborwala: I think they are also given in our investor presentation. I would share with you separately. At the moment, it will not be possible for me to comment on it.

Maitri Shah: Okay. And just lastly on submitting updates for the wagon design for the RDSO that we are planning for 4Q FY27. How's the progress there, and just some clarity on that?

Saleh Mithiborwala: The designs are almost under finalization. Some regulatory documents are being completed, which are required before the design submission. We expect that the design submission should be submitted in this quarter before December to RDSO.

Maitri Shah: Yeah, that is it from my side. Thank you.

Saleh Mithiborwala: Thank you.

Moderator: Thank you. The next question is from the line of Sahil Suresh Lendave from Spangle Advisors. Please go ahead.

Sahil Suresh Lendave: Hello, thanks for the opportunity. Sir, what is the status on the 400-wagon smart monitoring tender? Have we validated from RDSO and by when are we expecting the commercial deployment?

Saleh Mithiborwala: We expect the orders to be finalized by the middle of November, post-Diwali. And we hope that we should be on a very conservative side also, getting an order for minimum 200 units.

Sahil Suresh Lendave: Okay, sure, sir. And, sir, on the 25-ton axle, so what is the status on it?

Saleh Mithiborwala: Yeah. As I answered the earlier question, the design completion and submission to RDSO should be done before December. And maybe in the next financial, maybe 6 to 9 months, we should be able to get the prototype clearance and everything done for the field trials. And from the coming Financial Year 2028 onwards, we should be able to have regular supply orders.

Sahil Suresh Lendave: Okay, sir. And lastly, on the working capital management, what are we doing in terms of inventory management?

Saleh Mithiborwala: I could not get your question. Could you be more specific as to what you exactly need to know?

Sahil Suresh Lendave: Actually, sir, are we planning to reduce the inventory days?

Saleh Mithiborwala: No. See, there are two, three things which we need to understand is that, we have gone up in our capacity utilization and output of production. And we are further targeting a growth of at least 30% to 35% in the next quarter also over the last quarter.

- Sahil Suresh Lendave:** Okay, sure sir.
- Saleh Mithiborwala:** Sorry. So with this -- combined with the fact is that, as you may be aware, that the steel supplies and everything have been volatile because of the international situation in the Middle East, etcetera. To cover up for that, we have placed orders in advance. We have tie-ups for supply chains, which ensures that we are not affected.
- So the inventory levels have gone up, but in the next 2 quarters, with the performance or the outputs also going up, inventory should be fairly under control and in a much better position by March 2027.
- Sahil Suresh Lendave:** Okay, thank you, sir. That helps a lot. And sir, lastly on the capex part, like what is the plan? First, we are targeting to utilize our existing capacity, and then are we going to increase the capacities to the 3,600, right?
- Saleh Mithiborwala:** Yeah, that starts from the Financial Year April 2027, because once we do that -- and we are, as on date, planning is that, if we could, I mean, in all probabilities, the layout is that maybe some portions may be overlapping, but the modern design or the modern design wagon would be done in a completely new facility to ensure better quality control and no disturbances or mix-age with the existing design wagons.
- Sahil Suresh Lendave:** Okay, sir. Thank you, sir. That's it from my side.
- Moderator:** Thank you. The next question is from the line of Saket Kapoor from Kapoor & Company. Please go ahead.
- Saket Kapoor:** Yeah. Namaskar, sir. Hope I'm audible?
- Saleh Mithiborwala:** Yeah, you're audible.
- Saket Kapoor:** Sir, I'm currently new to the company, so pardon me for any repetitive questions. Just a basic understanding, as per the conversation we have with the participants, H2 is likely to be better than H1. We did revenue of INR310 crores for H1, and last year numbers were closer to INR574 crores. So taking that into account, the H2 was last year also on the higher side. So what should be the executable run rate for H2 going ahead?
- Saleh Mithiborwala:** H2 should be at least about 25% to 30% over H1.
- Saket Kapoor:** Okay, should be higher by from H1? Okay.
- Saleh Mithiborwala:** Yeah, minimum.
- Saket Kapoor:** So, second -- minimum, sir. Sir, in terms of the closing order book, can you once again reiterate the number and the split between wagon and our rolling stock number? How is the mix for the closing order?
- Saleh Mithiborwala:** At this moment, there are almost about four to five different types of wagons, so giving the numbers and the product mix, I mean, at this moment would be difficult for me, but I have your

contact and we will share with you separately. I will give you the entire product mix, as well as the execution schedule. A proposed...

