



Press Release

Hi-Tech Pipes Limited (HPL)

September 16, 2024

Ratings

Security Facility /	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities – Cash Credit	225.00	IVR A; Negative; ISSUER NOT COOPERATING* (IVR Single A with Negative outlook; ISSUER NOT COOPERATING)	IVR A/ Stable Outlook (IVR Single A with Stable Outlook)	Reaffirmed with revision in outlook and moved to ISSUER NOT COOPERATING category	Simple
Long Term Fund Based Bank Facilities – Term Loan	15.10	IVR A; Negative; ISSUER NOT COOPERATING* (IVR Single A with Negative outlook; ISSUER NOT COOPERATING)	IVR A/ Stable Outlook (IVR Single A with Stable Outlook)	Reaffirmed with revision in outlook and moved to ISSUER NOT COOPERATING category	Simple
Long Term Fund Based Bank Facilities – GECL	14.58	IVR A; Negative; ISSUER NOT COOPERATING* (IVR Single A with Negative outlook; ISSUER NOT COOPERATING)	IVR A/ Stable Outlook (IVR Single A with Stable Outlook)	Reaffirmed with revision in outlook and moved to ISSUER NOT COOPERATING category	Simple
Proposed Long Term Fund Based Bank Facilities	9.32	IVR A; Negative; ISSUER NOT COOPERATING* (IVR Single A with Negative outlook; ISSUER NOT COOPERATING)	IVR A/ Stable Outlook (IVR Single A with Stable Outlook)	Reaffirmed with revision in outlook and moved to ISSUER NOT COOPERATING category	Simple
Short Term Non-Fund Based Bank Facilities – Bank Guarantee	101.00	IVR A1; ISSUER NOT COOPERATING* (IVR A One; ISSUER NOT COOPERATING)	IVR A1 (IVR A One)	Reaffirmed and moved to ISSUER NOT COOPERATING category	Simple
Short Term Non-Fund Based Bank Facilities – Letter of Credit	60.00	IVR A1; ISSUER NOT COOPERATING* (IVR A One; ISSUER NOT COOPERATING)	IVR A1 (IVR A One)	Reaffirmed and moved to ISSUER NOT COOPERATING category	Simple
Total	425.00				



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	(Rupees Four Hundred and Twenty-Five Crore Only)				
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***Issuer did not cooperate; based on best available information**

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has reaffirmed the ratings assigned to the bank facilities of Hi-Tech Pipes Limited with revision in outlook from stable to negative and migrate the rating into ISSUER NOT COOPERATING category because of non-cooperation by the company despite repeated follow ups and lack of adequate information leading to information availability risk and hence uncertainty around its credit risk.

Infomerics Ratings assesses whether the information available about the company is commensurate with its rating and reviews the same as per its policy. The outlook remains negative due to information availability risk.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the company.

Non-cooperation by Issuer

Infomerics Ratings has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide E-mail communications dated June 10, 2024, June 18, 2024, June 27, 2024, July 05, 2024, July 16, 2024, July 30, 2024, August 01, 2024, August 02, 2024, August 05, 2024, August 12, 2024, and August 14, 2024, and concurrently over several phone calls. However, despite repeated requests by Infomerics Ratings, the company's management has not submitted all the essential details required for detailed review of the assigned ratings.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics Ratings has to assign the rating based on the best available information.

Analytical Approach: Consolidated



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Infomerics has combined the financial risk profiles of Hi-Tech Pipes Limited, HTL Metal Private Limited, HITECH Metalex Private Limited and HTL ISPAT Private Limited, as these entities are running under a common management, dealing in similar product line and having strong operational & financial linkages between themselves. Additionally, HTL Metal Private Limited, HITECH Metalex Private Limited and HTL ISPAT Private Limited are 100% subsidiaries of Hi-Tech Pipes Limited as on March 31, 2024. The list of companies considered for combined analysis are given in **Annexure 4**.

Applicable Criteria:

[Rating Methodology for Manufacturing Companies](#)

[Financial Ratios & Interpretation \(Non- Financial Sector\)](#)

[Criteria for assigning rating outlook](#)

[Guidelines on what constitutes Non-Cooperation by clients](#)

[Policy of default recognition](#)

[Criteria on complexity](#)

[Criteria on consolidation of companies](#)

Liquidity: Unable to comment due to non-availability of information despite repeated follow ups.

