



3R MATRIX

	+	=	-
Right Sector (RS)	✓	✗	✗
Right Quality (RQ)	✓	✗	✗
Right Valuation (RV)	✓	✗	✗

+ Positive = Neutral - Negative

What has changed in 3R MATRIX

	Old		New
RS	✓	↔	✓
RQ	✓	↔	✓
RV	✓	↔	✓

Company details

Market cap:	Rs. 1,938 cr
52-week high/low:	Rs. 211/82
NSE volume: (No of shares)	12.50 lakh
BSE code:	543411
NSE code:	HITECH
Free float: (No of shares)	11.4 cr

Shareholding (%)

FII	9
Institutions	0
Public & others	47
Promoters	44

Price chart



Source: NSE India, Mirae Asset Sharekhan Research

Price performance

(%)	1m	3m	6m	12m
Absolute	5.8	-11.1	-40.9	-21.6
Relative to Sensex	4.3	-22.7	-42.4	-31.8

Source: Mirae Asset Sharekhan Research, Bloomberg

Hitech Pipes Ltd

On a strong growth trajectory

Building Materials	Sharekhan code: HITECH		
Reco/View: Positive	↔	CMP: Rs. 95	Upside potential: 25%
↑ Upgrade	↔ Maintain	↓ Downgrade	

Summary

- Consolidated revenues stood Rs. 733.7 crore, up 7.7% y-o-y, with EBITDA of Rs. 34.9 crore, down 1.1% in Q4FY25. Sales volume rose 7.7% to 1.16 lakh tonnes, while blended realisation remained flat at Rs. 63,236 per tonne
- Company is in the advanced stages of commissioning its greenfield plant at Sikandrabad (UP) and brownfield expansion at Sanand Unit-II Phase II (Gujarat), focusing on high-end specialised tubes and pipes for domestic & international markets.
- For FY26, the company targets 600,000 tonnes in sales, up 24% y-o-y in FY25. Per ton ne EBITDA is expected between Rs. 3,500-4,000, with VAP share increasing from 38% in FY25 to 42-43% in FY26.
- We stay Positive on Hi-Tech Pipes and expect a 25% upside, considering a strong net earnings growth outlook over FY2025-FY2027E.

Consolidated revenues stood at Rs. 733.7 crore in Q4FY25, rising 7.7% y-o-y, while EBITDA stood at Rs. 34.9 crore, a decline of 1.1% y-o-y. Sales volumes rose 7.7% to 1.16 lakh tonnes, with blended realization remaining flat at Rs. 63,236 per tonne in Q4FY25. The company aims to reach 1 million tonnes of capacity by FY26 and expects a 25-30% rise in capacity in FY27. For FY26, the company has guided a sales volume of 6 lakh tonnes, and confident to add 25% growth every year driven by new products, market expansion, and exports. It plans a capex of Rs. 200 crore in FY26 to achieve the 1 million tonnes capacity goal. With strong tailwinds from infrastructure, defence, and clean energy sectors the company is fully aligned to achieve its long-term vision of reaching 2 million tonnes of installed capacity by FY29.

Key positives

- Revenue grew by 7.74% to Rs. 733.7 crore in Q4FY25, up from Rs. 681 crore in Q4FY24, driven by strong demand in the infrastructure and construction sectors.

Key negatives

- EBITDA per tonne declined 8.2% y-o-y in Q4FY25 to Rs. 3,010, due to higher costs of goods sold per tonne.

Management Commentary

- The company is also beginning work on new facilities in Sri City (Chennai) and an additional phase at Sanand (Phase 3 of Unit II).
- Interest expense is expected to be Rs.44-45 crore in FY26.
- The company is confident that confident they can increase their sales volume by 25% every year. They've consistently achieved this by launching new products, expanding into new areas, and improving their marketing and exports.

Revision in earnings estimates – We have retained our net earnings estimates for FY2025.

Our Call

Valuation – Stay Positive; expect 25% upside: Hi-Tech is expected to benefit from sustained strong demand, driven by government-led infrastructure investments and a stable steel pricing environment. The company continues to focus on capacity expansion and increasing the share of value-added products to achieve higher scale and improved operational profitability. Hi-Tech is confident in its ability to increase sales volume by 25% annually and has made significant progress toward the next phase of capacity expansion, targeting 2 million tonnes by FY29. We remain positive on the stock and expect a 25% upside, given its strong net earnings growth outlook for FY2025-FY2027E.