Saket Kapoor: And then schedule...

Saleh Mithiborwala: Okay.

Saket Kapoor: That will contain the rolling stock also? Rolling stock also we do order booking with a quarter or 2-quarter lag, or how is the booking for rolling stock done, and what percentage of the total...?

Saleh Mithiborwala: The rolling stock means the wagons.

Saket Kapoor: Okay.

Saleh Mithiborwala: And we have an order book for the next 4 quarters.

Saket Kapoor: Okay. And other than that, the seats and all the parts, that gets covered in which category?

Saleh Mithiborwala: That comes under the interior furnishing business, or the interior refurbishing business. And that also we have coverage, as I explained that we have participated in tenders in excess of INR150 crores, and by December, we should be participating in tenders of close to INR400 crores. And that order book with the interior business and the seats and the business would also be covering us conservatively till December '27. It will be covering here up to December '27.

Saket Kapoor: Okay. And to...

Saleh Mithiborwala: We hope that all these orders should be there with us by January.

Saket Kapoor: Right, sir. So, on a top line of INR310 crores, what should be the interior contribution, a ballpark number on the percentage bit?

Saleh Mithiborwala: Out of 310, the interior furnishing business is at present about INR45 crores to INR50 crores, and the other thing is the rolling stock wagon business. So, the interior furnishing business would also see an appreciable growth, at least of about 100% in the next 4 quarters to 5 quarters.

Saket Kapoor: Okay. When we look at our utilization...

Saleh Mithiborwala: On a year-to-year basis.

Saket Kapoor: On a year-to-year basis.

Saleh Mithiborwala: Yeah.

Saket Kapoor: Okay. That balance number I will take from IR team, sir. And for the utilization levels for both the category and on the capex part, what are we doing to augment capacity, if any, for both the segments? And what are the utilization levels?

Saleh Mithiborwala: As explained, the next two quarters till March '27, we are concentrating on completing the -- or optimizing to the best possible level of our capacity utilization of the existing facility. The basic

infrastructure like land, permissions, etcetera, are available with the company. The augmentation of capacity in that scenario would not be a very long-term or a very time-consuming affair, and we intend to complete the plans by February, March, and implement the work of augmentation of capacity by April '27.

Saket Kapoor: Okay. And sir, if I may just add to -- when we see the profile for Vande Bharat and that -- how -
- what kind of participation do we have pertaining to either the rolling stock or the interior work? And also, I think so introduction of now the new sleeper rail Vande Bharat going ahead, how do we see that as a business opportunity for us?

Saleh Mithiborwala: We already have an order for the Vande Bharat chair car seats, not the sleeper seats, and we intend to complete those deliveries in the by quarter ending June '27. In addition to that, the refurbishment of the interior furnishing business that we have entered into is primarily the first step.

The second step would be to provide the total turnkey furnishing solutions for the Vande Bharat trains also, for which we would be ready by January '28 to effectively execute those orders. We intend to participate in the railway requirements or tenders which come post-June '27.

Saket Kapoor: Okay. Sir, two small points and then I'll join the queue. Firstly, sir, taking into account the current order trending part, the business environment pertaining to the railway as a sector, are we seeing normal -- usual business in terms of the tendering, the receivables getting cleared, and on all the fronts? That is on the similar lines that we have been, or do we see any pressure? Yeah.

Saleh Mithiborwala: Yeah, I take your question. See, as I have already explained that there are about 4 lakhs plus wagons which are in operation on the Indian Railways. Going by the lifecycle of 20 years for a wagon, the replacement requirement, plus the new growth and expansion or the growth in economy, even if we take it by, say, something around 4% to 5% on a very conservative side.

So, this would require a minimum induction of about 30,000 to 35,000 plus wagons into the railway system every year. How they are procured and in what format is something which will be there, but that is quite clear. I mean, there is -- we don't see that there is not going to be a requirement of procurement of wagons. That position is highly improbable.

