

11th September, 2025

To,

National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra, Mumbai - 400 051	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001
Trading Symbol: HITECH	Scrip Code: 543411

Dear Sir/ Madam,

Subject: Intimation of Credit Rating

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that India Ratings & Research (A FITCH GROUP COMPANY) has affirmed the Company's credit ratings for its bank facilities. The ratings are as follows:

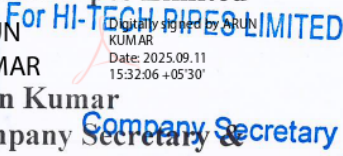
Nature of Facilities	Size of Issue (INR, in Millions)	Rating upgraded by India Ratings
Fund based Working Capital Limit	1200	IND A+/STABLE
Non- Fund based Working Capital Limit	50	IND A1+

The detailed information is also available at www.indiaratings.co.in and www.hitechpipes.in and can also be download from the following link <https://hitechpipes.in/wp-content/uploads/2025/09/Credit-Rating-10.09.2025.pdf>

Kindly place the same on your record.

Thanking you,

Yours truly,

For and on behalf of
Hi-Tech Pipes Limited

ARUN KUMAR
Arun Kumar
Company Secretary &
Compliance Officer

Encl: A/a

India Ratings Affirms Hi-Tech Pipes’s Bank Loan Ratings at ‘IND A+’/Stable/‘IND A1+’

Sep 10, 2025 | Iron & Steel

India Ratings and Research (Ind-Ra) has affirmed the ratings on Hi-Tech Pipes Limited’s (HTPL) bank loan facilities as follows:

Details of Instruments

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating assigned along with Outlook/Watch	Rating Action
Bank loan facilities	-	-	-	INR1,250	IND A+/Stable/IND A1+	Affirmed

Analytical Approach

Ind-Ra has taken a fully consolidated view of HTPL and its subsidiaries – HTL Metal Private Limited (debt rated at ‘IND A’/Stable), HTL Ispat Private Limited (debt rated at ‘IND A’/Stable), Hitech Metalex Private Limited (HTMPL; 100%) and Hi-Tech Global Steels Private Limited (100%), together referred to as the Hi-Tech Group hereafter, for the ratings.

Detailed Rationale of the Rating Action

The affirmation reflects Ind-Ra’s expectation that the Hi-Tech Group will sustain its growth momentum, supported by a steady demand for its existing product portfolio and capacity augmentation from the recently completed capex. Additional volumes are likely to be generated upon the commissioning of the ongoing capex projects. The group has demonstrated a gradual improvement in its EBITDA per tonne over the past two financial years, aided by a higher share of value-added products, benefits of economies of scale, and operational cost efficiency initiatives; however, the margins are likely to remain range bound in the near-to-medium term.

Ind-Ra also takes note of the improvement in the group’s credit profile in FY25, driven by an equity infusion that facilitated debt reduction and partially funded the capex programme. The ratings continue to be supported by the group’s diversified product portfolio and low customer concentration risk.

Nevertheless, the ratings are constrained by the group’s susceptibility of margins to raw material price volatility and intense market competition.

List of Key Rating Drivers

Strengths

- Healthy revenue and volume growth in FY25; momentum likely to continue in medium term
- Improved EBITDA per tonne; likely to remain range-bound over medium term
- Healthy credit profile
- Diversified product portfolio and low concentration risk

Weaknesses

- Susceptibility of profitability margins to raw material price fluctuations

- Intense competition

Detailed Description of Key Rating Drivers

Healthy Revenue and Volume Growth in FY25; Momentum likely to Continue in Medium Term: HTPL's sales volume grew at a healthy 24% yoy in FY25, reaching 485,447MT (FY24: 391,147MT), which translated into a revenue of INR30,676 million (INR26,993 million), despite a decline in the realisations. The volume growth was supported by the commercialisation of the first phase of its greenfield capacity at Sanand, Gujarat (Sanand-II) in March 2024 which contributed to the performance for FY25. Furthermore, the company registered a revenue of INR7,913.6 million during 1QFY26.

The Phase-1 of the Sanand-II facility has an installed capacity of 1,50,000 tonnes per annum (TPA). The second phase, which is under implementation, will add further 1,30,000TPA of pipes and tubes, with operations expected to commence operations in 2HFY26. Additionally, HTPL is undertaking a greenfield expansion at its Sikandrabad facility (Unit-II) for producing steel tubes and pipes, with a proposed capacity of 1,50,000TPA, which is likely to begin operations by 1HFY26. The company is also in process of setting-up a greenfield manufacturing unit in Jammu for producing colour-coated sheets, with commercial operations likely to commence in 1HFY26.

