Investorstack Research Report

Hi-Tech Pipes Limited

What Hi-Tech Pipes Limited does

Hi-Tech Pipes Limited manufactures steel pipes and tubes. Founded in 1985, the company produces ERW black steel tubes, square and rectangular hollow sections, solar torque tubes, GP and GI pipes, CR coils, PPG sheets, GP/GC coils, and metal beam crash barriers. It operates six manufacturing facilities across four states (Uttar Pradesh, Gujarat, Andhra Pradesh, Maharashtra) with a total installed capacity of 7,50,000 MTPA as of FY25. The company has more than 550 dealers and distributors across India and employs over 535 people.

The company supplies to infrastructure, construction, renewable energy, railways, defense, water management, agriculture, and automotive sectors. It has executed orders for marquee projects including the world's largest solar parks at Khavda and Bikaner, Indian Railways' Kavach anti-collision system, Border Security Force fencing, airports at Varanasi, Jaipur, and Khowai, and the Surat Diamond Bourse.

Hi-Tech Pipes is working toward a 2 million ton capacity target by FY29. It added 1 lakh tons of capacity at Sanand Unit II Phase 2 and 80,000 tons at a greenfield Jammu facility in FY26. New plants at Hindupur (Andhra Pradesh), Sanand Phase 3, and Sri City (Chennai) are under construction.

Business segments

The company reports three business segments based on product type and margin profile.

General products (60% of revenue mix) include standard ERW black steel tubes, MS pipes, hollow sections, and structural pipes. These serve infrastructure, construction, railways, engineering, agriculture, and housing. Margins are lower, typically between INR2,500 to INR3,000 per ton EBITDA.

Value-added products (37% of revenue mix) include GP/GC sheets, color coated coils, GI pipes, galvanized pipes, solar torque tubes, pre-galvanized pipes, fire-fighting pipes, casing pipes, crash barriers, and cold rolled coils. End markets are renewable energy, defense, automotive, water management, premium housing, and fire safety. Value-added products generate EBITDA per ton between INR4,500 to INR5,000. The company targets increasing this share to 50% by end of FY27, supported by new capacities at Jammu, Sanand, and Hindupur which are focused on coated and specialized tubes.

Other products (3% of revenue mix) include trading and miscellaneous steel items.

> *"the contribution of value-added products has now reached 39% of the overall business mix during the year"*
>
> ANISH BANSAL, Q4 FY26 CONCALL (MAY 2026)

Products and business detail

Hi-Tech Pipes markets its products under brand names. The annual report describes each product's USP and target industries.

Hi-Tech Bahubali are large-diameter steel pipes (up to 16 inches) with high strength and corrosion-resistant galvanized coating. They are used in infrastructure projects, airports, and metro stations. Product life exceeds 50 years.

Hi-Tech Pillar are round, square, rectangular, and elliptical hollow sections for structural purposes. They are lightweight, durable, and used in industrial sheds, cold storage, and multi-story buildings. The design reduces steel consumption.

Hi-Tech Shakti are structural pipes for fabrication. They serve poles, railings, scaffolding, casing columns, and telecom towers. They resist corrosion, fire, and chemicals. Product life exceeds 20 years.

Hi-Tech Jal Shakti are galvanized iron pipes for agriculture and borewell use. They have high zinc coating (400 gm/m2) and are ISI marked. They serve agriculture, water management, and borewells.

Hi-Tech Organic are GI pipes designed for greenhouse projects. They offer easy bending and corrosion resistance.

Hi-Tech Firefighter are red-colored galvanized pipes for fire safety systems. They resist corrosion and chemicals and are safe for high-pressure water transportation. Product life exceeds 20 years.

Hi-Tech Casewell are casing pipes for borewells. They are corrosion-resistant and suitable up to 1,000 feet depth. They serve borewell and water management.

Hi-Tech Pre-Gal are zinc-coated galvanized steel pipes for marine and underwater applications. They are used in railing, fencing, road signs, cladding, furniture, and solar mounting structures. Product life exceeds 25 years.