Saket Kapoor: Okay. Sir, just to add to it, we have also seen that big corporates like Tatas and other also run their own rail networks on the freight part, Jindals and all. Do we have any kind of understanding or the growth which they would be having in setting up their set up with the improved tonnages?

Do we have any understanding of going ahead of having a business opportunity especially for them in terms of the movement of their cargos with the finished products, coal, iron, or does that is a different ballgame altogether?

Saleh Mithiborwala: Your question is perfect. We are bringing in the modern wagon or the improved wagon through the private wagon design policy. Once we have that product or design vetted by RDSO, you will appreciate that the private sector like Tatas or whoever are the other movers will have better or a faster appreciation of an improved product, and that is exactly what we are targeting.

That is the market that we are targeting, which will enable us to establish a good and long-term business association with this people and also reduce our dependency on the railway tenders for wagon orders.

Saket Kapoor:

Right, sir. When I was looking, sir, since I am new to the company, I was looking at our stock price movement also for the last five years, taking into account how the markets have behaved. Although it is not correct and not perfect on your part to speak on it, but since you are also the largest shareholder, what has actually been the perception of the market that our stock over the last five years have not delivered the kind of returns or have not been able to sustain the market cap gain that has happened over the last few years?

All the gains have just declined. Correct me there since I am new to this and would like to understand from the promoter's point of view, since your equity is also on the higher side and we infused money also, I think in 2024. Even post that, and the type of balance sheet that we have today, I will come to the net debt numbers on my last question, what is the perception, what according to you is the reason that has resulted in this kind of market cap for us?

Saleh Mithiborwala:

Your question also has the answer. You are asking the perception of the shareholder, so I would be very clear on one part that that is something which is not. We are only focused on sustained growth. Yes, there has been period wherein we have been affected by COVID, post the wheel shortage of the supplies from railways, which have not exactly resulted in the timeline of us achieving our targets.

That with the last quarter results are there, and the next upcoming two or three quarters, the sustainability and the consistency will also be known. That should be sufficient this thing. Regarding the perception of the investors or the stock market, this thing is I would not be in a position to comment on those parts. We are committed to growth.

We have put in many things in place which were not there in Financial Year 24, like our design for the improved wagon has been finalized, our joint venture agreement with Hum, USA has been signed. These things we are moving forward. We are committed to the sustained growth. We are committed to value addition. On that basis, we will let the investors decide what is their level of confidence, and that is the only thing that I can answer for the moment.

Saket Kapoor:

Right, sir. Lastly, if the CFO sir can confirm me the net debt numbers since we see cash equivalents also, interest income, then the finance cost, what is the net debt?

Saleh Mithiborwala:

Your voice was a little breaking. I could not get your full question properly. I could hear the interest cost, before that was not clear.

Saket Kapoor:

I will come again, sir. I am looking at the net debt number for the company. Since in the cash flow, we find interest income, finance cost both there, and also we have the cash and cash equivalents. If you can just apprise me with the net debt number as on 30th September?

Saleh Mithiborwala:

I think the net debt number is given in our investor presentation.

Saket Kapoor:

Okay, sir. Yeah, you have it handy, I will get it. No issue, I will go through this presentation.