Ind-Ra expects the company to continue achieving healthy growth in its revenue and sales volume over FY26-FY27, driven by the continued ramp-up of its operations at the newly commissioned capacities and incremental contributions from the proposed capacities.

Improved EBITDA per tonne in 1QFY26; Likely to Remain Range-bound over Medium Term: Hi-Tech Group's consolidated EBITDA per tonne improved to INR3,308 during 1QFY26 (FY25: INR3,297; FY24: INR2,937), supported by an increasing share of value-added products (contributing 40% of the consolidated revenue in 1QFY26) and enhanced operational efficiencies. The group's consolidated EBITDA margin remained stable at 5.2% in 1QFY26 (FY25: 5.2%; FY24: 4.3%), with a consolidated EBITDA of INR410.3 million in 1QFY26 (FY25: INR1,600 million; FY24: INR1,149 million). The improvement in profitability during FY25 came despite lower steel prices, aided by the company's strategy of securing secured a significant share of fixed-priced orders, which helped mitigate the impact of volatility in the steel prices.

Ind-Ra expects HTPL's profitability to remain range-bound but improve over the medium term, driven by the growing contribution of value-added products such as colour-coated sheets, large diameter electric resistance welded (ERW) pipes, and galvanised coils, which command better realisations. Furthermore, the company has enhanced its captive solar power capacity by 5MW and signed a memorandum of understanding (MoU) for generation and the captive use of green hydrogen projects. These initiatives are likely to lead to production efficiencies and power cost savings, thereby adding to the profitability, according to Ind-Ra.

Healthy Credit Profile: Hi-Tech Group has witnessed a notable improvement in its financial risk profile following an equity infusion of INR5,007 million in October 2024 through a QIP, which was partially utilised for debt reduction at the group level and partially earmarked to fund capex initiatives. These measures, coupled with the healthy profitability, have resulted in a sharp reduction of the consolidated net leverage (including acceptances) to 0.95x at FYE25 (FYE24: 3.88x). Of the total proceeds, INR1,400 million has been set aside for funding the brownfield expansion at the Sanand unit and a greenfield expansion in Sri City, Andhra Pradesh, to be incurred over FY26-FY27. Additionally, HTPL raised INR1,361 million during 1HFY25 through the conversion of share warrants into equity, strengthening its capital base.

HTPL, through its subsidiary HTMPL, is also setting up a greenfield project for the manufacturing of colour-coated sheets in Jammu. To fund this expansion, HTMPL has secured a debt tie-up of INR360 million.

Despite, the ongoing debt-funded capex, Ind-Ra expects HTPL's consolidated net leverage (including acceptances) to remain well within 2.0x in the near-to-medium term, supported by steady profitability margins and an improvement in operational scale. However, any material deterioration in the company's credit profile due to a decline operational performance and/or any significant debt-funded capex will be closely monitored.

Diversified Product Portfolio and Low Concentration Risk: HTPL's diversified product portfolio mitigates industry-specific risks. The company operates through four primary segments: steel tubes and pipes, galvanised and corrugated sheets, cold-rolled products, and colour-coated sheets, catering to various sectors. In FY25, the pipe segment accounted for around 48% (FY24: 49%; FY23: 59%) of HTPL's revenue, with galvanised and corrugated sheet forming 8% (11%; 5.9%), colour-coated sheets 11% (9.7%; 1.7%), cold-rolled product 14% (13%; 13%), other engineered products 10% (11%; 3%) and trading 9% (7%; 9%). HTPL is geographically diversified and has over 500 dealer-distributor network across India. The company has six plants across four states. The company's customer concentration risk is low with top 10 customers forming 24% of the consolidated revenue in FY24; it remained at similar levels in FY25.

Susceptibility of Margins to Raw Material Prices Fluctuation: Being a steel convertor, HTPL is exposed to the volatility in steel prices on account of a lag in price adjustments following fluctuations in the price of hot-rolled coils, in addition to inventory maintenance. Hence, prudent working capital management is crucial to safeguard against any significant price movement. The company's focus on working capital management and increasing the proportion of value-added products in the revenue mix mitigate the risk to some extent. Nevertheless, in case of an adverse demand-supply scenario, the inability to pass on the raw material price hike to its buyers could adversely impact the profitability.