Key Risks

- Downward pressure on steel prices and a drop in government and private capex.
- Risk of substitute products cornering a higher share of demand pie.

Valuation (Consolidated)

Particulars	FY24	FY25	FY26E	FY27E
Revenue	2,699	3,068	3,848	4,647
OPM (%)	4.3	5.2	5.1	5.5
Adjusted PAT	44	73	106	154
% y-o-y growth	-0.6	66.1	45.0	45.7
Adjusted EPS (Rs.)	2.9	3.6	5.2	7.6
P/E (x)	32.5	26.6	18.3	12.6
P/B (x)	2.5	1.5	1.4	1.3
EV/EBIDTA (x)	15.4	12.1	10.5	8.0
RoNW (%)	8.8	8.0	8.1	10.7
RoCE (%)	12.6	11.9	11.7	14.1

Source: Company; Mirae Asset Sharekhan estimates

Results (Consolidated)

Particulars	Q4FY2025	Q4FY2024	y-o-y (%)	Q3FY2024	Rs cr q-o-q (%)
Net sales	733.7	681.0	7.7	761.0	(3.6)
other income	0.0	(0.3)	(104.1)	0.4	(97.1)
Total income	733.8	680.8	7.8	761.4	(3.6)
Total expenses	698.8	645.7	8.2	720.8	(3.0)
Operating profit	34.9	35.3	(1.1)	40.2	(13.2)
Depreciation	4.3	5.9	(28.4)	6.3	(32.0)
Interest	6.6	14.3	(53.7)	8.8	(24.7)
Exceptional items	--	--		--	
Profit Before Tax	24.1	14.9	62.0	25.6	(5.9)
Taxes	6.4	3.7	72.3	6.4	0.1
PAT	17.6	11.1	58.5	19.1	(7.9)
Adjusted PAT	17.6	11.1	58.5	19.1	(7.9)
EPS (Rs.)	0.9	0.5	58.5	0.9	(7.9)
Margins (%)					
OPM (%)	4.8	5.2	-43 bps	5.3	-53 bps
NPM (%)	2.4	1.6	77 bps	2.5	-11 bps
Tax rate (%)	26.8	25.2	161 bps	25.2	160 bps

Source: Company; Mirae Asset Sharekhan Research

Outlook and Valuation

■ Sector Outlook – Strong recovery in business operations

The Indian steel pipes and tubes sector, particularly the Electric Resistance Welded (ERW) segment, is experiencing robust growth driven by significant tailwinds from key economic sectors. The market size, valued at approximately USD 7.50 billion in 2024, is projected to reach USD 8.20 billion by 2033 (IMARC Group), exhibiting a healthy CAGR. This expansion is primarily fueled by the government's aggressive push for infrastructure development, including projects under the Smart Cities Mission, Bharatmala, and Pradhan Mantri Awas Yojana (PMAY), alongside substantial investments in railways, ports, airports, and metro projects.

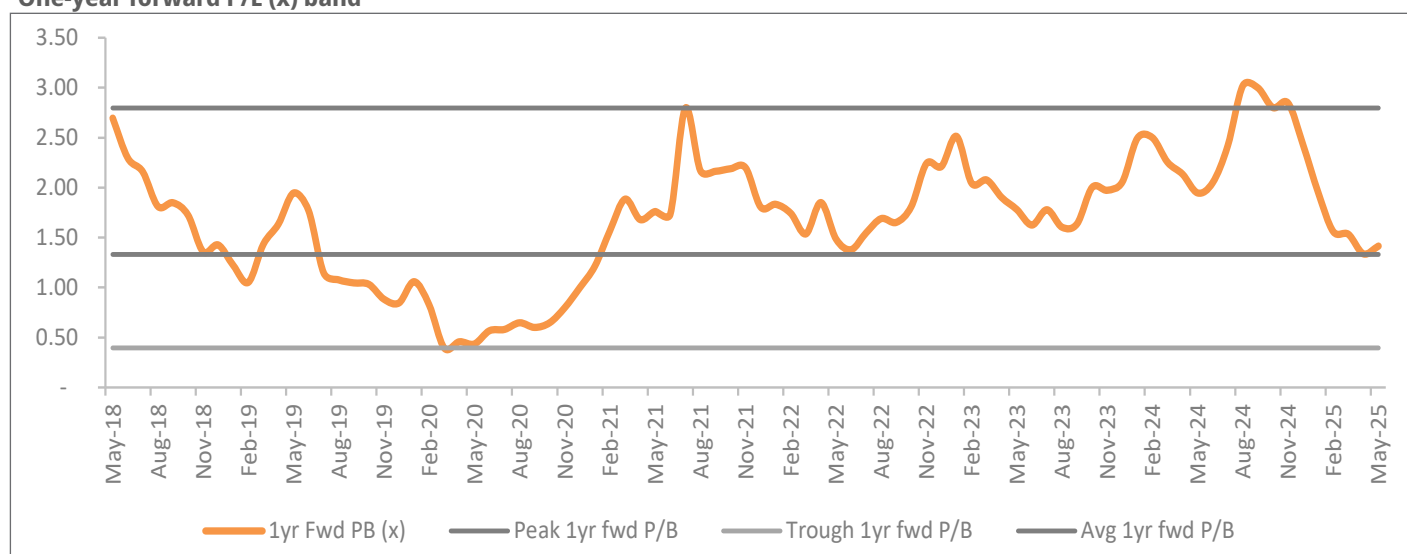
■ Company Outlook – Structural drivers to aid strong earnings growth