- Saleh Mithiborwala:** I don't have it with me at the moment, I am sorry. It is around, I think, somewhere around INR300 crores*
- Saket Kapoor:** It is a net debt number, adjusting the cash and cash equivalents?
- Saleh Mithiborwala:** I think it is better we go by the investor presentation because this specific information is something which I do not have it with me at the moment.
- Saket Kapoor:** Okay, sir, I will.
- Saleh Mithiborwala:** But it is already presented in our presentation on the stock exchange.
- Saket Kapoor:** Right, sir. I will go through it. And for the plant visit part, are we- are investors or the analyst community entitled, and can they request for the same through the IR?
- Saleh Mithiborwala:** Yeah, I do not know that. As per the relevant this thing, a plant visit is something which is we do not have any objections to it at all. That can be coordinated with Stellar, who are arranging it and will arrange it also, so that is not a problem at all.
- Saket Kapoor:** Right, sir. Thank you for coordinating with the same, and-
- Saleh Mithiborwala:** My pleasure. Do not worry. Thank you to you also. There is no problem.
- Saket Kapoor:** Thank you.
- Moderator:** The next question is from the line of Amit Mehendale from RoboCapital. Please go ahead.
- Amit Mehendale:** Thank you. Thanks for the opportunity. Sir, I just want to reconfirm that is it fair to say that we will do about 500 wagons in Q3 and then maybe 600 from Q4 or Q1?
- Saleh Mithiborwala:** We intend to go 600 from, it means at least about 600 from Q3, and that should continue in the Q4 also.
- Amit Mehendale:** Right, sir. On the overall industry, I think there was a discussion earlier that about 40,000 wagons is like a replacement demand plus the normal growth. What is the industry supply there? Is it like 35,000-40,000 as well?
- Saleh Mithiborwala:** No, no, there is a slight this thing which I will correct you. 4 lakh wagons are something which are in operation on the Indian Railways with a life cycle of about 20 years, which would approximately, not very accurately, lead to- one minute, I will just be more clear with my figures. About 20,000 to 22,000 of replacement demand plus a growth demand of about 12,000 to 15,000 in anywhere a requirement of 30,000 plus wagons or 35,000 wagons every year for the Indian Railway system.
- Amit Mehendale:** Right, sir. What is the capacity, industry capacity?
- Saleh Mithiborwala:** I think the capacity is also in excess of 30,000.

*mistakenly mentioned INR 300 Cr, correct Net debt amount is INR 193.5 Cr as on 30th September 2026.

- Amit Mehendale:** Yeah, so maybe 35,000, 40,000 is the industry capacity overall, all players put together?
- Saleh Mithiborwala:** Broadly, 30,000 to 35,000.
- Amit Mehendale:** Right. How do you see, I mean is there, because we are not tracking the, we also started tracking the company recently, so do you expect the supply, how do you see the supply in next two years?
- Saleh Mithiborwala:** No, see, your basic question is moving away from this requirement and everything. What we have done is that we are positioning ourselves with a technically or a better performance wagon, which would have an improvement or an edge over the existing design of wagons in operation. That assures us of a standard or a continued business flow and growth irrespective of the railway tendering system.
- So that should be, it means that all the entire proofing, validation, some trial orders, everything should be completed in the next maybe maximum of 18-24 months. Post that, we see ourselves very well-positioned that we would be able to achieve and have continued growth irrespective of the railway tendering.
- Amit Mehendale:** Right, sir. Just on that railway tendering, we have, say, order book till, say, December of next year, say September or December of next year. So what will be our strategy in case the railway big tender doesn't come by that time?
- Saleh Mithiborwala:** We, as explained, we would target railway leasing companies, railway lease railway wagon leasing businesses. There would be some private customers, there are not would be, there are private rail operators also like GATX and Tatas, etcetera, who also would require wagons. So we have those market segments also, which would ensure us that we are sufficiently covered with our order books.
- Amit Mehendale:** Right, sir. When was the last tender, like a large tender from railways?
- Saleh Mithiborwala:** I think that was in the year '23. Then onwards, some smaller quantity tenders for different wagons keep on coming. The largest tender was, I think, somewhere in '23, which covered almost about 80,000 to 90,000, about 80,000 wagons, which was covering the requirement for three years. So maybe the next tender, it would be wrong on my part to make a comment, but that gives all of us an idea as to what the future would be like.
- Amit Mehendale:** Right, sir. In fact, we tracked that old tender, '23 tender, and we saw some news clips even before the tender, that the tender was expected, etcetera. So there were murmurs and there were some news around that. Do you see any visibility for the next year, like 2027 calendar year? Anytime the tenders, is there any discussions that you are having?
- Saleh Mithiborwala:** Definitely, we see the visibility. The tenders should be there. The quantities may vary a little bit, that is somewhat, but the railway procurement, the tenders will be there.
- Amit Mehendale:** Right, because if you just extrapolate like from '23, if you just see three years, that should be about 100,000 units of accumulated demand, possibly?

