

16<sup>th</sup> December 2024

To,

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

Dear Sir/ Madam,

**Subject: Intimation of Credit Rating Upgrade**

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 upgraded the Company's credit ratings for its bank facilities. The new ratings are as follows:

Instrument Type	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+

Detailed release in this regard is attached herewith.

The Complete rating rational can be accessed at [www.hitechpipes.in](http://www.hitechpipes.in) and [www.indiaratings.co.in](http://www.indiaratings.co.in).

Kindly place the same on your record.

Thanking you,

Yours truly,

**For and on behalf of  
Hi-Tech Pipes Limited**

**For HI-TECH PIPES LIMITED**

**Company Secretary**  
Arun Kumar  
Company Secretary &  
Compliance Officer

FOR IMMEDIATE RELEASE:

**HI-TECH PIPES LIMITED ANNOUNCES CREDIT RATING UPGRADE BY  
INDIA RATINGS & RESEARCH (A FITCH GROUP COMPANY) TO  
IND A+/STABLE/ IND A1+**

New Delhi 16<sup>th</sup> December, 2024 - Hi-Tech Pipes Ltd., one of the leading steel tubes and pipes manufacturers in India, is pleased to announce an upgrade in its credit rating for Fund Based and Non Fund Based working Capital Limit by India Ratings and Research Limited. This enhancement in rating underscores Hi-Tech Pipes healthy revenue and volume growth, Improved EBITDA per tonne, diversified product portfolio and Low Concentration Risk, operational efficiency, and the strategic growth initiatives that are driving the company forward in a dynamic steel pipe industry.

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**DETAILED RATIONALE OF THE RATING ACTION.**

- 1. Healthy Revenue and Volume Growth in 1HFY25; likely to Continue in Medium Term:**

HTPL achieved a healthy sales volume growth of 33% during 1HFY25 year-on-year (1HFY25: 2,45,182 MT; 1HFY24: 1,84,814 MT), owing to the commercialization of the first phase of its greenfield capacity in Sanand, Gujarat (Sanand-II) in March 2024 and an increased share of value-added products with better sales realization. HTPL's consolidated revenue stood at INR15,729 million during 1HFY25 (FY24: INR26,993 million; FY23: INR23,858 million). The company has an installed capacity of 1,75,000 tonnes per annum (TPA) in Sanand-II. The second phase, which is under development, is likely to add a further 1,10,000TPA of pipes and tubes. The facility would produce larger diameter pipes, expanding the company's value-added product portfolio. Additionally, the company 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 would likely to begin operations by end-FY25. Ind-Ra expects the company to achieve robust growth in its revenue and sales volume over the medium term, driven by the continued ramp-up of its operations at the newly-added capacities along with the volume addition from the proposed capacities.
- 2. Improved EBITDA per Tonne in 1HFY25; likely to improve over medium term:**

HTPL's EBITDA per tonne has improved to INR3,462 during 1HFY25 (FY24: INR2,937; FY23: INR2,916), driven by volume growth of value-added products and better operational efficiency. HTPL's consolidated EBITDA margin stood stable at 5.4% in 1HFY25 (FY24: 4.3%; FY23: 4.3%), with an EBITDA of INR849 million (INR1,149 million; INR1,032 million). The company has been able to improve its profitability during current year despite lower steel prices, as it secured a healthy amount of fixed-priced orders, which helped the company in mitigating the volatility in the steel prices. Notably, the increasing sales contribution from solar torque tubes, a high-margin product used in solar installations, has positively impacted margins, further driving profitability. Ind-Ra expects HTPL's profitability to continue to improve over the medium term, owing to the increasing share of value-added products such as color-coated sheets, large diameter ERW pipes, and galvanized coils and pipes with better realizations. Furthermore, the company has increased its captive solar power capacity by 4MW to 13.5 MW in October FY25 and signed a memorandum of understanding for generation and captive use of green hydrogen projects. These developments would lead to production and cost efficiency along with savings of power cost thereby adding to the profitability.

### 3. **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, galvanized and corrugated sheets, cold-rolled products, and color-coated sheets, catering to various sectors. In 1HFY25, the revenue share of the pipe segment increased to around 58% (FY24: 49%; FY23: 59%) of the consolidated revenue, owing to the capacity ramp-up in the Sanand unit-II (phase-I). The galvanized and corrugated sheet formed 10% during 1HFY25 (FY24: 11%; FY23: 5.9%), color-coated sheets 9.4% (9.7%; 1.7%), cold-rolled product 14% (13%; 13%), other engineered products 3% (11%; 3%) and trading 6% (7%; 9%). HTPL is geographically diversified and has over 500 dealers and distributors network across India. The company's top 10 customers formed around 24% of the consolidated revenue in FY24, therefore leading to lower customer concentration.

**Commenting on the occasion, Mr. Ajay Kumar Bansal, Chairman, Hi-Tech Pipes Ltd, said**

"I am pleased to announce that India Ratings & Research has upgraded our credit rating for bank facilities. This development underscores our robust financial management, consistent operational excellence, and the trust the financial community places in our company.

We take immense pride in our continued progress, solidifying our leadership position in the steel tubes and pipes sector. This recognition further inspires us to accelerate growth, create greater value for all our stakeholders, and remain at the forefront of industry advancements".

#### **About Hi-Tech Pipes Limited**

One of India's leading steel processing companies, providing world class innovative products for nearly Four decades with a strong presence in steel pipes, hollow sections, tubes, cold rolled coils & strips, road crash barriers, solar mounting structures, GP/GC Sheets, Color Coated Coils and a variety of other galvanized products. The Company operates Six (6) state-of-the-art integrated manufacturing facilities located at Sikandrabad (UP), Sanand (Gujarat), Hindupur (AP) - near Bangalore, and Khopoli (Maharashtra), with an installed capacity of 7,50,000 MTPA, on a consolidated basis and is on the way to reach 1million Tones Capacity in FY25. The Company has direct marketing presence in over 20 states with more than 450+ Dealers & distributors across India

For More Details Please visit [www.hitechpipes.in](http://www.hitechpipes.in) or Contact.:

<b>Mr. Arvind Kumar Bansal</b> Executive Director & Group CFO Email: <a href="mailto:arvind.bansal@hitechpipes.in">arvind.bansal@hitechpipes.in</a>	<b>Mr. Arun Kumar</b> Company Secretary & Compliance Officer Email: <a href="mailto:cs@hitechpipes.in">cs@hitechpipes.in</a>
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*DISCLAIMER: Certain statements in this document that are not historical facts are forward looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local, political or economic developments, technological risks, and many other factors that could cause actual results to differ materially from those contemplated by the relevant forward-looking statements. Hi-Tech Pipes Ltd. shall not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.*