

Oriental Rail Infrastructure Limited

30th Annual Report 2020-21



ABOUT US

Over the time we have refined and leveraged our strengths – unmatched experience and expertise. This has aided consistent performance across numerous facets of growth – Revenue, Profitability and Sole Presence. The key driving factor in our success has been a disciplined approach towards managing risk, capital allocation and return on capital.

Reasons behind Company's Growth

Ability and alertness to spot new opportunities for products and services required by the Indian Railways; and moving in swiftly to match the same with quality products that meet the specifications of the consuming organization in a time bound manner, has been the key to success. The company has always moved in aggressively forward in identifying the gaps and has rapidly stepped in to fulfil the same as far as meeting the demands of the railways are concerned. Over the years, Oriental Rail Infrastructure Limited (Formerly known as Oriental Veneer Products Limited) ('ORIL') has developed a very strong relationship with the railways. Infact today the Company is a Preferred Part I Vendor to the Indian Railways, a feat desired by many but achieved by only a selected few. All the ORIL's

products to Indian Railways are approved by the Research Designs Standards Organization (RDSO) which is the sole vendor approving body for the consumer organization. The products are also RITES (erstwhile Rail Technical Economic Service) certified which is the sole inspecting authority for ensuring quality and clearance of all products for supplying to Indian Railways. The Indian Railways is one of the biggest enterprise in the country by several parameters. It has been instrumental in gradually turning the wheels and with it the fortunes of the nation ever since the first running of its train, 165 years ago. For over a century and half, the Indian Railway has been fulfilling a very critical socio-economic development function, not only of meeting the transportation needs (goods and people) and connecting the diverse geographies of a large country like India but also promoting national integration. It is not without reason that the Railways are often referred to as the nation's lifeline. We at ORIL take pride in the railways, even as it performs its vital role of being the 'Lifeline of the Nation' has been immensely rewarding and mutually beneficial.



What's Inside

01 Corporate Overview 1-7

Corporate Information	2
Performance Highlights	3
Chairman's Communique	4
Whole-Time Director Message	6

02 Statutory Section 8-49

Board's Report	8
Corporate Governance Report	29
Management Discussion and Analysis	46

03 Financial Section 50-119

Standalone Financial Statements

Independent Auditors' Report	51
Standalone Balance Sheet	58
Statement of Profit and Loss	59
Statement of Changes in Equity	60
Cash Flow Statement	61
Notes to Financial Statements	62

Consolidated Financial Statements

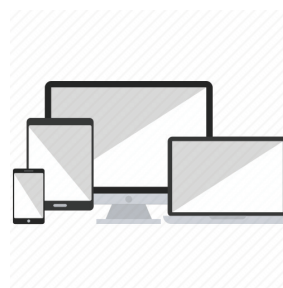
Independent Auditors' Report	86
Consolidated Balance Sheet	92
Statement of Profit and Loss	93
Statement of Changes in Equity	94
Cash Flow Statement	95
Notes to Financial Statements	96

Notice 120-132

Notice of Annual General Meeting 120

Company Information and AGM details

CIN	L35100MH1991PLC060686
BSE	531859
Dividend recommended	20% (₹0.20 per share of ₹1 each)
30 th AGM through Video Conferencing/ OAVM	Date: Tuesday, September 14, 2021 Time: 01.00 p.m.
VC Platform & E-voting	NSDL



Click on the below link to know about us:

www.orientalrail.com/who-we-are.php

Simply scan to download Annual Report



Corporate Information

Board of Directors

Executive Directors

Mr. Saleh N. Mithiborwala
Chairman & Chief Financial Officer

Mr. Karim N. Mithiborwala
Managing Director

Mr. Vali N. Mithiborwala
Whole-Time Director

Independent Directors

Mr. Mustafa Pardawala

Mr. Suresh Mane

Mrs. Deepa Raut

Company Secretary

Ms. Sonam Gupta

Statutory Auditors

M/s. Amarnath Sharma & Co.,
Chartered Accountants

Secretarial Auditors

M/s. Shiv Hari Jalan & Co.,
Practising Company Secretaries

Registrar & Share Transfer Agent

Adroit Corporate Services Private Limited
17-20, Jafferbhoy Industrial Estate,
Makhwana Rd, Marol, Andheri East,
Mumbai-400059, Maharashtra, India
Tel :91-22 - 2859 4060,
Fax :91-22 - 2850 3748,
Email: info@adroitcorporate.com
Website: www.adroitcorporate.com