- Saleh Mithiborwala:** No, that again now depends upon what the railway has in mind, whether they want to again have a procurement cycle for three years or a single year. That would be difficult to comment.
- Amit Mehendale:** Right, sir. Thank you. That's it from my end.
- Saleh Mithiborwala:** Thank you, sir.
- Moderator:** Thank you. The next question is from the line of Padmanaban, an Individual Investor. Please go ahead.
- Padmanaban:** Good afternoon, sir. Am I audible?
- Saleh Mithiborwala:** Yeah, you are audible, please. Yeah, good afternoon.
- Padmanaban:** Very good afternoon. Since Hum Technologies, United Wagons, and wagon leasing are still in the works, considering that clarity has to emerge from Indian Railways, can we safely assume that the turnover this financial year would be greatly comprising from sale of wagons?
- Saleh Mithiborwala:** Definitely, yes. In the current financial year, the major revenue will be from the sale of wagons.
- Padmanaban:** Correct. So all new initiatives, if I were to understand correctly from your answer, it would be coming from the next financial year, whether be it Hum, be it wagon leasing, or even your targeting of the private railways from Tatas, Jindals as you mentioned, correct, sir? Am I right?
- Saleh Mithiborwala:** Perfect, sir, yeah. Yeah, it would be from the next financial year.
- Padmanabhan:** No problem, sir. Second question is, any other initiatives you are looking, sir, besides all this, whether you are planning to go into component manufacturing, or would you be looking at the export market, considering that there are a lot of opportunities in the Gulf, UAE, as well as Africa?
- Saleh Mithiborwala:** It is very good to hear this question. In fact, I would appreciate that you came up with such a question. The answer to that -- is that we are already in advanced stages of technology discussions and tie-ups for about two major components which are required for the wagon industry. The concept of wagon exports is also being considered very seriously, which has a very good potential.
- Ard we are having -- we are in the discussion stages of a arrangement with a public sector with a network who has reach out to all the such foreign prospective buyers. And at this stage, it is still in the -- mostly it should go through, but that is something which the company is already looking ahead to and is in the next phase of the value addition that we have in mind.
- So, I really appreciate your question, and this is something which is in the card. Maybe as and when it realizes, it will be put in the public domain. Could be in this quarter, some of it could be in the next quarter also. So that we are already in this stage of discussion.
- Padmanabhan:** Okay, sir. Appreciate it. Thank you very much, and wish you good luck.

- Saleh Mithiborwala:** Thank you. I should say thank you to you because this aspect was not -- perhaps not covered by me during this thing, so when you brought up this question, I could clarify or make it quite distinct from my side also.
- Padmanabhan:** No problem, sir. Thank you very much. Thank you, sir.
- Saleh Mithiborwala:** Thank you.
- Moderator:** Thank you. The next question is from the line of Atharva Kolvalkar, an Individual Investor. Please go ahead.
- Atharva Kolvalkar:** Yes, sir. Am I audible?
- Saleh Mithiborwala:** You're audible. Good afternoon.
- Atharva Kolvalkar:** Good afternoon, sir. Sir, as leasing becomes more prominent, how do you expect leasing revenue to change, sir, in 2 years to 3 years?
- Saleh Mithiborwala:** I could not get your question. I just did not understand. Leasing becoming more prominent, what exactly would you like to know from me?
- Atharva Kolvalkar:** I just wanted to understand how much the share of revenue from leasing, how is it going to change in the future, sir?
- Saleh Mithiborwala:** That exact details and the working are already there on our investor presentation. The share of revenue from leasing is not going to affect the growth revenue of the company in any manner. Although it is a business which is a long-term business, this thing, but the revenue and the growth of the company remains at a constant level. The exact positions and the figures are available in our investor presentation.
- Atharva Kolvalkar:** Okay, sure, sir. And is the average leasing tenure also available?
- Saleh Mithiborwala:** The average leasing tenure of wagons is about 10 years, which is being followed right now. Could vary between 9 years to 12 years depending upon the user, but the average tenure is about 10 years.
- Atharva Kolvalkar:** Okay, sure, sir. Sir, in the industry, I know it's a far shot, but the wheelset demand is something that we see. But is some- is the company looking to explore in that area?
- Saleh Mithiborwala:** At this moment, as I've already answered in my earlier question, we are in advance talks for two, three major components, which also have technical superiority and will also give us our backward integration exactly on the lines that you have mentioned with one product. So, we are in that line. Maybe as and when we get more concrete information and tie-ups in place, we will put it in public domain.
- But yes, the answer to your question is we are considering our options and see that we have not only because of the supply chain, but also because of the technical superiority in performance.

