



**Hi-TECH**  
PIPES

**Hi-Tech Pipes Ltd**

**Investor Presentation**

**Q1 - FY 2020**

# Forward Looking and cautionary statement

*Certain statements in this report concerning our future growth prospects are forward looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward looking statements. The risk and uncertainties relating to these statements include, but are not limited to risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition within Steel industry including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, our ability to commission mines within contemplated time and costs, our ability to raise the finance within time and cost client concentration, restrictions on immigration, our ability to manage our internal operations, reduced demand for steel, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which the Company has made strategic investments, withdrawal of fiscal/governmental incentives, impact of regulatory measures, political instability, legal restrictions on raising capital or acquiring companies outside India, unauthorized use of our intellectual property and general economic conditions affecting our industry. The company does not undertake to update any forward looking statements that may be made from time to time by or on behalf of the company.*

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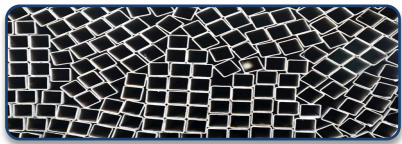
## Company Overview



## Chairman's Message



## Consolidated Financial Highlights



## Business Overview



## Way Ahead



**Company Overview**

**Chairman's Message**

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# Company Overview

**5,00,000\***

mtpa

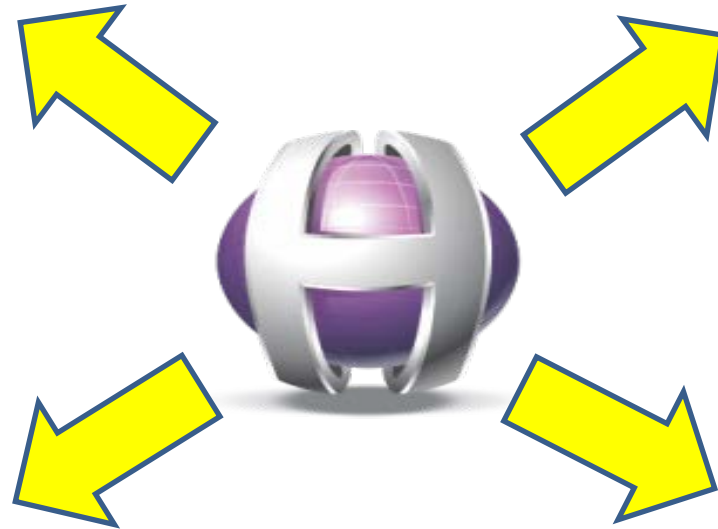
Installed Capacity

**33+**

Years of Experience

**350+**

Distributors across India



**4**

Manufacturing Plants

**1100+**

Workforce

**550+**

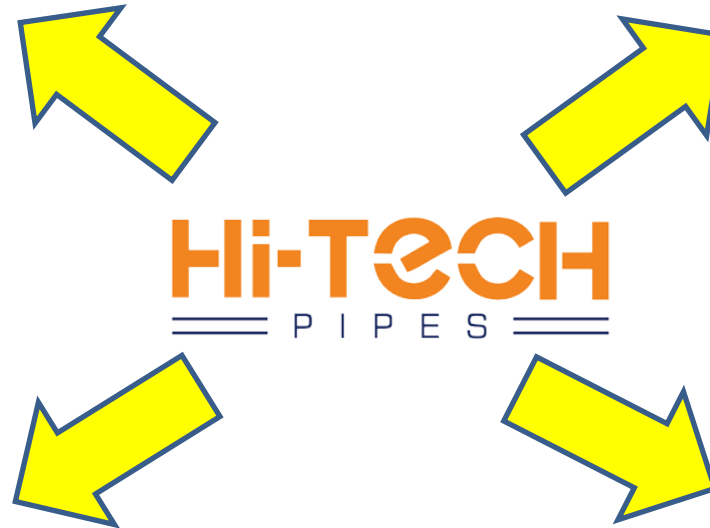
SKU's

# Our USP

**Technology driven system  
for monitoring orders &  
updating Customers**

**Regular Interaction of  
Promoters with Dealers to  
ensure their Loyalty**

**Designing and  
Customisation of Products  
as per Customer Needs**



**Regional Plants & Own  
Logistics to give Prompt  
service to Customers**

**Weekly PPC System in  
Co-ordination with  
Customers**

**Regional Sales Office set  
up for Regular market  
update & interaction**

# Company Overview



## **Incorporated in 1985**

- Amongst leading steel processing companies in India providing world class innovative products for nearly 3 decades