Registered Office & Plant Locations

Survey No. 49, Aghai (Via) Kalyan Railway Station,
Thane-421301, Maharashtra, India.
CIN: L35100MH1991PLC060686
Tel.: +91 22 61389400
Email: compliance@orientalrail.co.in
Website: www.orientalrail.com

Corporate Office

16, Mascarenhas Road, Mazgaon,
Mumbai 400010, Maharashtra, India.

Subsidiary Company

Oriental Foundry Private Limited
Shop No.17, Rizvi Park Co-operative
Housing Society, E Wing, S. V. Road,
Santacruz (W), Mumbai-400054,
Maharashtra, India.

Bankers

The Saraswat Co-op Bank Limited
The Shamrao Vithal Co-op Bank Limited
HDFC Bank Limited

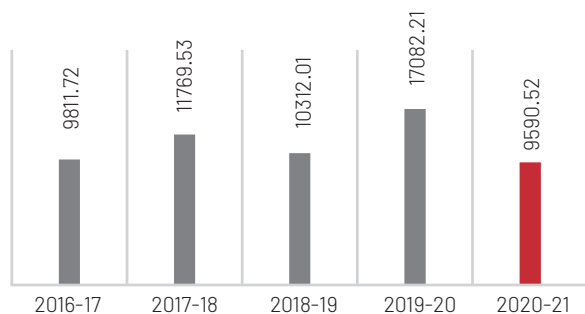


Performance Highlights

Revenue From Operations

CAGR= 0.56%

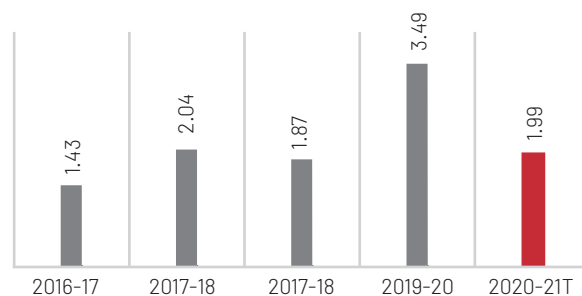
(₹ in Lakhs)



Earning Per Share

CAGR= 8.61%

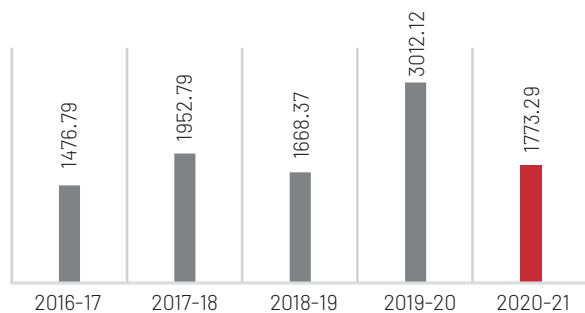
(₹)



EBIDTA

CAGR= 4.68%

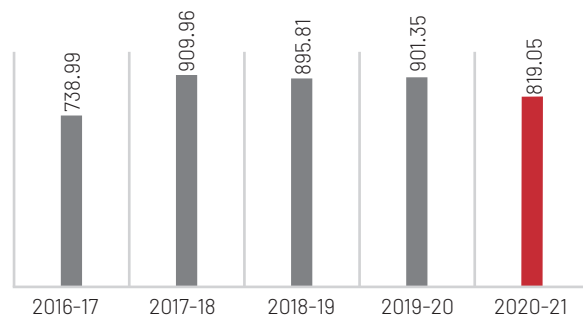
(₹ in Lakhs)