- Atharva Kolvalkar:** Okay, sure, sir. Thank you so much and all the best.
- Saleh Mithiborwala:** Thank you.
- Moderator:** Thank you. The next question is from the line of Saket Kapoor from Kapoor & Company. Please go ahead.
- Saket Kapoor:** Yes, sir. Thank you for the opportunity again. I hope I'm audible?
- Saleh Mithiborwala:** Yeah, you're audible, please.
- Saket Kapoor:** Yes, sir. Sir, firstly, pertaining to the two segments, that is the interior part as well as our wagon manufacturing, can you give us the peer comparison and for the interior, what kind of market share currently and we envisage going with?
- Saleh Mithiborwala:** The peer comparison, I think, is available on the investor presentation. As far as the interior market is concerned, the interior furnishing market's position is a field which is roughly about, I would say it varies a little bit because of the railway tendering thing, but it is about INR700 to INR800 crores. And with maximum of three, and including us maybe maximum of four participants, this is the type of business volume or expectations that we see anywhere about INR150 to INR200 crores.
- Saket Kapoor:** Okay, so entire market size is closer to INR800 crores with four players and we are eyeing to...
- Saleh Mithiborwala:** We are a new entrant, so we would be -- we should say that we hope to get about INR150 crores, the first one or two years, maybe then and go on to INR200 crores. This is in addition to the revenue from our seats business, supply of seats and for railway furnishing.
- Saket Kapoor:** Yes, sir. Sir, since we are a very old company in this segment, what should be our aspiration, say, for 3 to 5 years down the line with the type of verticals we are and as in the earlier participants, you spoke about the product introduction also, backward integration, synergy. What kind of -- what size of company can we expect, and also in terms of the EBITDA margin trajectory?
- Sir, you mentioned about that for H2, the revenue would be 25% higher than H1. How what should be penciling in in terms of the EBITDA margin trajectory, taking into account the volatility in the RM prices? These two questions, sir, if you could just...
- Saleh Mithiborwala:** The volatility of the RM prices is sufficiently covered under the price variation formula, which are applicable on all wagon tenders, which is the major revenue component of the group right now. So, the volatility in the raw material prices do not affect on the minus side to the EBITDA in a very significant manner. Could be very marginal because of some price variation calculations. As far as better utilization, larger volumes of purchase, and sustained relations with our raw material suppliers. On the plus side, the raw materials and profitability are likely to improve.
- Apart from the volume increase on the EBITDA figures that is on account of the increased turnover, the percentage of EBITDA should also improve, what we are confident about.

Approximately speaking, at least the percentage or the efficiency of utilization should increase anywhere between 7% to 10% on the last percentage of EBITDA. I'm not talking about an overall increase; I'm talking about an efficiency increase on the previous EBITDA margins. If it was, say, roughly about, say, 12% or 15%, a 6% increase would take it to about 16% or 16.5%.

Saket Kapoor: Okay, sir. And the key RM, sir, what are the key raw material component and we are -- that is the value-added steel that that goes into or if you could just give some color as a total percent?

Saleh Mithiborwala: Sorry, the key raw material is steel in various forms like the raw material for the wagons, the raw material for the foundry, the raw material for the wheels. We have already implemented the backward integration of springs, which was a component, and we have another three two or three major components lined up, which we are in discussions for self-control and backward integration. Which should also, in all probabilities, be implemented in the next two or three quarters. Once the plans finalize, production should be available from middle of Financial Year 28.

Saket Kapoor: Okay, so first you mentioned about the spring part also, we would be manufacturing springs?

Saleh Mithiborwala: Sorry, which part? Your voice was this thing. Which part?

Saket Kapoor: Springs you mentioned, likely to...

Saleh Mithiborwala: I'm not able to get you. Some problem with your speech.