## **Powerhouse of Engineering Excellence**

- Presence in steel pipes, hollow sections, tubes, cold rolled coils & strips, road crash barriers, solar mounting structures and a variety of other galvanised products



## **Strategically located state of the art manufacturing facilities**

- Four state of the art integrated manufacturing units located at Sikandrabad (two units), Sanand (Gujarat) & Hindupur (Andhra Pradesh)
- Total installed capacity of 5,00,000 mtpa\*



## **Multi product Company**

- Multi product Company catering to diverse steel needs
- Application in high-rise buildings , metro stations , bridges, dams, refineries, telecom, airports, highways and power projects



## **Pan-India presence**

- Direct marketing presence in over 17 states
- More than 350 plus distributors across country



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# Chairman's Message



**Commenting on the Quarterly results, Mr. Ajay Kumar Bansal Chairman and Managing Director HI - Tech Pipes Limited said :**

*In Q1-FY 20 in spite of challenging situation in the market, we have achieved volume growth of 15%. Growth in value terms is not significant due to reduction of steel prices. EBIDTA pmt has decreased from Rs.2906 in Q1 – FY 19 ( Rs. 2789 in FY 19) to Rs. 2688 in Q1-FY 20 due to increase in employee cost ( on account of new capacities) and some impact of inventory valuation due to reduction in steel prices.*

*However with company's continuous thrust on sales & marketing of High Value Added products viz Pre Galvanised Pipes, Galvanised Pipes, Productivity improvement, cost reduction etc, and after stabilization of steel prices, it is expected that in rest of the FY 20, EBIDTA margin PMT will increase.*

*Over the last 6 months, the company has undertaken various branding & marketing initiatives viz change of Hi-Tech Brand Logo & tag line, Distributors & Dealers engagement activities, which will certainly help in strengthening its position in the market & creating Hi-Tech Pipes as the most preferred brand by customers.*



**Company Overview**

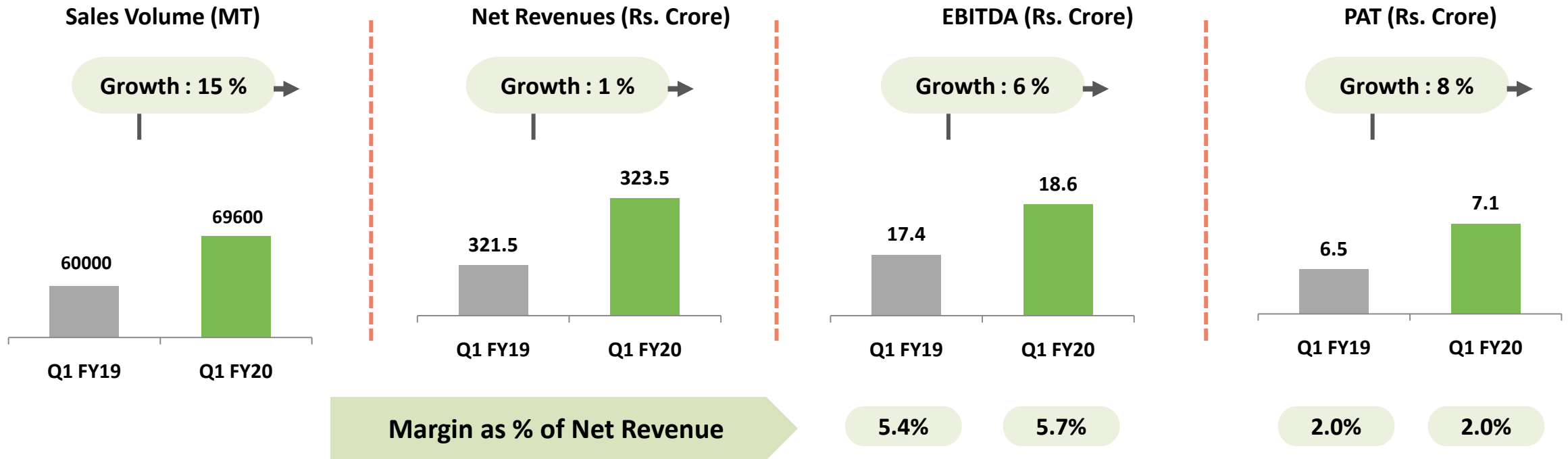
**Chairman's Message**

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# Consolidated P&L Highlights – Q1 FY20 vs. Q1 FY19

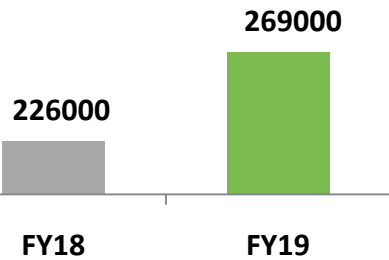


- Growth in volume driven by Increase in volumes of value added products and utilisation of new capacities.

