

FINANCIAL MODEL

PLANT VISIT

# Rising Stars 2025

IMPORT  
SUBSTITUTION

ORGANISED  
V/S  
UNORGANISED

MANAGEMENT MEET

EXPORT  
OPPORTUNITY

FAST GROWING  
BUSINESSES

INDUSTRY  
POTENTIAL

CAPACITY  
EXPANSION

PEER ANALYSIS

VALUATION MODEL



Current Price*	Rs. 95.7
Target Price	Rs. 138.0
Upside	44.2%

\*Closing price as on 04<sup>th</sup> Jun'25

## STOCK DATA

Industry Segment	Iron & Steel Products
BSE Code	543411
NSE Code	HITECH
Bloomberg Code	HITECH IN
52 Week High / Low (Rs.)	211/82
Face Value (Rs.)	1.0
Diluted Number of Shares (cr.)	20.3
Market Cap. (Rs cr.)	1,944
Avg. Yearly NSE Volume	14,80,270

## SHAREHOLDING PATTERN (%)

Particulars	Jun-24	Sep-24	Dec-24	Mar-25
Promoters	54.0	50.8	44.0	44.0
FII	1.8	9.3	9.8	9.0
DII	11.4	10.1	17.3	16.4
Public & Others	32.8	29.8	28.9	30.6
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

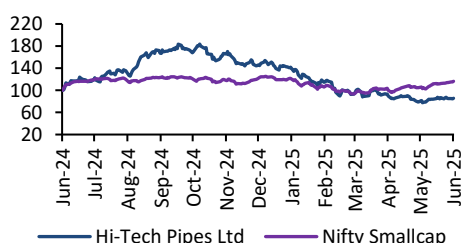
## RETURNS STATISTICS (%)

Particulars	1M	3M	6M	12M
Hi-Tech Pipes	8.6	(10.8)	(41.5)	(14.6)
Nifty SmallCap	11.0	23.7	(4.8)	16.3

## Valuation and return ratio

Y/E March	FY23A	FY24A	FY25A	FY26E	FY27E
P/E (x)	44.0	44.3	26.7	18.1	12.5
P/BV (x)	4.6	3.4	1.5	1.4	1.3
EV/EBITDA (x)	20.9	19.9	12.1	9.3	5.6
EV/Sales (x)	0.9	0.8	0.6	0.5	0.4
Mcap/Sales (x)	0.8	0.7	0.6	0.5	0.4
RoE (%)	9.0	7.6	5.8	7.9	10.2
RoCE (%)	14.0	10.7	9.8	11.6	14.2

## Stock Performance (1-year)



## Key Highlights of the 4QFY25 Result

## Strong performance led by healthy momentum across end-user segments

The company during the quarter reported Revenue/EBITDA/PAT of Rs 733.7 cr/Rs 34.9 cr/Rs 17.6 cr respectively. Revenue/PAT increased 7.7%/58.5% YoY respectively, while EBITDA was down 1.2% YoY. The total sales volume for 4QFY25/FY25 increased by 7.7%/24.1% YoY to 0.1/0.5 MTPA; **in-line with our estimates** led by robust demand in the infrastructure and construction sectors.

**Incremental capacities to boost production:** The Sikandrabad and Sanand Unit-2 (Phase-2) facilities are currently in advanced stages of commissioning and are expected to come onstream during FY26. Trial production at the both the facilities is expected to begin in the coming month. Once commissioned, the total production capacity of the company will reach 1 MTPA from 0.75 MTPA currently.

**Volume, EBITDA/t & % Share of Value-added products (VAP) outlook:** For FY26E/FY27E, we have assumed sales volume of 0.6 MTPA/0.7 MTPA respectively (FY25-FY27E volume CAGR – 23.9%). We expect blended EBITDA/t to increase to Rs 3,639/Rs 3,852 per tonne in FY26E/FY27E respectively from Rs 3,297/t in FY25 on the back of an increase in % share of value-added products to 42%+ in FY26 on a blended basis.

**New capex lined up:** For FY27, the company aims to increase its capacity by another 25%-30%, for which the ground work at the Sri City project in Chennai and Phase-3 of the Sanand unit-2 is already in progress. HITECH's long-term vision is to attain 2 MTPA of production capacity by FY29.