Saket Kapoor: Sir, now you can hear me?

Saleh Mithiborwala: Yeah, now it is better. Tell me.

Saket Kapoor: Yeah, sir, I'm just reiterating the fact that you mentioned about spring manufacturing going ahead, that we are contemplating?

Saleh Mithiborwala: We have already set up our spring manufacturing facilities, which is in operation from last one year. I'm talking about, giving an example, that on the similar lines, another major two or three components, in addition to the HUM and the modern wagon, are also under discussion, which we intend to set up our own facilities for manufacture.

Saket Kapoor: Okay. And what is the contribution from spring, sir? And we are in the same product line with as with Frontier Springs from Kanpur? I mean, we compete with them in the same space?

Saleh Mithiborwala: We at the moment don't compete with them. We have the same product line, but we have our own requirements, which are sufficient to meet our own wagon production and components that we sell to the railways with which springs are used. So, we are not competing. The product line is the same as Frontier Springs, but we are not competing against any procurement of springs by railways against the tenders only for spring at the moment.

Saket Kapoor: Okay. And sir, for our company aspiration in terms of the size that we can envisage, say, to for 2030, if you have that ballpark understanding or if you want to share?

- Saleh Mithiborwala:** I can explain it to you, but it would be a very long-drawn-out thing. It is also present in our Investor Presentation for 2030, and putting things together, it is already there. I would love to talk on it, but it would be a very long this thing. If you see our Investor Presentation, it is very well laid out, the volumes, the products, everything is mentioned over there, what we intend to do by 2030.
- Saket Kapoor:** I'll go through it once again. And thank you once again for the elaborate answers, sir, and all the best to the team.
- Saleh Mithiborwala:** Thank you very much for your wishes. Same to you.
- Moderator:** Thank you. The next question is from the line of [Mahesh Atale from Dhairya Investments 1:00:24]. Please go ahead.
- Mahesh Atale:** So there has been a considerable increase in the inventories. I mean, if you see the inventories that we used to maintain and the inventories that we have in our books today. So, what exactly does the inventory, and what exactly is the management's understanding on this?
- Saleh Mithiborwala:** See, the inventory management, as I explained to you, we are targeting a very substantial growth as can be seen in the results for the last quarter also, and whatever I have been explaining on the call for the coming quarters also. So, to ensure that this sustainable growth or the growth that we are talking about, the increase in growth is not affected by any supply chains, which is volatile at the moment, as you may be very well aware of, like steel, etcetera, which are volatile because of the extraordinary international conditions which have developed.
- So the inventory levels are, yes, definitely going to be increased. But if you see pro rata against our earlier capacity utilizations and inventory levels, overall the percentage of inventory is has come down substantially. Our cash flow generations have improved, which is mentioned in our financial disclosures.
- Mahesh Atale:** Sir, sorry, I missed, but you said there was something the other business that you were looking at like INR200 crores apart from your seats and berths business that you are having currently. Which was that business you are entering into? That was interior...
- Saleh Mithiborwala:** That business is the interior refurbishment of coaches. What happens is that the interiors of the coaches wear out much faster, and the outer steel components or the shells are good for service, in which the railways have a regular system of upgrading or totally installing new interiors to give them the modern facilities also, and the worn-out interiors are replaced. So that INR200 crores, I was actually on a figure of between INR150 crores to INR200 crores on the interior furnishing or refurbishing business of passenger coaches.
- Mahesh Atale:** So this will be the recent LHB, I mean, the new coaches or the earlier ones also which you had in railways?
- Saleh Mithiborwala:** It is a mix of both. It is a project which involves new coaches also and, but 70% is from the refurbishing of old coaches. Maybe 70%, 80% is from...