Hi-Tech Solar Torque Tubes are specially designed pipes for solar panel mounting structures using HR coil sheets. They serve the renewable energy industry. The company has become a trusted supply chain partner for solar parks.

Hi-Tech Crashguard are engineered metal beam crash barriers for road safety. They absorb impact and guide vehicles to safe areas. They are used on national highways, expressways, bridges, flyovers, mines, and motor racing tracks. Service life is 30 years or longer.

Hi-Tech Colorstar are premium color coated roofing sheets with zinc/aluminum alloy coating. They are used in housing and cattle farm sheds. They offer weather resistance and low maintenance.

Hi-Tech Roofstar are corrugated galvanized iron roofing sheets, lightweight and durable.

Hi-Tech Flatmax are cold rolled coils and strips with precise dimensional tolerances. They serve automobile, office furniture, electric lamination, white goods, and precision tube industries.

During FY26, the company introduced new SKUs including 300x300 hollow sections. It is preparing for API-grade pipe manufacturing for oil and gas transportation, with full readiness expected by Q4 FY27. The company also supplies specialized pipes for data centers, railways, and power projects.

Customers

Hi-Tech Pipes serves over 500 dealers and distributors and 160+ OEM consumers across India. The customer base spans government infrastructure agencies, EPC contractors, solar developers, and industrial buyers.

Marquee project references from concalls and annual report:

- Indian Railways' Kavach anti-collision system
- Border Security Force modular high-strength border fencing
- Varanasi Airport, Jaipur Airport, Khowai Airport
- Bharuch Railway Station
- World's largest solar parks at Khavda (Gujarat) and Bikaner (Rajasthan)

- Multiple data centers, infrastructure and power projects
- Surat Diamond Bourse
- Affordable housing projects under PM Awas Yojana
- High-speed Bullet Train project
- Dedicated Freight Corridor
- National Expressway
- 5G Telecom Towers
- Narendra Modi Stadium
- Jal Jeevan Mission water supply programs

Raw material suppliers include major steel mills. The company has entered long-term supply MOUs with Steel Authority of India Limited (SAIL), ArcelorMittal, Tata, and NMDC, which commenced from Q3 FY26. These MOUs secure raw material availability and support higher capacity utilization.

Export customers: The company exports to 28 countries, mainly Europe, America, and the Middle East. Export volume in Q3 FY26 was around 6,000-7,000 tons per quarter. The company targets 10% of sales from exports in the medium term. It has obtained international certifications and approvals for key export markets.

Buying relationship: Customers choose Hi-Tech Pipes for quality consistency, product range, timely delivery, and ability to handle large-scale projects. The company's brand ambassador (Hrithik Roshan) and nationwide television campaigns support brand visibility. Switching costs are moderate; customers may switch for price advantages but established relationships with EPC contractors and dealers create stickiness. Orders are typically project-based or annual contracts. The order book at Q3 FY26 stood at INR200-250 crore.

Competitive landscape

The annual report states that the steel tube and pipe industry has "many renowned domestic players" as peers. The concall acknowledges that peer capacity additions could lead to overcapacity and pricing pressure.

The industry is fragmented. Competition exists from organized manufacturers and unorganized local players. Hi-Tech Pipes competes primarily on product quality, brand reputation, value-added product mix, and ability to supply large volumes across multiple locations. The company's strategy focuses on innovation (new SKUs like 300x300 hollow sections, solar torque tubes, API pipes), value-added products (targeting 50% mix), and capacity expansion to gain scale.

The company wins where customers require assured quality, consistent supply, and product differentiation. It loses in pure price-based commoditized segments where smaller players can undercut. The introduction of a 12% safeguard duty on steel imports in December 2025 has helped stabilize domestic steel prices and reduced the advantage of cheap imported products, benefiting domestic organized players like Hi-Tech Pipes.

Management expressed confidence in achieving 20-25% volume growth annually despite competition, citing market growth of 10-12% and new products opening fresh demand.

Industry

The Indian steel pipe and tube market was valued at US$18 billion in 2025 and is projected to grow at a CAGR of 9% (source: Grand View Research, cited in the annual report). The industry is a subset of India's broader steel sector,

which is the world's second-largest crude steel producer with a production capacity of 179 million tonnes as of 2024.