## Maintain BUY with REVISED Price Target Rs 138.0/-

We believe, Hi-Tech pipes has strong growth prospects in the structural steel tubes space given its (a) Capacity expansion from 0.6 MTPA in FY23, 0.8 MTPA in FY24 to 1 MTPA in FY26E, (b) Transition from generic products to value-added products, (c) Product portfolio enhancement on back of Solar torque tubes, color coated roofing sheets and (d) Healthy demand for structural steel tube over medium and long term. **At the CMP of Rs 95.7, the stock is currently trading at a P/E of 18.1x/12.5x of its FY26E/FY27E EPS of Rs 5.3/Rs 7.6 respectively. We value the stock at P/E of 18x on FY27E EPS of Rs 7.6 to arrive at our TP of Rs 138.0, thus providing an upside potential of 44.2%.**

## Financial Summary (Rs Cr)

Particulars	FY23A	FY24A	FY25A	FY26E	FY27E
Net Sales	2,385.8	2,699.3	3,067.6	3,866.3	4,947.9
Growth (%)	-	13.1	13.6	26.0	28.0
EBITDA	103.2	114.9	160.0	216.5	287.0
Growth (%)	-	11.3	39.3	35.3	32.5
Adj. Net Profit	44.2	43.9	72.9	107.5	155.3
Growth (%)	-	0.8	66.1	47.3	44.5
Adj. EPS (Rs)	2.2	2.2	3.6	5.3	7.6
Growth (%)	-	(0.6)	66.1	47.3	44.5
DPS (Rs)	0.0	0.0	0.0	-	-
Div. Yield (%)	0.0	0.0	0.0	-	-

Source: Company, SSL Research

## 4QFY25 Result

Figures in Rs. Cr.

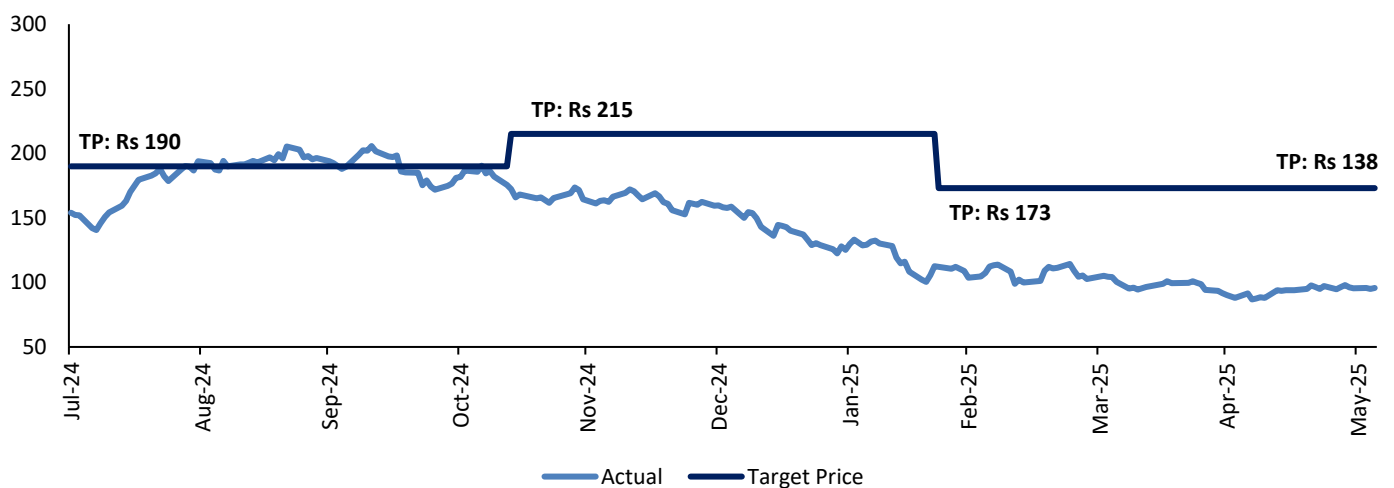
Quarter Ended	4QFY25	3QFY25	QoQ % Change	4QFY24	YoY % Change	Comments
Net Sales	733.7	761.0	(3.6)	681.0	7.7	Quarterly sales volume of 0.1 MTPA, up 8% YoY led by healthy demand in infrastructure & construction sectors.
Other Income	0.0	0.4	(97.1)	(0.3)	-	
<b>Total Income</b>	<b>733.8</b>	<b>761.4</b>	(3.6)	<b>680.8</b>	7.8	
Total Operating Expenditure	698.8	720.8	(3.0)	645.7	8.2	
Material Cost	677.1	684.3	(1.1)	608.9	11.2	
As % of Sales	92.3	89.9	-	89.4	-	YoY decline in EBITDA due to liquidation of defective inventory.
Other Exp.	21.7	36.5	-	36.8	-	
As % of Sales	3.0	4.8	-	5.4	-	
<b>EBITDA (Excl OI)</b>	<b>34.9</b>	<b>40.2</b>	(13.2)	<b>35.3</b>	(1.1)	
<b>EBITDA (Incl OI)</b>	<b>34.9</b>	<b>40.6</b>	(14.0)	<b>35.1</b>	(0.4)	
Interest & Finance Cost	6.6	8.8	(24.7)	14.3	(53.7)	Higher PAT on the back of cost optimization & lower finance cost.
<b>PBDT</b>	<b>28.3</b>	<b>31.8</b>	(11.0)	<b>20.8</b>	36.2	
Depreciation	4.3	6.3	(32.0)	5.9	(28.4)	
<b>PBT</b>	<b>24.1</b>	<b>25.6</b>	(5.9)	<b>14.9</b>	62.0	
Tax	6.4	6.4	0.1	3.7	72.3	
<b>Net Profit</b>	<b>17.6</b>	<b>19.1</b>	(7.9)	<b>11.1</b>	58.5	
Operating Margins (%)	4.8	5.3		5.2		
Net Profit Margins (%)	2.4	2.5		1.6		
Tax Rate (%)	26.8	25.2		25.2		
Equity (Rs cr)	20.3	20.3		15.0		
FV (Rs)	1.0	1.0		1.0		
EPS (Rs)	0.9	0.9		0.7		
Cash EPS (Rs)	1.1	1.3		1.1		