- Mahesh Atale:** Yeah, I understood that, sir. And if I may ask you, I mean, how many how many years does railway refurbish every bogie or every wagon?
- Saleh Mithiborwala:** It depends upon -- see, what happens is that on a passenger coach, the life and wear is subject to many different types of coach variants and the type of region or area in which they operate. So although there is no set rule for it, but it so happens is that anywhere between, say, about 8 years to 10 years, the railway interiors or refurbishing comes up.
- Maybe say maybe between 6 years to 10 years, whatever would be the thing. And the shell life or the outer body walls and stainless steel and everything is good enough for a period of about 20 years to 24 years. So that is why the railways prefer getting the interiors done again because all the other major components like bogies and the steel structures are good for at least about 20 years.
- Mahesh Atale:** And when do you expect to start when do you expect to see the numbers from this particular business, sir?
- Saleh Mithiborwala:** By December '26.
- Mahesh Atale:** Okay, you've already got the approvals and...
- Saleh Mithiborwala:** We have already participated in tenders in excess of about INR150 crores. We expect few of the orders to be with us before December '26, and by March '27, we expect that our entire order book of INR100 crores -- order book should be of at least about INR100 crores plus.
- Mahesh Atale:** And, sir, if I may ask, what about the wagon order which the government was supposed to come up with, sir, for the month for the year FY26-27? I mean, there was some...
- Saleh Mithiborwala:** That is something which is difficult for me to answer, but as I've explained earlier, the requirement or the tender should be there. Maybe it is a question of time. It should be there shortly. But I'm not in a position to give an exact timeline for this.
- Mahesh Atale:** Yeah, I understand. And sir, what was the rise in our steel prices in Q1 versus Q2 at. Let's say, hot cold -- steel, if that the biggest, I think, ingredient for you guys?
- Saleh Mithiborwala:** The steel prices?
- Mahesh Atale:** Yeah, steel prices.
- Saleh Mithiborwala:** See, as I've explained above, the steel prices are whatever are the increase in the steel prices are covered under the price variation formula of the railways.
- Mahesh Atale:** Yeah, that's all right. I got it. But I just wanted to know what was the percentage increase in the steel prices...?
- Saleh Mithiborwala:** No, because I don't think in the quarter one, there has been a very heavy increase. The heavy increase has only been in the last quarter. The steel prices have moved substantially only in the last quarter.

Mahesh Atale: That is including every steel that goes into railways, right?

Saleh Mithiborwala: Almost, means give or take some partial difference, but all steel prices have moved ahead. Even HR steel, the steel required by railways, stainless steel, everything has moved.

Mahesh Atale: Also, the spring that you are for the spring division that you need...

Saleh Mithiborwala: The spring division has moved, the spring division has moved much substantially than even the HR steels. But that again is covered under the price variation this thing.

Mahesh Atale: And sir, there has been one loan and advance of INR50 crores that we see in your balance sheet.

Saleh Mithiborwala: Loan and advance of? Sorry, your voice- Loan and advance of?

Mahesh Atale: INR50 crores.

Saleh Mithiborwala: Sorry?

Mahesh Atale: In the September balance sheet.

Saleh Mithiborwala: How many crores? I could not -- your voice is not very clear, hello?

Mahesh Atale: INR50 crores, INR5-0 crores.

Saleh Mithiborwala: INR5-0 crores, loan and advances received by the company?

Mahesh Atale: No, no, not received. Yeah, it's a receipt, yes. I think no, it's an asset that you're showing.

Saleh Mithiborwala: I have noted your question. I will check it up and I'll get back to you through Stellar. We will provide you the exact information.

Mahesh Atale: All right, sir. I think that's...

Saleh Mithiborwala: I don't -- I'm not very sure if there is certain thing like that, but even then, I will cross-check it and get back to you.

Mahesh Atale: All right, sir. Thank you so much and, sir, all the very best.

Saleh Mithiborwala: Thank you, sir, and all the best to you also.

Moderator: Thank you. Ladies and gentlemen, due to time constraints, that was the last question for today. I would now like to hand the conference over to Mr. Saleh Mithiborwala for closing comments.

Saleh Mithiborwala: Yeah, thank you very much. It was quite interesting and very gives us more confidence looking at the interest of our investors and stakeholders in the project. We are committed to a sustained growth and see that whatever has been committed in our presentations is met. And we look forward to many such engagements on calls with our investors. We wish all of them the best and look forward to more interaction with them. Thank you.

Moderator: On behalf of Oriental Rail Infrastructure Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.

Saleh Mithiborwala: Thank you. Thank you, everyone. Thank you.