Hi-Tech Pipes' global leadership in solar torque tubes, manufactured at Sanand unit 2, has been pivotal in driving FY25's success. These high end specialized tubes for solar tracking systems position us at the forefront of renewable energy infrastructure, with surging demand across North America, Europe, and the Middle East. Advanced-stage Sikandrabad greenfield plant, set to commission shortly, will amplify ERW pipe production for various new sectors, while the Sanand Unit-2, Phase-II will enhance high-margin offerings for Infrastructure sector as well as energy sector. Hi-Tech is among India's top five pipe manufacturing companies with a capacity of 7.5 lakh TPA. The company is expected to increase its capacity to 2 million tonnes by FY29.

■ Valuation – Stay Positive; expect 25% upside

Hi-Tech is expected to benefit from sustained strong demand, driven by government-led infrastructure investments and a stable steel pricing environment. The company continues to focus on capacity expansion and increasing the share of value-added products to achieve higher scale and improved operational profitability. Hi-Tech is confident in its ability to increase sales volume by 25% annually and has made significant progress toward the next phase of capacity expansion, targeting 2 million tonnes by FY29. We remain positive on the stock and expect a 25% upside, given its strong net earnings growth outlook for FY2025-FY2027E.

One-year forward P/E (x) band



Source: Company; Mirae Asset Sharekhan Research

About company

Hi-Tech is one of the holistic piping solution players with a total installed capacity of 7.5 lakh metric tonne and is positioned among India's top-five pipe companies. The company manufactures a wide range of steel tubes with applications in infrastructure, telecom, defence, power distribution, railways, airports, real estate, automobiles, and agriculture, among others. Hi-Tech has a wide network of 450 plus dealers and >1200 SKUs present across 17 Indian states. Moreover, the company has a tie-up with more than 150 OEM partners and over 365 architects, builders, and contractors across the country. The company's clientele includes Reliance Industries Limited, TATA, Adani, Airtel, IPH, Shimla, and AAI among others. Superior product quality and competitive pricing make Hi-Tech a reputed supplier for companies such as L&T, NHAI, EIL, BHEL, DMRC, PGCIL, AAI, MMRDA, PWD, and MES. The company has won various government tenders under the Jal Jeevan Mission and has registered its products under the prestigious High-Speed Bullet Train Project from Ahmedabad to Mumbai.

Investment theme

Hi-Tech is on a strong growth journey, led by structural demand drivers such as low per capital domestic steel pipes consumption, infrastructure investments over the next five years, and government schemes like Jal Jeevan Mission, etc. The company's capacity expansion plans over the medium to long term without leveraging the balance sheet are expected to capture the huge growth potential for the domestic steel pipe industry. Hi-Tech is currently among the top five pipe manufacturers in India, with a capacity of 7.5 lakh tonnes in FY25, and is on track to reach 2 million tonnes by FY29. The company's capacity expansion plans over the medium to long term without leveraging the balance sheet are expected to capture the huge growth potential for the domestic steel pipe industry.

Key Risks

- ♦ Downward pressure on steel prices and a drop in government and private capex.
- ♦ Risk of substitute products cornering a higher share of the demand pie.