## Estimate Revision

Particulars (Rs. cr)	New Estimate		Old Estimate		% Change	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	3,866.3	4,947.9	3,684.8	4,675.5	4.9	5.8
EBITDA	216.5	287.0	221.1	289.9	(2.1)	(1.0)
EBITDA Margin (%)	5.6	5.8	6.0	6.2	(0.4) bps	(0.4) bps
Adj. PAT	107.5	155.3	122.3	177.4	(12.1)	(12.5)
EPS (Rs. Per share)	5.3	7.6	6.0	8.7	(11.7)	(12.6)

Source: SSL Research

## Target Price History



## Financial Statements

### Income Statement

Figures in Cr.

Particulars	FY23A	FY24A	FY25A	FY26E	FY27E
<b>Revenue from Operations</b>	2,385.8	2,699.3	3,067.6	3,866.3	4,947.9
<b>% YoY growth</b>	-	13.1%	13.6%	26.0%	28.0%
Cost Of Revenues (incl Stock Adj)	2,174.3	2,462.5	2,783.7	3,499.0	4,463.0
<b>Gross Profit</b>	<b>211.5</b>	<b>236.8</b>	<b>283.9</b>	<b>367.3</b>	<b>484.9</b>
<b>Gross margins</b>	<b>8.9%</b>	<b>8.8%</b>	<b>9.3%</b>	<b>9.5%</b>	<b>9.8%</b>
Employee Cost	26.4	31.5	33.2	38.7	49.5
Other Operating Expenses	81.9	90.5	90.7	112.1	148.4
<b>EBITDA</b>	<b>103.2</b>	<b>114.9</b>	<b>160.0</b>	<b>216.5</b>	<b>287.0</b>
<b>EBITDA margins</b>	<b>4.3%</b>	<b>4.3%</b>	<b>5.2%</b>	<b>5.6%</b>	<b>5.8%</b>
Other Income	2.3	1.2	1.9	2.1	2.3
Net Interest Exp.	35.3	41.9	43.0	44.9	44.1
Depreciation	13.8	15.5	20.9	29.5	36.8
Exceptional Items	(6.5)	-	-	-	-
<b>PBT</b>	<b>49.9</b>	<b>58.7</b>	<b>98.0</b>	<b>144.2</b>	<b>208.4</b>
Tax	12.2	14.8	25.0	36.8	53.2
<b>Adj PAT</b>	<b>44.2</b>	<b>43.9</b>	<b>72.9</b>	<b>107.5</b>	<b>155.3</b>
<b>PAT margin (%)</b>	<b>1.9%</b>	<b>1.6%</b>	<b>2.4%</b>	<b>2.8%</b>	<b>3.1%</b>
<b>Adj. EPS</b>	<b>2.2</b>	<b>2.2</b>	<b>3.6</b>	<b>5.3</b>	<b>7.6</b>

### Balance Sheet

Figures in Cr.