Intense Competition: The group's profitability remains susceptible to the competition prevailing in the market, given the fragmented nature of the steel pipes industry, low product differentiation and high price sensitivity. The ERW pipe market is inherently competitive with the presence of several established players as well as many unorganised players. However, its established presence in the market for four decades provides comfort.

Liquidity

Adequate: Ind-Ra expects the group's liquidity to remain healthy over the medium term with a likely improvement in its operating cash flows. The group has a debt repayment obligation amounting to INR140 million and INR44 million during FY26 and FY27, respectively. The liquidity is supported by the infusion of equity during FY25 reducing the group's reliance on external debt. INR1,207 million of the QIP proceeds is held as fixed deposits with the banks as on 31 March 2025; however, the same is earmarked for the company's capex plans. HTPL's average utilisation of its fund-based facilities stood at 62% during the trailing 12 months ended June 2025. The company has maintained efficient working capital operations over the years, as corroborated by its net working capital, which stood at 13%-18% of its operating income over the past three fiscals. The company's gross working capital cycle remained comfortable with a receivables period of 36 days in FY25 (FY24: 38 days; FY23: 28 days) and an inventory period of 48 days (49 days; 50 days). The cash flow from operations stood at INR284 million during FYE25, supported by steady profitability. However, the capex incurred by the company caused the free cash flow to remain negative at INR1,619 million in FY25 (FY24: INR2,455 million).

Rating Sensitivities

Positive: A substantial improvement in the overall business risk profile, supported by the timely ramp-up of the ongoing capex, resulting in enhanced scale of operations and a significant increase in the EBITDA per tonne, driven by a higher share of value-added products, while maintaining the credit profile, all on a consolidated basis, could result in a positive rating action.

Negative: Any delay/lower-than-Ind-Ra-expected volume ramp-up, leading to lower operating cash flows and/or deterioration in liquidity resulting in the net leverage (including acceptances) exceeding 2.0x, on a consolidated and sustained basis, could lead to a negative rating action.

Any Other Information

Standalone Financials: HTPL's revenue stood at INR25,501.9 million during FY25 (FY24: INR22,074 million). The EBITDA margin stood at 5.3% (4.0%), interest coverage at 4.02x (2.79x) and net leverage at negative 0.44x (3.04x).

About the Company

Incorporated in 1985, as M/S Ram Lal Harbans Lal Limited, the company was later renamed as HTPL. The company manufactures steel tubes and pipes, galvanised and corrugated sheets, cold-rolled products, and colour-coated sheets. It has an installed capacity of a total of 8,20,000MT across its manufacturing plants located at Sikandarabad (Uttar Pradesh), Sanand (Gujarat), Hindupur (Andhra Pradesh) and Khopoli (Maharashtra). HTPL is listed on National Stock Exchange and BSE Limited.

Key Financial Indicators

Particulars (INR million; Consolidated)	1QFY26	FY25	FY24
Revenue	7,913	30,676	26,993
EBITDA	410.3	1,600	1,149
EBITDA margin (%)	5.2	5.2	4.3
Interest coverage (x)	5.24	3.72	2.74
Net adjusted leverage (x)	NA	0.95	3.88
NA: not available Source: HTPL; Ind-Ra			

Status of Non-Cooperation with previous rating agency

Not applicable

Rating History

Instrument Type	Rating Type	Rated Limits (INR million)	Current Ratings	Historical Rating/ Outlook	
				13 December 2024	2 September 2024
Bank loan facilities	Long-term/ Short-term	INR1,250	IND A+/Stable/ IND A1+	IND A+/Stable/IND A1+	IND A/ Stable/ IND A1

Bank wise Facilities Details

The details are as reported by the issuer as on (10 Sep 2025)

#	Bank Name	Instrument Description	Rated Amount (INR million)	Rating
1	SVC Co-operative Bank	Fund Based Working Capital Limit	200	IND A+/Stable
2	SVC Co-operative Bank	Non-Fund Based Working Capital Limit	50	IND A1+
3	Federal Bank	Fund Based Working Capital Limit	385	IND A+/Stable
4	HDFC Bank Limited	Fund Based Working Capital Limit	385	IND A+/Stable
5	NA	Fund Based Working Capital Limit	230	IND A+/Stable

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Bank loan facilities	Low

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity- indicators>.

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About India Ratings

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Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance companies, urban local bodies, and structured finance and project finance companies.

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Solicitation Disclosures

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APPLICABLE CRITERIA AND POLICIES

Evaluating Corporate Governance

Corporate Rating Methodology

The Rating Process

Parent and Subsidiary Rating Linkage

Short-Term Ratings Criteria for Non-Financial Corporates

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