Demand drivers include:

- Government infrastructure spending: Gati Shakti, National Infrastructure Pipeline (NIP), Smart Cities Mission, PM Awas Yojana
- Jal Jeevan Mission: piped water to rural households, expected to drive strong demand for ERW galvanized tubes in FY27
- Renewable energy: solar parks at Khavda and Bikaner, mounting structures for solar panels
- City gas distribution network expansion (target of 34,500 km by 2025)
- Defense modernization: border fencing, naval and aerospace infrastructure
- Automotive sector growth, especially high-strength steel for EVs
- Railway modernization: Kavach system, freight corridors, bullet train, station redevelopment

India's place in the global supply chain: India is the world's second-largest steel producer. The National Steel Policy 2017 targets 300 MMT crude steel capacity by 2030-31. India is emerging as a competitive exporter of finished steel products, though it remains a net importer of certain specialty steels. The US-India trade deal and EU-India trade pact are expected to improve export access for Indian manufacturers.

Import substitution: On 30th December 2025, the Indian government imposed a 12% safeguard duty on steel imports to curb cheap imports from countries like Russia and China. This helped stabilize domestic steel prices and reduced pricing pressure on domestic manufacturers. The company's management noted that this duty provides three years of visibility on steel price behavior.

Regulation: The Ministry of Steel has introduced a decarbonisation roadmap "Greening the Steel Sector in India", a green hydrogen mission, and a steel scrap recycling policy. The Production Linked Incentive (PLI) scheme for specialty steel is attracting ₹29,500 crore in investments. Environmental regulations (pollution control, emission norms) affect manufacturing costs and require compliance investments.

Cyclicality: The steel tube and pipe industry is cyclical, driven by steel price volatility, global trade policy uncertainties, and geopolitical tensions. Hot-rolled coil prices declined by approximately INR2,500 per ton in Q3 FY26 before bouncing back after the safeguard duty. Input costs (gas prices, ocean freight) also fluctuate. Companies manage risk through inventory management, cost efficiency, and product diversification. The industry is also subject to carbon border adjustment mechanisms (CBAM) in Europe, which may affect exports; Hi-Tech Pipes has obtained necessary certifications to mitigate this.

Growth triggers

- Capacity expansion from 1 million tons to 2 million tons by FY29, with new facilities at Sanand (1.5 lakh tons brownfield), Hindupur (1.5 lakh tons greenfield), Sri City/Chennai (1.5 lakh tons), and UP plant (2 lakh tons). INR 100 crore already in CWIP, another INR 300 crore needed. (Q4 FY26 concall, May 2026)
- Operationalization of the DFT facility at Sanand Unit 2 Phase 3 by Q3 FY27, which will improve capacity utilization in high-margin pipe segments and enhance customer service. (Q4 FY26 concall, May 2026)
- API pipes facility readiness expected by Q4 FY27, strengthening preparedness for oil and gas transportation applications and opening up specialized, high-value pipe segments. (Q4 FY26 concall, May 2026)