About the company

Hi-Tech Pipes Limited is an ISO 9001 certified company, listed on Bombay Stock Exchange and National Stock Exchange. It is engaged in production steel pipes, hollow sections, tubes, cold rolled coils, road crash barriers, solar mounting structures and strips and a variety of other galvanized products. The registered office of the Company is at Pitampura, New Delhi. The main products & their applications of the Company include Black Steel Tubes, Rectangular Hollow Sections, Galvanised Steel Tubes, Metal Beam Crash Barriers, and Cold Roll Coils. The main applications of the Company's products are Irrigation & Plumbing, Water Infrastructure Systems, Oil, Gas and Sewage Transportation, and other various engineering applications.

Financials (Consolidated):

	(Rs. crore)		
For the year ended/ As on*	31-03-2023	31-03-2024	Q1FY25
	Audited	Audited	Unaudited
Total Operating Income	2385.85	2699.29	866.98
EBITDA	103.21	114.86	42.69



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PAT	37.68	43.93	18.05
Total Debt	273.46	402.29	-
Tangible Net Worth	417.54	575.84	-
EBITDA Margin (%)	4.33	4.26	4.92
PAT Margin (%)	1.58	1.63	2.08
Overall Gearing Ratio (x)	0.65	0.70	-
Interest Coverage (x)	2.92	2.74	-

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2024-2025)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
					July 07, 2023	May 16, 2022	-
1.	Long Term Fund Based Bank Facilities – Cash Credit	Long Term	225.00	IVR A; Negative; ISSUER NOT COOPERATING	IVR A/ Stable Outlook (IVR Single A with Stable Outlook)	IVR A/ Stable Outlook (IVR Single A with Stable Outlook)	-
2.	Long Term Fund Based Bank Facilities – Term Loan	Long Term	15.10	IVR A; Negative; ISSUER NOT COOPERATING	IVR A/ Stable Outlook (IVR Single A with Stable Outlook)	IVR A/ Stable Outlook (IVR Single A with Stable Outlook)	-
3.	Long Term Fund Based Bank Facilities – GECL	Long Term	14.58	IVR A; Negative; ISSUER NOT COOPERATING	IVR A/ Stable Outlook (IVR Single A with Stable Outlook)	-	-
4.	Proposed Long Term Fund Based Bank Facilities	Long Term	9.32	IVR A; Negative; ISSUER NOT COOPERATING	IVR A/ Stable Outlook (IVR Single A with	-	-



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Sr. No.	Name of Security/Facilities	Current Ratings (Year 2024-2025)			Rating History for the past 3 years		
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					July 07, 2023	May 16, 2022	-
					Stable Outlook)		
5.	Short Term Non-Fund Based Bank Facilities – Bank Guarantee	Short Term	101.00	IVR A1; ISSUER NOT COOPERATING	IVR A1 (IVR A One)	IVR A1 (IVR A One)	-
6.	Short Term Non-Fund Based Bank Facilities – Letter of Credit	Short Term	60.00	IVR A1; ISSUER NOT COOPERATING	IVR A1 (IVR A One)	IVR A1 (IVR A One)	-
7.	Proposed Commercial paper	Short Term	-	-	-	IVR A1 (IVR A One)	

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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.



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Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Instrument/Facility Details

Name of Facility/ Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Fund Based Bank Facilities – Cash Credit	-	-	-	-	225.00	IVR A; Negative; ISSUER NOT COOPERATING
Long Term Fund Based Bank Facilities – Term Loan	-	-	-	June 2028	15.10	IVR A; Negative; ISSUER NOT COOPERATING
Long Term Fund Based Bank Facilities – GECL	-	-	-	June 2028	14.58	IVR A; Negative; ISSUER NOT COOPERATING
Proposed Long Term Fund Based Bank Facilities	-	-	-	-	9.32	IVR A; Negative; ISSUER NOT COOPERATING
Short Term Non-Fund Based Bank Facilities – Bank Guarantee	-	-	-	-	101.00	IVR A1; ISSUER NOT COOPERATING
Short Term Non-Fund Based Bank Facilities – Letter of Credit	-	-	-	-	60.00	IVR A1; ISSUER NOT COOPERATING

Annexure 2: Facility wise lender details: Not Available



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Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis:

Name of the Company	Combined Approach
HTL Metal Pvt. Ltd.	Full consolidation
HITECH Metalex Pvt. Ltd	Full consolidation
HTL ISPAT Pvt. Ltd.	Full consolidation

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.

