MIRAE ASSET Sharekhan

Hi-Tech Pipes Ltd

On a strong growth trajectory

Building Materials	Sharekhan code: HITECH
Reco/View: Positive ↔	CMP: **Rs. 88** (as on Aug 11, 2025)
	Upside potential: **36%** ↔

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		↔	

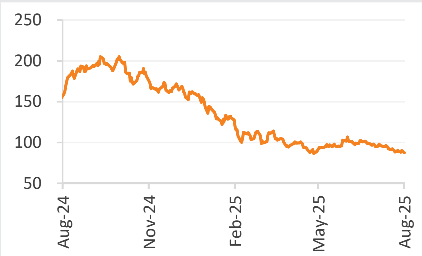
Company details

Market cap:	Rs. 1,783 cr
52-week high/low:	Rs. 210/81
NSE volume: (No of shares)	18.36 lakh
BSE code:	543411
NSE code:	HITECH
Free float: (No of shares)	11.4 cr

Shareholding (%)

FII	1.7
Institutions	16.1
Public & others	38.2
Promoters	44.0

Price chart



Source: NSE India, Mirae Asset Sharekhan Research

Price performance

(%)	1m	3m	6m	12m
Absolute	-8.1	-6.9	-26.6	-45.1
Relative to Sensex	-5.8	-4.7	-32.2	-46.3

Source: Mirae Asset Sharekhan Research, Bloomberg

Summary

- Consolidated revenue stood at Rs. 791.4 crore (down 8.7% y-o-y) and EBITDA at Rs. 41 crore (down 3.9% y-o-y) impacted by steel price volatility; sales volumes rose 1.5% y-o-y to 1.24 lakh tonnes.
- The Sikandrabad greenfield plant is in the final stages of commissioning and expected to begin production in Q2FY26 and Sanand Unit 2, Phase 2 brownfield expansion is on track to begin production in Q2 FY2026.
- The company targets FY26 sales volumes of 5.5–6.0 lakh tonnes (vs. 4.85 lakh tonnes in FY25). Capacity is expected to reach 1 MT (currently 7.5 lakh tonnes). The share of VAP is projected to rise from 38% to 45%.
- We stay Positive on Hi-Tech Pipes and expect a 36% upside, considering a strong net earnings growth outlook over FY2025-FY2027E.

Consolidated revenues stood at Rs. 791.4 crore, down 8.7% y-o-y, driven by a 10% y-o-y decline in realization due to steel price volatility, while volumes grew marginally by 1.5% y-o-y to 1.24 lakh tonnes. EBITDA declined 3.9% y-o-y to Rs. 41.0 crore, with EBITDA/tonne down 5.3% to Rs. 3,309, primarily due to lower realisations. The two new facilities at Sikandrabad and Sanand, with a combined annual capacity of ~2.5 lakh tonnes, are expected to achieve 50% utilization in their first year of operations (Q3FY26 onwards) enabling the company to reach volumes of 5.5-6.0 lakh tonnes in FY26. These plants will focus on VAP, increasing their share to 45% from the current 38%, and supporting the company's target to achieve 1 million tonnes capacity in the near term (currently 7.5 lakh tonnes). The company's long-term objective of achieving 2 million tonnes capacity by FY29 remains intact.

Key positives

- The cost/tonne in Q1FY26 fell by 10.5% YoY to Rs. 57,966

Key negatives

- The realisation/tonne for the quarter declined by 10% YoY to Rs. 63,819 due to volatility in the steel prices.

Management Commentary

- Hi-Tech Pipes is strategically foraying into API-grade pipe manufacturing to increase its share of high-value, precision-engineered products.
- The company noted that steel prices are still fluctuating rapidly, but they believe prices are in the bottom range and do not expect further deterioration.
- The company stated that it expects EBITDA/tonne to be above Rs. 4,000 once steel prices stabilise.

Our Call

Valuation – Stay Positive; expect 36% upside: Hi-Tech is well-positioned to benefit from sustained strong demand, supported by government-led infrastructure investments and a stable steel pricing environment. The company is focused on capacity expansion and increasing the share of value-added products to drive scale and enhance operational profitability. Hi-Tech aims to achieve 1 MT capacity in the near term, with a longer-term goal of reaching 2 MT capacity remaining on track. We expect Revenue/EBITDA/PAT to grow at 23%/27%/45% CAGR over FY25–FY27E and assign a 16x P/E multiple to its FY27 earnings .We maintain a positive view on the stock and expect a 36% upside given the robust growth outlook and operational levers.