- Greenfield Hindupur, Andhra Pradesh facility (coated steel tubes, solar tubes) to become operational by Q4 FY27, adding 1.5 lakh tons capacity with a fully integrated manufacturing setup. (Q4 FY26 concall, May 2026)
- Increasing share of value-added products from the current 39% to ~50% by end of FY27, driven by new capacities at Sanand DFT, Hindupur, and Jammu that are focused on coated, galvanized, and solar tubes. (Q4 FY26 concall, May 2026)
- Volume guidance for FY27 of 6.5 lakh to 7 lakh tons (up from 5.32 lakh tons in FY26), supported by the additional 1.4 million tons operational capacity by end of FY27. (Q4 FY26 concall, May 2026)
- Export expansion targeting 10% of sales from exports (currently ~5%), leveraging new international certifications for Europe, America, and the Middle East, plus the US-India trade deal and EU-India trade pact opening market access. (Q3 FY26 concall, Feb 2026)
- Strong order pipeline from Jal Jeevan Mission expected in FY27, especially for ERW galvanized tubes; allocation remained steady in the budget and the company sees increased demand for water supply projects. (Q3 FY26 concall, Feb 2026)
- Stabilization of domestic steel prices after the 12% safeguard duty imposed on 30th December 2025, which arrested cheap imports from Russia and China and improved pricing discipline, enabling margin recovery. (Q3 FY26 concall, Feb 2026)
- Long-term raw material supply MOUs with SAIL, ArcelorMittal, Tata, and NMDC that commenced from Q3 FY26, ensuring raw material availability and supporting higher capacity utilization. (Q3 FY26 concall, Feb 2026)
- Initiation of green hydrogen use at Secunderabad Unit 1 facility and total solar power capacity reaching 16.5 MW (35% of total power requirement), reducing energy costs and carbon footprint over time. (Q4 FY26 concall, May 2026)
- New product introductions such as 300x300 hollow sections, which received encouraging customer response and strengthened the value-added product portfolio. (Q4 FY26 concall, May 2026)
- Preferential issue of INR 90 crores by promoters to fund incremental working capital requirements for the expansion plan, maintaining a healthy balance sheet. (Q4 FY26 concall, May 2026)
- EBITDA per ton target of INR 3,500-4,000 in a stable market, with the company citing INR 5,000 per ton as a realistic peak once value-added mix reaches 50% and volumes scale. (Q2 FY26 concall, Nov 2025; Q4 FY26 concall, May 2026)

Key risks

- **Steel price volatility and input cost fluctuations**: Sharp corrections in hot-rolled coil prices can compress spreads and negatively impact EBITDA per ton. The 12% safeguard duty imposed in December 2025 helped stabilize prices, but global trade dynamics, cheap imports, and geopolitical events (like the Russia-Ukraine conflict) can cause volatility. The company manages through prudent inventory management and product diversification, but the risk remains significant. (Q3 FY26 concall, Feb 2026; Q4 FY26 concall, May 2026)
- **Raw material availability and supply chain disruption**: Hot-rolled coil capacity in India is largely tied up with existing players, and no major HRC capacity addition is expected in the near term. If the company cannot secure sufficient HRC, capacity utilization will suffer. The company entered into long-term MOUs with SAIL, ArcelorMittal,

Tata, and NMDC to mitigate this, but any disruption in these relationships or in the supply chain could impact production. (Q3 FY26 concall, Feb 2026)

- **Intense competition and excess capacity in the industry**: Peer capacity additions may lead to overcapacity and pricing pressure, especially in the general products segment. The company competes with many renowned domestic players. It aims to differentiate through innovation, new products, and value-added segments, but if multiple players add capacity simultaneously, margin compression is likely. The management acknowledged this risk but expressed confidence in 20-25% volume growth for the next 6-7 years due to market growth and product innovation. (Q3 FY26 concall, Feb 2026)
- **Change in customer preferences and technological disruption**: Shifts towards alternative materials (like PVC, aluminium, composites) or modern construction methods could reduce demand for traditional steel pipes. The company invests in R&D and new SKUs (e.g., 300x300 hollow sections, solar tubes, API pipes) to stay relevant, but rapid technological change (e.g., 3D-printed structures) could erode the addressable market. (Annual report FY25)
- **Export market uncertainties due to trade policies and CBAM**: The Carbon Border Adjustment Mechanism (CBAM) in the EU and US tariffs (50% uniform tariff on steel) create barriers to entry. While the company has obtained international certifications and approvals to mitigate these, any additional trade restrictions or changes in tariff structures could limit export growth. The export target of 10% of sales is contingent on favorable trade deals. (Q3 FY26 concall, Feb 2026; Q4 FY26 concall, May 2026)
- **Geopolitical and macroeconomic risks affecting demand**: Global economic slowdown, geopolitical tensions (Middle East, Ukraine), or a slowdown in Indian government infrastructure spending could reduce demand for steel pipes. The company's diversified end-market exposure (infrastructure, construction, renewable energy, water, defense) provides some resilience, but a synchronized downturn across all sectors would hurt volumes. (Q4 FY26 concall, May 2026)
- **Gas price volatility and ocean freight costs**: During Q4 FY26, the company faced temporary pressure on input costs and export realizations due to volatility in gas prices and elevated ocean freight costs. These external factors are outside management's control and can compress margins if they persist. (Q4 FY26 concall, May 2026)
- **Execution risk in capacity expansion**: The company plans to add 1 million tons of capacity by FY29, requiring INR 400 crore in capex (INR 100 crore already in CWIP). Delays in commissioning, cost overruns, or regulatory hurdles at facilities like Hindupur, Sanand, and Sri City could push back the timeline and strain the balance sheet. The Hindupur timeline was already advanced from Q1 FY28 to Q4 FY27, indicating some adjustments. (Q4 FY26 concall, May 2026)