Net Fixed Assets

CAGR= 2.60%

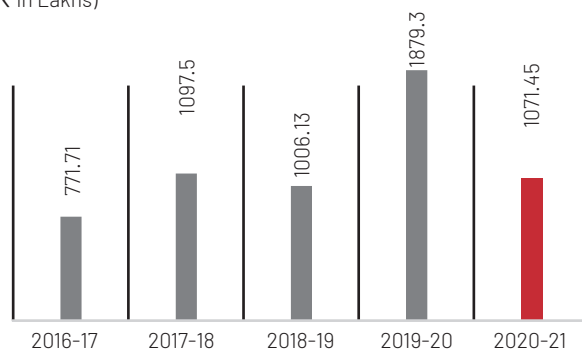
(₹ in Lakhs)



PAT

CAGR= 8.52%

(₹ in Lakhs)



CHAIRMAN'S COMMUNIQUE

"We did not let the Pandemic affect our growth. Been a difficult year but we still remained steadfast."



Dear Shareholders,

We are living in Covid times. The external environment is more dynamic than ever, even as we adapt to a new normal and strive to contain the effects of the second wave of the pandemic. Collectively, the past year has tested sectoral strengths as the pandemic initiated deep changes that have redefined industries as a whole. In this context, it is becoming increasingly clear that those enterprises operating with a long-term view, cognisant of emerging realities and agile enough to adapt are the only ones that can survive and grow.

For the past few years, Oriental Rail Infrastructure Limited (ORIL) has built an enterprise that can not only withstand external shocks, but can also grow significantly and contribute to society.



This has held true even in a watershed year such as FY2021, during which, we continued to create value for all stakeholders. Reflections of this value creation have been captured throughout this report.

A year that stood apart FY2021, was a year that exposed both the strengths and the fault lines of the Indian economy. The year started with the pandemic-induced lockdowns impacting business at both broad and granular levels.

Resilient performance with collective efforts

At ORIL, we continued to deliver on our investor promises, and prioritised the health and well-being of our people and communities. Even after initial total lockdown, and later phase wise lifting, the Company was able to achieve total consolidated turnover of Rs. 220 crore and profit after tax of Rs. 15.42 crore.

Performance by our Subsidiary Company

ORIL subsidiary company, M/s. Oriental Foundry Private Limited ('OFPL') revenue has increased to ₹ 127.26 crore i.e. up by 26.46% and Net Profit after Tax at ₹ 4.72 crore was down by 14.85 % from previous year.

The Company had successfully bagged several orders of Wagons, Bogie and Coupler from Container Corporation of India Limited, Jindal Rail Infrastructure Limited, Braithwaite & Co. Limited, and Indian Railway.

Dividend

The Board recommended a final dividend of ₹ 0.20 (Rupees Twenty paise only) i.e. @ 20% per equity share of the face value of ₹ 1 each for the financial year ended March 31, 2021. The Company continues to declare a dividend in its 5th consecutive year.

Expansion of Business

We are continuously taking initiative to develop new products and upgrade our products. To realise our aim, we have a strong and well-equipped Research & Development lab. R&D's contribution in ORIL growth has been noteworthy.

Company has set up the huge Rexene plant in Aghai, for manufacturing Rexene with a capacity of 5 lakh meters per month. The Company's output will be supplied to Indian Railways as well as to industries which consume artificial leather like upholstery, leather and automobiles producers, commercial and residential upholstery, stationery, luggage & bags with its brand ORVIN.

With advanced Technology, and with great research, we are also focused to expand the production of Silicon Foam Blocks which is used as a cushioning material for manufacturing Seat and Berths specialized for Railway coaches.

At ORIL, we are powered by the ambitions of hundreds of our employees who strive to outperform every day. With their vigour and highly conducive market prospects, we are certain that we will grow faster and build better.

An Optimistic Outlook

The future appears to be positive as lockdown is lifting statewide and India adapts to the new normal. The Central Government and State Government are ensuring that the entire population of India gets fully vaccinated by the end of 2021. The announcements made by the government to support the economy are expected to bring results in the near-to-medium term, and the potential for India to emerge as a manufacturing hub is stronger than ever. Indian Railway will play a key role in building the India of the future.