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) Rs cr

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)	30.0	24.4	16.9	11.6
P/B (x)	2.3	1.4	1.3	1.2
EV/EBIDTA (x)	14.4	11.1	9.7	7.4
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) — Rs cr

Particulars	Q1FY2026	Q1FY2025	y-o-y (%)	Q4FY2025	q-o-q (%)
Net sales	**791.4**	**867.0**	**(8.7)**	**733.7**	**7.9**
other income	0.931	0.5	75.9	0.0	NA
Total income	**792.3**	**867.5**	**(8.7)**	**733.8**	**8.0**
Total expenses	750.3	824.3	(9.0)	698.8	7.4
Operating profit	**41.0**	**42.7**	**(3.9)**	**34.9**	**17.5**
Depreciation	6.2	5.1	20.3	4.3	45.0
Interest	7.8	14.1	(44.4)	6.6	18.5
Exceptional items	--	--	NA	--	NA
Profit Before Tax	**28.0**	**24.0**	**16.5**	**24.1**	**16.1**
Taxes	7.0	5.9	18.5	6.4	9.3
PAT	20.9	18.1	15.9	17.6	18.6
Adjusted PAT	**20.9**	**18.1**	**15.9**	**17.6**	**18.6**
EPS (Rs.)	1.0	0.9	15.9	0.9	18.6
Margins (%)					
OPM (%)	5.2	4.9	26 bps	4.8	42 bps
NPM (%)	2.6	2.1	56 bps	2.4	24 bps
Tax rate (%)	25.2	24.8	41 bps	26.8	-158 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.

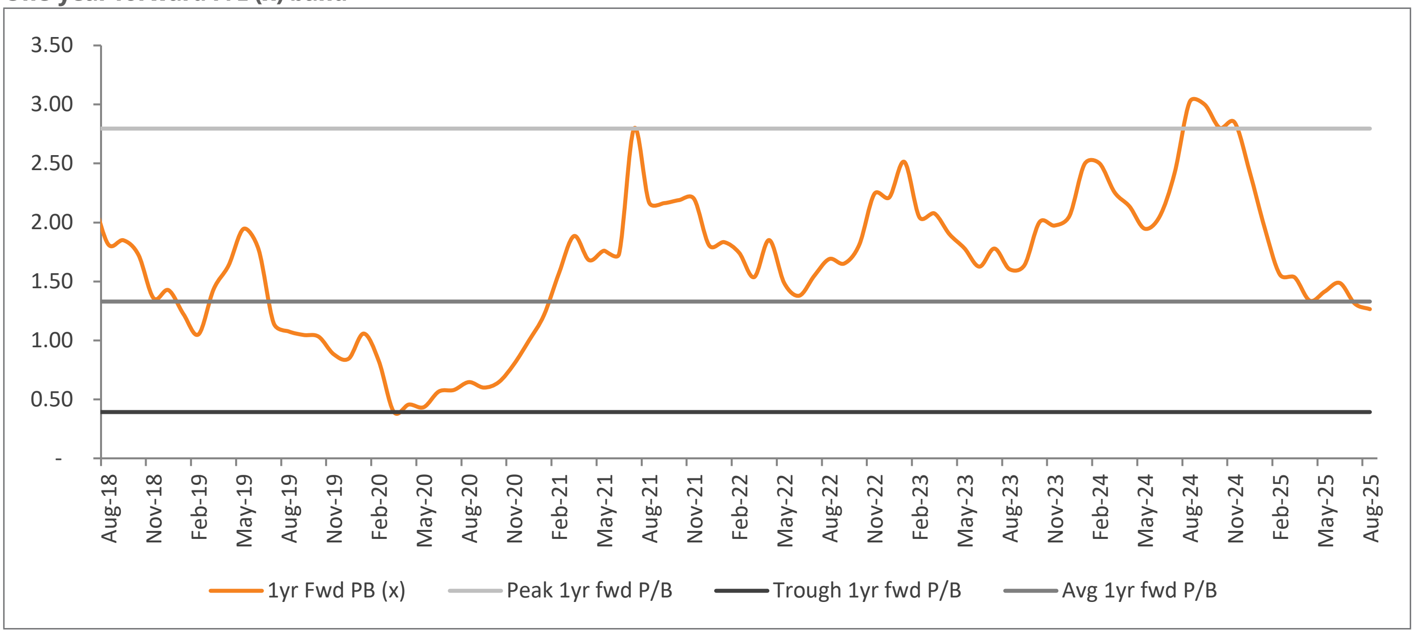
Company Outlook – Structural drivers to aid strong earnings growth

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. The 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 36% upside

Hi-Tech is well-positioned to benefit from sustained strong demand, supported by government-led infrastructure investments and a stable steel pricing environment. The company is focused on capacity expansion and increasing the share of value-added products to drive scale and enhance operational profitability. Hi-Tech aims to achieve 1 MT capacity in the near term, with a longer-term goal of reaching 2 MT capacity remaining on track. We expect Revenue/EBITDA/PAT to grow at 23%/27%/45% CAGR over FY25–FY27E and assign a 16x P/E multiple to its FY27 earnings .We maintain a positive view on the stock and expect a 36% upside given the robust growth outlook and operational levers.

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 metric tonnes in FY25, and is on track to reach 2 million tonnes capacity 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	7.93
2	L&T Mutual Fund Trustee Ltd/India	2.56
3	India Inflection Opportunity	1.33
4	Sourabh Goyal and Son	0.75
5	JM Financial Asset Management Ltd	0.67
6	Bank of India Investment Managers	0.66
7	Principal Financial Group Inc	0.49
8	Dimensional funds advisors	0.25
9	Goel mannan	0.10
10	Goel Alka	0.10

Source: Bloomberg

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 detoriating 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

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