Walk the talk

Management's promises over the past year provide a useful lens to assess credibility and execution discipline.

Volume guidance for FY26: In the Q1 FY26 concall (Aug 2025), management guided for sales volume of 5.5 to 6 lakh tons for FY26, reiterating it in Q2 (Nov 2025) and Q3 (Feb 2026). The actual FY26 sales volume came in at 5.32 lakh tons, slightly below the lower end of the guided range. Management attributed this to geopolitical volatility and the decision to reduce stock-in-trade trading volumes in Q4 to avoid inventory losses. It was a near-miss rather than a big miss.

> *"the company achieved sales volume of 1.47 lakh tons during Q4 FY26 as compared to 1.16 lakh tons in Q4 FY25"*
>
> Q4 FY26 CONCALL (MAY 2026)

EBITDA per ton target: In Q2 FY26 (Nov 2025), management guided for EBITDA per ton of INR 3,500-4,000 for FY26, moderating from the earlier peak target of INR 4,500-5,000 stated in Q1 (Aug 2025). The actual annual EBITDA per ton for FY26 stood at around INR 3,260, below the guided range. The Q4 per ton was INR 3,150. The company cited gas price volatility and ocean freight costs as pressures. The target was missed, but the delta is manageable.

> *"EBITDA per ton during Q4 FY26 improved by 5% to INR3,150 per ton as compared to INR3,000 per ton in Q4 FY25"*
>
> Q4 FY26 CONCALL (MAY 2026)

Value-added product share: Management guided in Q3 FY26 (Feb 2026) that the value-added product share would reach 42-43% by end of FY26, with earlier guidances of 41-42% in Q2 and 45% in Q1. The actual VAP share for FY26 was 39%, missing the target. Management said "the contribution of value-added products has now reached 39% of the overall business mix during the year." The gap is partly explained by the delay in commissioning of some value-added capacities.

> *"the contribution of value-added products has now reached 39% of the overall business mix during the year"*
>
> Q4 FY26 CONCALL (MAY 2026)

Capacity commissioning timelines: In Q1 FY26 (Aug 2025), management guided that the Sanand Unit II Phase 2 (1 lakh tons) and Jammu greenfield plant (80,000 tons) would commence commercial production in Q2 FY26. In Q2 (Nov 2025), they said trials had started and they expected commercial production soon. In Q3 FY26 (Feb 2026), they confirmed both facilities had commenced commercial production. This was a delay of one quarter (from Q2 to Q3), but they delivered eventually.

> *"commercial production has commenced at Sanand Unit II Phase 2, adding 1 lakh tons of annual capacity"*
>
> Q3 FY26 CONCALL (FEB 2026)

Hindupur facility timeline: Management stated in Q2 FY26 (Nov 2025) that the Hindupur facility would be operational by Q1 FY28. In Q4 FY26 (May 2026), they advanced the timeline to Q4 FY27, saying construction was progressing at a fast pace and they expected the fully integrated facility to become operational by Q4 FY27. This is an improvement (earlier than originally promised), but the date could shift again.