Particulars	FY23A	FY24A	FY25A	FY26E	FY27E
<b>Assets</b>					
Net Block	286.5	354.4	392.2	636.4	787.2
Capital WIP	36.4	62.3	193.7	120.0	82.5
Intangible Assets under development	0.6	0.5	0.3	0.3	0.3
Other Noncurrent Assets	40.7	45.9	125.6	125.6	125.6
<b>Current Assets</b>					
Current Investment	-	-	-	-	-
Inventories	306.8	346.7	384.3	420.8	446.8
Trade receivables	185.5	280.2	302.7	332.9	372.0
Cash and Bank Balances	21.2	26.0	182.6	197.1	223.2
Short-term loans and advances	-	-	-	-	-
Other Current Assets	37.9	62.7	174.3	174.3	174.3
<b>Total Current Assets</b>	<b>551.3</b>	<b>715.6</b>	<b>1,043.9</b>	<b>1,125.0</b>	<b>1,216.3</b>
<b>Current Liabilities &amp; Provisions</b>					
Trade payables	174.2	157.3	249.7	301.1	349.6
Other current liabilities	52.7	45.6	28.8	34.8	42.9
Short-term provisions	9.9	3.5	5.6	7.1	9.1
<b>Total Current Liabilities</b>	<b>236.8</b>	<b>206.5</b>	<b>284.2</b>	<b>343.0</b>	<b>401.6</b>
<b>Net Current Assets</b>	<b>314.5</b>	<b>509.1</b>	<b>759.7</b>	<b>782.1</b>	<b>814.7</b>
<b>Total Assets</b>	<b>678.7</b>	<b>972.2</b>	<b>1,471.5</b>	<b>1,664.4</b>	<b>1,810.3</b>
<b>Liabilities</b>					
Share Capital	12.8	15.0	20.3	20.3	20.3
Reserves and Surplus	405.3	561.4	1,237.0	1,344.5	1,499.8
<b>Total Shareholders' Funds</b>	<b>418.1</b>	<b>576.4</b>	<b>1,257.4</b>	<b>1,364.8</b>	<b>1,520.1</b>
Minority Interest	-	-	-	-	-
<b>Total Debt</b>	<b>235.1</b>	<b>365.8</b>	<b>179.1</b>	<b>264.1</b>	<b>254.1</b>
Long Term Provisions	1.2	1.5	1.8	2.2	2.9
Other Long-Term Liabilities	22.0	26.1	29.6	29.6	29.6
Net Deferred Tax Liability	2.3	2.5	3.6	3.6	3.6
<b>Total Liabilities</b>	<b>678.7</b>	<b>972.2</b>	<b>1,471.5</b>	<b>1,664.4</b>	<b>1,810.3</b>

## Cash Flow

Figures in Cr.

Particulars	FY23A	FY24A	FY25A	FY26E	FY27E
PBT	56.4	58.7	98.0	144.2	208.4
Depreciation & Amortization	13.8	15.5	20.9	29.5	36.8
Other Adjustments	34.0	40.9	41.3	44.9	44.1
(Inc) / Dec in Working Capital	44.7	(198.9)	(71.5)	(7.4)	(5.9)
Taxes	(15.1)	(11.3)	(18.9)	(36.8)	(53.2)
<b>Cash from Ops.</b>	<b>133.7</b>	<b>(95.2)</b>	<b>69.8</b>	<b>174.4</b>	<b>230.2</b>
Capital Expenditure & investments	(99.2)	(153.8)	(390.1)	(200.0)	(150.0)
<b>Cash from Investing</b>	<b>(99.2)</b>	<b>(153.8)</b>	<b>(390.1)</b>	<b>(200.0)</b>	<b>(150.0)</b>
Issue of Share capital	122.3	114.6	608.5	-	-
Net Borrowings	(129.4)	155.8	(186.7)	85.0	(10.0)
Others	(25.9)	(20.6)	(67.7)	(44.9)	(44.1)
Issuance of Dividend	(0.6)	(0.3)	(0.4)	-	-
<b>Cash from Financing</b>	<b>(33.6)</b>	<b>249.4</b>	<b>353.7</b>	<b>40.1</b>	<b>(54.1)</b>
Extraordinary receipts/payment	-	-	-	-	-
<b>Net Change in Cash</b>	<b>1.0</b>	<b>0.4</b>	<b>33.5</b>	<b>14.5</b>	<b>26.1</b>
BF Cash	0.9	1.9	2.3	35.8	50.3
Forex & Others	-	-	-	-	-
Other Bank Balances	19.3	23.7	146.8	146.8	146.8
<b>Cash in hand</b>	<b>21.2</b>	<b>26.0</b>	<b>182.6</b>	<b>197.1</b>	<b>223.2</b>
<b>FCF</b>	<b>64.4</b>	<b>(204.4)</b>	<b>(120.1)</b>	<b>(25.6)</b>	<b>80.2</b>