Growth Opportunity

The government of India has been consistently focusing upon enhancing the railways network throughout the country. With Railways being among the major focus areas for the government, there lies immense scope for product growth and hence opportunity for ORIL to capitalise on them.

ORIL & its subsidiary OFPL has emerged as a Total Rail Solution provider, equipped with the latest technologies. It will keep the industry engaged for years to come at a brisk pace.

Acknowledgment

We believe that tomorrow belongs to those who prepare for it today. Past patterns cannot always be applied to find answers for tomorrow. That is why we have to be flexible in our approach to maintain the Company's leadership in the market. Your continued support has enabled us to progress this far and look forward to continuing this journey and achieving greater heights together.

Warm regards,

Saleh N. Mithiborwala

Chairman of the Board

EVEN AFTER INITIAL TOTAL LOCKDOWN, AND LATER PHASE WISE LIFTING, THE COMPANY WAS ABLE TO ACHIEVE TOTAL CONSOLIDATED TURNOVER OF ₹ 220 CRORE AND PROFIT AFTER TAX OF ₹ 15.42 CRORE.

WHOLE-TIME DIRECTOR'S MESSAGE



“Looking into the future, we feel confident about our prospects as we see growth and expansion.”

**Dear Shareholders,**

The year 2020-21 has been challenging for each one of us. The Covid-19 pandemic has had a significant impact on lives, livelihoods, and the business. Operational challenges mounted due to restricted movement and disrupted supply lines during the first few months of the pandemic.

The second wave of the pandemic unfolds with predictions of a third wave in the offing.

At ORIL, nothing has been more important to us than keeping our employees safe and continuing to deliver value to our stakeholders.

The relentless commitment and dedication of every member of the ORIL family helped the business overcome many challenges in the past year. As a result, the Company was able to achieve total consolidated turnover of Rs. 220 crore and profit after tax of Rs. 15.42 crore.

We managed Covid challenges well and sustained strong cash generation. The Board of Directors has proposed a final dividend of 0.20 per share of face value Rs. 01/- subject to approval of shareholders at the AGM.

We are continuously investing in our talent development programmes. A highly skilled and fully engaged workforce is critical to our future success. Our people strategy aims at strengthening our culture of teamwork and knowledge exchange to build a future-ready workforce.

The Company is also focused on investing in a new manufacturing facility and on expanding production capacities at existing plants.

The ORIL has its brand ORVIN to supply Artificial Leather for consumer products. The wide range of products are manufactured by ORVIN such as shoes, automotive seating, commercial and residential upholstery, stationery, luggage & bags, etc. ORIL is focusing and growing its presence in this.

ORIL is also focused on developing new products and innovating and upgrading its products.

With advanced Technology, and with great research, we are also focusing on expanding the production of Silicon Foam Blocks which is used as a cushioning material for manufacturing Seat and Berths specialized for Railway coaches.

We also expect a strong recovery in the Railway segment after a slowdown in tendering due to the pandemic. The mid to long-

term factors remain strong, supported by a slew of expansion and upgradation projects being undertaken by the Indian Railways.

The government of India has been consistently focusing upon enhancing the roads and railways network throughout the country. With Railways being among the major focus areas for the government, there lies immense scope for product growth and hence opportunity for ORIL to capitalise on them.

Looking into the future, we feel confident about our prospects as we see growth and expansion.

Further, I would like to take this opportunity to thank all our people who have been tirelessly working to ensure that we continue to serve the people of this country through this extremely challenging year. Most importantly, I would like to thank you, our shareholders, for your overwhelming trust, support, and confidence in ORIL Infrastructure Limited.

Warm regards,

Vali N. Mithiborwala

Whole-Time Director

**|| AT ORIL, NOTHING HAS BEEN
MORE IMPORTANT TO US THAN
KEEPING OUR EMPLOYEES SAFE
AND CONTINUING TO DELIVER
VALUE TO OUR STAKEHOLDERS.**

Board's Report

Dear Shareholders,

Your Directors have pleasure in presenting the 30th Annual Report on the business and operations of the Company and the Audited Financial Statement for the financial year ended March 31, 2021.