# Consolidated P&L Highlights – FY19 vs. FY18

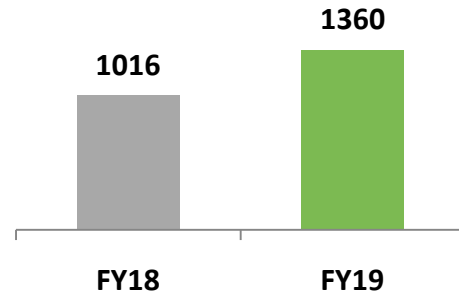
Sales Volume (MT)

Growth : 19%



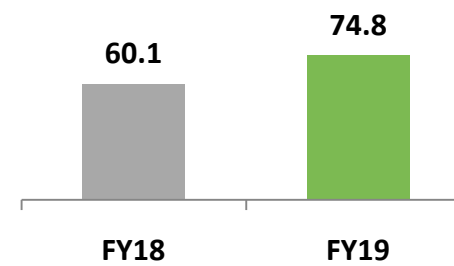
Net Revenues (Rs. Crore)

Growth : 34%



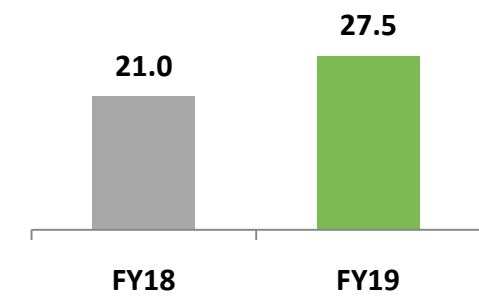
EBITDA (Rs. Crore)

Growth : 25%



PAT (Rs. Crore)

Growth : 31%



Margin as % of Net Revenue

5.91%

5.49%

2.06%

2.01%

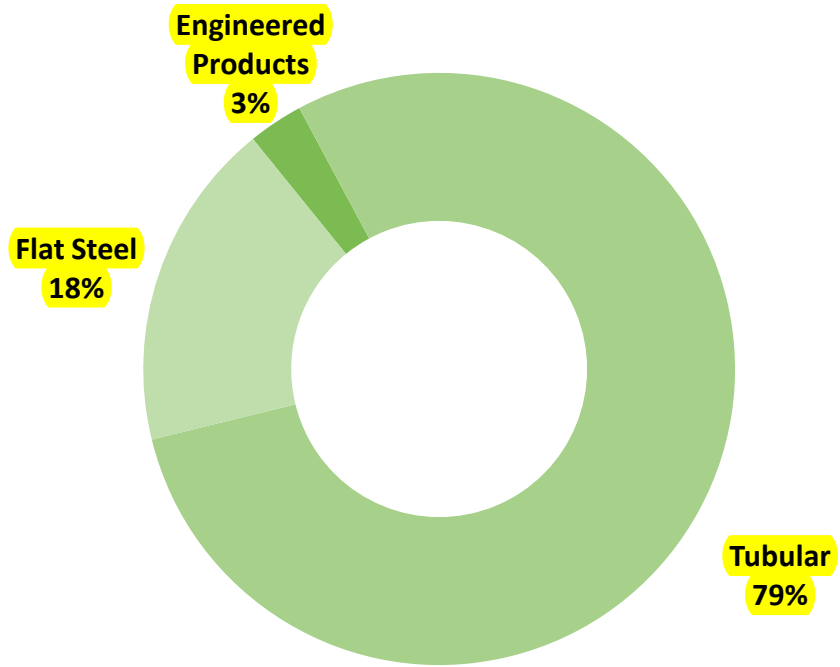
- Growth in revenue on account of increase in contribution of value added products