## Key Ratios

Particulars	FY23A	FY24A	FY25A	FY26E	FY27E
<b>Profitability</b>					
Return on Capital Employed (%)	14.0	10.7	9.8	11.6	14.2
Return on Equity (%)	9.0	7.6	5.8	7.9	10.2
<b>Margin Analysis</b>					
Gross Margin (%)	8.9	8.8	9.3	9.5	9.8
EBITDA Margin (%)	4.3	4.3	5.2	5.6	5.8
Net Income Margin (%)	1.6	1.6	2.4	2.8	3.1
<b>Short-Term Liquidity</b>					
Current Ratio (x)	1.5	1.5	2.4	1.9	1.9
Quick Ratio (x)	0.6	0.8	1.5	1.2	1.2
Avg. Days Sales Outstanding	28	38	36	31	27
Avg. Days Inventory Outstanding	47	47	46	40	33
Avg. Days Payables	27	21	30	28	26
Fixed asset turnover (x)	7.7	7.1	6.8	6.3	5.8
Debt-service coverage (x)	2.9	2.7	3.7	4.8	6.5
<b>Long-Term Solvency</b>					
Total Debt / Equity (x)	0.6	0.6	0.1	0.2	0.2
EBITDA / Interest Expense (x)	2.6	2.4	3.3	4.2	5.7
<b>Valuation Ratios</b>					
EV/EBITDA (x)	20.9	19.9	12.1	9.3	5.6
P/E (x)	44.0	44.3	26.7	18.1	12.5
P/B (x)	4.6	3.4	1.5	1.4	1.3

## Our recent Rising Star recommendations and price performance

Sr.No.	Company Name	Initiated Date	Initiated Price	CMP*	Return (%) since initiated date	High price since Initiation	Return (%) based on High price since initiation	Latest rec. Date	Latest Target
1	APL Apollo Tubes Ltd.	25-Apr-23	1,219.0	1,894.0	55.4	1,800.0	47.7	12-May-25	1,946.0
2	Stylam Industries Ltd.	27-Apr-23	1,150.0	1,703.0	48.1	2,735.0	137.8	11-Feb-25	2,224.0
3	Star Cement Ltd.	05-May-23	123.2	217.0	76.1	256.0	107.8	30-May-25	245.0
4	JK Lakshmi Cement Ltd.	24-May-23	705.0	805.0	14.2	999.9	41.8	14-Feb-25	872.0
5	Dhanuka Agritech Ltd.	29-May-23	711.0	1,674.0	135.4	1,925.8	170.9	22-May-25	2,000.0
6	SJS Enterprises Ltd.	05-Oct-23	680.0	1,103.0	62.2	1,347.0	98.1	14-May-25	1,307.0
7	KPI Green Energy Ltd.	17-Nov-23	259.6	506.0	94.9	745.3	187.1	20-May-25	624.0
8	Syrma SGS Technology Ltd.	06-Dec-23	590.0	536.0	-9.2	705.0	19.5	19-May-25	715.0
9	Senco Gold Ltd.	11-Dec-23	360.8	372.0	3.1	772.0	114.0	19-Feb-25	431.0
10	Hi-Tech Pipes Ltd.	31-Jul-24	149.0	95.6	-35.8	210.9	41.5	05-Jun-25	138.0
11	Aditya Birla Capital Ltd.	22-Aug-24	222.2	225.0	1.3	244.0	9.8	15-May-25	280.0
12	Lumax Auto Technologies Ltd.	27-Dec-24	625.8	991.0	58.4	992.2	58.5	04-Jun-25	1,220.0
13	Goodluck India Ltd.	19-Mar-25	660.0	969.0	46.8	971.0	47.1	27-May-25	1,199.0

\*CMP is closing price as of 04<sup>th</sup> June,2025

## Moved to Soft Coverage

Sr.No.	Company Name	Initiated Date	Initiated Price	Close price	Return (%) since initiated date	High Price Since Initiation	Return (%) based on High price since initiation	Comments
1	Satin Creditcare Network Ltd.	10-Jan-24	259.0	198.0	(23.6)	284.0	9.7	Exited on 27 <sup>th</sup> Sep'24 due to Microfinance industry under stress.
2	Zen Technologies Ltd.	12-Jul-23	520.0	1,473.0	183.3	2,627.0	405.2	Booked profit on 24 <sup>th</sup> Mar'25. The stock had run ahead of fundamental. Continue to monitor the order inflow in near term.



**SBICAP Securities Limited**

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SEBI Registration No.: Stock Broker: INZ000200032 | DP Registration No.: IN-DP-314-2017

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Sumeet Shah	B.E., CFA	Research Analyst - Equity Fundamentals
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Gautam Updhyaya	MBA (Finance)	Research Analyst - Equity Derivatives
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