PERFORMANCE HIGHLIGHTS

Particulars	Standalone		Consolidated	
	FY 2021	FY 2020	FY 2021	FY 2020
Revenue from operations	9,590.52	17,082.21	22,016.94	26,667.19
Other Income	204.00	223.61	216.72	248.65
Total Revenue	9,794.53	17,305.82	22,233.66	26,915.84
Profit/(Loss) before Finance cost, Depreciation and Tax	1,773.29	3,012.12	3,363.51	4,606.48
Less: Finance Costs	216.15	385.44	819.66	994.86
Less: Depreciation	116.12	100.23	535.00	417.10
Profit before Tax	1,441.02	2,526.45	2,008.85	3,194.52
Less: Tax Expenses	370.57	647.14	466.67	761.21
Net Profit	1,070.45	1,879.30	1,542.18	2,433.31
Other comprehensive income (net of tax)	-	-	-	-
Total Comprehensive income	1,070.45	1,879.30	1,542.18	2,433.31
Basic & Diluted EPS (in ₹)	1.99	3.49	2.86	4.51

OPERATIONS REVIEW

Standalone

The Company's Standalone revenue from operations for FY 2020-21 was ₹9,590.52 Lakhs, compared to ₹17,082.21 Lakhs in the previous year. The Company's profit before exceptional items and tax on a standalone basis was ₹1,441.02 Lakhs during the year compared to ₹2,526.45 Lakhs in the previous year. The Company earned a net profit of ₹1,070.45 Lakhs during the year compared to ₹1,879.30 in the previous year.

Consolidated

The Company's Consolidated revenue from operations for Financial FY 2020-21 was ₹22,016.94 Lakhs compared to ₹26,667.19 Lakhs in the previous year. The Company's profit before exceptional items and tax on a consolidated basis was ₹2,008.85 Lakhs during the year compared to ₹3,194.52 Lakhs in the previous year. The Company earned a net profit of ₹1,542.18 Lakhs during the year compared to ₹2,433.31 in the previous year.

DIVIDEND

Continuing the past trend of declaring dividend, your Directors are pleased to recommend a Final Dividend of ₹0.20 (Rupees Twenty paise only) i.e. @ 20% per equity share of the face value of ₹1 each for the financial year ended March 31, 2021, subject to the approval of members of the Company at the ensuing Annual General Meeting.

SHARE CAPITAL

The paid-up Equity Share Capital as on March 31, 2021 was ₹539.03 Lakhs. During the year under review, the Company has not issued any shares. The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

DEALING WITH THE COVID-19 PANDEMIC

In the month of March, 2020, the outbreak of Novel Coronavirus (COVID-19) pandemic developed rapidly into a global crisis. This led to declaration of the lockdowns by the governments in the countries all over the world. Your Company immediately shifted its focus on ensuring the health, safety and well-being of all employees. The manufacturing plants of the Company were temporarily closed from March, 23, 2020 to contain the spread of COVID-19 as per Central/State Government directions. The partial manufacturing operations were resumed later on with limited workforce subject to the conditions prescribed by the Government/Local Authorities. Although there are uncertainties due to the pandemic, healthy capital adequacy, stable liquidity position, good customer base, wider geographical distribution and innovative product mix will help your Company to navigate through the challenges in future. The impact of COVID-19 is discussed in the Management Discussion and Analysis forming part of this Annual Report.

CHANGE OF NAME OF THE COMPANY

During the year under review, the name of the Company has been changed from "Oriental Veneer Products Limited" to "Oriental Rail Infrastructure Limited" and a fresh Certificate of Incorporation was issued by Ministry of Corporate Affairs on March 02, 2021.

TRANSFER TO RESERVE

An amount of ₹ 962.65 Lakh has been transferred to General Reserve in respect of Financial Year under review.