> *"we expect the fully integrated manufacturing facility...to become operational by Q4 FY27"*
>
> Q4 FY26 CONCALL (MAY 2026)

Capex guidance: In Q2 FY26 (Nov 2025), management guided for capex of INR 120-130 crore for FY27. In Q4 FY26 (May 2026), they narrowed it to INR 75-100 crore for FY27, explaining that INR 100 crore is already in CWIP and another INR 300 crore is needed to complete the 2 million ton target. The reduction is explained by the phasing of the larger expansion plan.

> *"about INR75 crores to INR100 crores we are targeting for this financial year"*
>
> Q4 FY26 CONCALL (MAY 2026)

Overall assessment: Management has a tendency to set optimistic targets (especially on VAP share and EBITDA per ton) and then deliver slightly below. However, they are transparent about the reasons (external volatility,

commissioning delays). Volume guidance has been broadly met, and capacity expansions have been delivered with manageable delays. The track record is credible, but investors should apply a conservative haircut to forward-looking guidance.

Scenarios

Bull case

The Indian economy maintains its 6.5% GDP growth trajectory, government infrastructure spending under Gati Shakti and National Infrastructure Pipeline stays on track, and the renewable energy sector booms with solar parks at Khavda and Bikaner expanding. Hi-Tech Pipes executes its capacity expansion plan flawlessly: the DFT facility at Sanand, the Hindupur greenfield plant, the Chennai/Sri City facility, and the UP plant all come online within the guided timelines. The 2 million ton target is hit by FY29, and capacity utilization remains above 65%. Value-added product share crosses 50% by FY27, lifting the blended EBITDA per ton to INR 4,500-5,000. Export volumes grow to 10% of sales, aided by the US-India trade deal and EU-India trade pact, with higher margins from international markets. The Jal Jeevan Mission provides a multi-year tailwind for galvanized pipes, and the company's long-term raw material MOUs ensure stable input costs. The stock trades at a premium as the company transitions from a cyclical steel pipe manufacturer to a diversified, value-added specialty products company with a growing export franchise. The promoter's preferential infusion strengthens the balance sheet, and debt remains low. The company becomes a reliable compounder, consistently reporting 20%+ volume growth and improving margins.

Base case

The economy grows at 6-6.5%, infrastructure spending remains robust but with typical delays in project execution. Hi-Tech Pipes adds capacity broadly as planned, but some facilities (e.g., Chennai/Sri City) slip by a quarter or two. Volume grows to 6.5-7 lakh tons in FY27 and 8.5 lakh tons in FY28, but utilization stays at 60-65% due to teething issues at new plants. Value-added product share reaches 45% by FY27, not 50%, as some coating lines take time to stabilize. EBITDA per ton averages INR 3,500-4,000, with occasional quarterly dips due to steel price volatility. The safeguard duty provides a stable pricing floor, but global trade disruptions and rupee depreciation keep input cost swings alive. Exports contribute 7-8% of sales, not the targeted 10%, as new markets take longer to penetrate. The company remains debt-light and maintains healthy returns. Guidance is generally met but with modest misses on margins and VAP share. The business compounds at a steady 15-18% volume growth, and while not a home run, it delivers predictable, if unexciting, shareholder returns.

Bear case

Global recession or a sharp slowdown in Indian government capex hits infrastructure and construction demand. Steel prices collapse due to a flood of cheap imports from China or Russia, rendering the safeguard duty ineffective or leading to its rollback. Hi-Tech Pipes' competitors add capacity aggressively, resulting in oversupply and margin compression across the industry. The company's own capacity additions face significant delays at Hindupur, Sri City, and the UP plant due to land acquisition issues, regulatory hurdles, or contractor problems. Volume growth stagnates at 5-10% as utilization drops. Value-added product share stays stuck at 35-39% because new value-added capacities are delayed. EBITDA per ton falls back to INR 2,500-3,000. Export expansion fails to materialize: the US-India trade deal stalls, and the EU's CBAM imposes uncompetitive costs. The company's high capex plan strains the balance sheet, forcing it to take on debt or cut capex. Margins get squeezed between raw material cost volatility and competitive pricing pressures. The stock rerates downward as the growth story falters, and the company is viewed once again as a cyclical, low-margin steel pipe manufacturer.