Additional Data

Key management personnel

Name	Designation
Ajay Kumar Bansal	Chairman and Managing Director
Arvind Kumar Bansal	ED and CFO
Anish Bansal	Whole-Time Director

Source: Company Website

Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	IDFC Mutual Fund/India	8.06
2	MULTITUDE GROWTH FUNDS LTD	3.69
3	Nexpact Ltd	2.97
4	L&T Mutual Fund Trustee Ltd/India	2.56
5	Penang Enterprises Pvt Ltd	1.51
6	INDIA INFLECTION OPPORTUNITY TRU	1.33
7	Bank of India Investment Managers	1.09
8	Principal Financial Group Inc	0.97
9	JM Financial Asset Management Ltd	0.58
10	MOTILAL OSWAL EQUITY OPPORTUNITIES FUND SERIES II	1.53

Source: Bloomberg

Mirae Asset Sharekhan Limited, its analyst or dependant(s) of the analyst might be holding or having a position in the companies mentioned in the article.

Understanding the Mirae Asset Sharekhan 3R Matrix

Right Sector	
Positive	Strong industry fundamentals (favorable demand-supply scenario, consistent industry growth), increasing investments, higher entry barrier, and favorable government policies
Neutral	Stagnancy in the industry growth due to macro factors and lower incremental investments by Government/private companies
Negative	Unable to recover from low in the stable economic environment, adverse government policies affecting the business fundamentals and global challenges (currency headwinds and unfavorable policies implemented by global industrial institutions) and any significant increase in commodity prices affecting profitability.
Right Quality	
Positive	Sector leader, Strong management bandwidth, Strong financial track-record, Healthy Balance sheet/cash flows, differentiated product/service portfolio and Good corporate governance.
Neutral	Macro slowdown affecting near term growth profile, Untoward events such as natural calamities resulting in near term uncertainty, Company specific events such as factory shutdown, lack of positive triggers/events in near term, raw material price movement turning unfavourable
Negative	Weakening growth trend led by led by external/internal factors, reshuffling of key management personal, questionable corporate governance, high commodity prices/ weak realisation environment resulting in margin pressure and deteriorating balance sheet
Right Valuation	
Positive	Strong earnings growth expectation and improving return ratios but valuations are trading at discount to industry leaders/historical average multiples, Expansion in valuation multiple due to expected outperformance amongst its peers and Industry up-cycle with conducive business environment.
Neutral	Trading at par to historical valuations and having limited scope of expansion in valuation multiples.
Negative	Trading at premium valuations but earnings outlook are weak; Emergence of roadblocks such as corporate governance issue, adverse government policies and bleak global macro environment etc warranting for lower than historical valuation multiple.

Source: Mirae Asset Sharekhan Research

DISCLAIMER

This information/document has been prepared by Sharekhan Ltd. and is intended for use only by the person or entity to which it is addressed to. This Document may contain confidential and/or privileged material and is not for any type of circulation, and any review, retransmission, or any other use is strictly prohibited. This information/ document is subject to change without prior notice.

Recommendation in reports based on technical and derivatives analysis is based on studying charts of a stock's price movement, trading volume, and outstanding positions, as opposed to focusing on a company's fundamentals and as such, may not match with a report on a company's fundamentals. However, this would only apply to information/documents focused on technical and derivatives research and shall not apply to reports/documents/information focused on fundamental research.

This information/document does not constitute an offer to sell or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. Though disseminated to all customers who are due to receive the same, not all customers may receive this report at the same time. Mirae Asset Sharekhan will not treat recipients as customers by virtue of their receiving this information/report.

The information contained herein is obtained from publicly available data or other sources believed to be reliable, and Mirae Asset Sharekhan has not independently verified the accuracy and completeness of the said data and hence it should not be relied upon as such. While we would endeavour to update the information herein on a reasonable basis, Mirae Asset Sharekhan, its subsidiaries and associated companies, their directors, and employees ("Mirae Asset Sharekhan and affiliates") are under no obligation to update or keep the information current. Also, there may be regulatory, compliance, or other reasons that may prevent Mirae Asset Sharekhan and its affiliates from doing so. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. Recipients of this report should also be aware that past performance is not necessarily a guide to future performance, and the value of investments can go down as well. The user assumes the entire risk of any use made of this information. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved) and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. We do not undertake to advise you as to any change of our views. Affiliates of Mirae Asset Sharekhan may have issued other recommendations/ reports that are inconsistent with and reach different conclusions from the information presented in this recommendations/report.

This information/recommendation/report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject Mirae Asset Sharekhan and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restrictions.

The analyst certifies that the analyst might have dealt or traded directly or indirectly in the securities of the company and that all the views expressed in this document accurately reflect his or her personal views about the subject company or companies and its or their securities and do not necessarily reflect those of Mirae Asset Sharekhan. The analyst and Mirae Asset Sharekhan further certifies that either he or his relatives or Mirae Asset Sharekhan associates might have direct or indirect financial interest or might have actual or beneficial ownership of 1% or more in the securities of the company at the end of the month immediately preceding the date of publication of the research report. The analyst and Mirae Asset Sharekhan encourage independence in research report/ material preparation and strive to minimize conflict in the preparation of the research report. The analyst and Mirae Asset Sharekhan do not have any material conflict of interest or have not served as officers, directors or employees or engaged in market-making activity of the company. The analyst and Mirae Asset Sharekhan have not been a part of the team which has managed or co-managed the public offerings of the company, and no part of the analyst's compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this document. Sharekhan Ltd, or its associates, or analysts.

have not received any compensation for investment banking, merchant banking, brokerage services or any compensation or other benefits from the subject company or from a third party in the past twelve months in connection with the research report.

Either Mirae Asset Sharekhan or its affiliates or its directors or employees/representatives/clients or their relatives may have position(s), make market, act as principal or engage in transactions of purchase or sell of securities, from time to time or may be materially interested in any of the securities or related securities referred to in this report and they may have used the information set forth herein before publication. Mirae Asset Sharekhan may from time to time solicit from, or perform investment banking or other services for, any company mentioned herein. Without limiting any of the foregoing, in no event shall Mirae Asset Sharekhan, any of its affiliates or any third party involved in, or related to, computing or compiling the information have any liability for any damages of any kind.

Forward-looking statements (if any) are provided to allow potential investors the opportunity to understand management's beliefs and opinions in respect of the future so that they may use such beliefs and opinions as one factor in evaluating an investment. These statements are not a guarantee of future performance, and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Sharekhan Ltd and its affiliates undertake no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change, except as required by applicable securities laws. The reader/investors are cautioned not to place undue reliance on forward-looking statements and use their independent judgment before taking any investment decision.

Investment in securities market are subject to market risks, read all the related documents carefully before investing. The securities quoted are for illustration only and are not recommendatory. Registration granted by SEBI, and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Mirae Asset Sharekhan has been ranked as India's No.1 Retail Broker by Asiamoney Brokers Poll 2023. For more details, visit bit.ly/AsiamoneyPoll

Client should read the Risk Disclosure Document issued by SEBI & relevant exchanges and the T&C on www.sharekhan.com

Registered Office: The Ruby, 18th Floor, 29 Senapati Bapat Marg, Dadar (West), Mumbai – 400 028, Maharashtra, INDIA. Tel: 022-6750 2000. Fax no. 022 2432 7343.

Correspondence/Administrative Office Address - Gigaplex IT Park, Unit No 1001, 10th floor, Building No.9, TTC Industrial Area, Digha, Airoli-West, Navi Mumbai – 400708. Tel: 022 61169000 / 61150000, Fax no. 61169699.

Registration and Contact Details: Name of Research Analyst - Sharekhan Limited - (AMFI-registered Mutual Fund Distributor), Research Analyst Regn No.: INH000006183. CIN: U99999MH1995PLC087498.

SEBI Regn. Nos.: BSE / NSE (CASH / F&O / CD) / MCX - Commodity: INZ000171337; BSE – 748, NSE – 10733, MCX – 56125, DP: NSDL/CDSL-IN-DP-365-2018; PMS: INP000005786; Mutual Fund: ARN 20669 (date of initial registration: 03/07/2004, and valid till 02/07/2026); IRDAI Registered Corporate Agent (Composite) License No. CA0950, valid till June 13, 2027.

Compliance Officer: Mr. Joby John Meledan; Tel: 022-6226 3303; email id: complianceofficer@sharekhan.com

For any complaints/ grievances, email us at igc@sharekhan.com, or you may even call the Customer Service desk on 022-41523200/ 022-61151111.