# Consolidated Quarterly & Year ended P&L Highlights

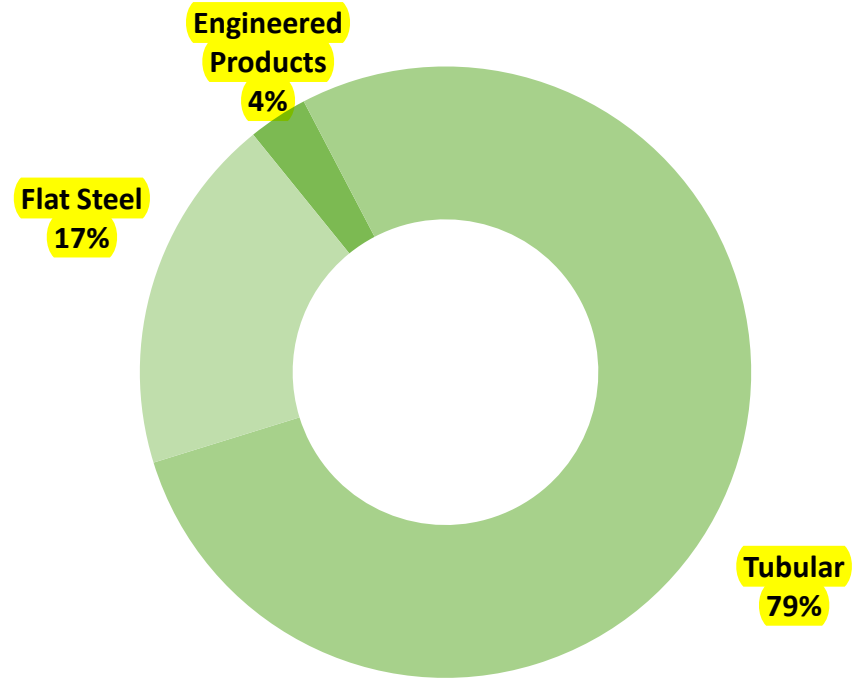
Rs. in Cr	Q1 FY20	Q1 FY19	Y-o-Y %	Q4 FY19	Q-o-Q %	FY19	FY18	Y-o-Y %
<b>Total Income from Operations</b>	<b>323.5</b>	<b>321.5</b>	<b>1.0%</b>	<b>380.4</b>	<b>(15%)</b>	<b>1360.4</b>	<b>1015.7</b>	<b>33.9%</b>
Raw Materials	292.3	292.1		346.3		1236.4	913.3	
Employee Cost	3.9	3.3		3.3		13.7	12.1	
Other Cost	8.7	8.7		10.2		35.6	30.1	
<b>Total Expenditure</b>	<b>304.9</b>	<b>304.1</b>		<b>359.8</b>		<b>1285.7</b>	<b>955.5</b>	
<b>EBITDA</b>	<b>18.6</b>	<b>17.4</b>	<b>6.0%</b>	<b>20.6</b>	<b>(10%)</b>	<b>74.8</b>	<b>60.1</b>	<b>24.5%</b>
Other Income	0.1	0.2		1.0		1.4	1.3	
Depreciation	1.5	1.4		1.3		5.3	4.0	
Interest	6.5	6.8		7.5		29.9	27.4	
<b>Profit Before Tax</b>	<b>10.7</b>	<b>9.4</b>	<b>13.0%</b>	<b>12.8</b>	<b>(17%)</b>	<b>40.9</b>	<b>30.0</b>	<b>36.3%</b>
Tax	3.6	2.9		4.5		13.6	9.0	
<b>Profit After Tax</b>	<b>7.1</b>	<b>6.5</b>	<b>8.0%</b>	<b>8.3</b>	<b>(15%)</b>	<b>27.3</b>	<b>21.0</b>	
<b>Other Comprehensive income</b>	<b>0.0</b>	<b>0.0</b>		<b>0.0</b>		<b>0.2</b>	<b>0.0</b>	
<b>Total Comprehensive Income</b>	<b>7.1</b>	<b>6.5</b>	<b>8.0%</b>	<b>8.3</b>	<b>(15%)</b>	<b>27.5</b>	<b>21.0</b>	<b>31.0%</b>
<b>Basic EPS (in Rs.)</b>	<b>6.59</b>	<b>6.16</b>		<b>7.79</b>		<b>25.8</b>	<b>20.39</b>	

# Segment wise Volume Breakup –FY 19 & FY 18

**FY19**



**FY18**

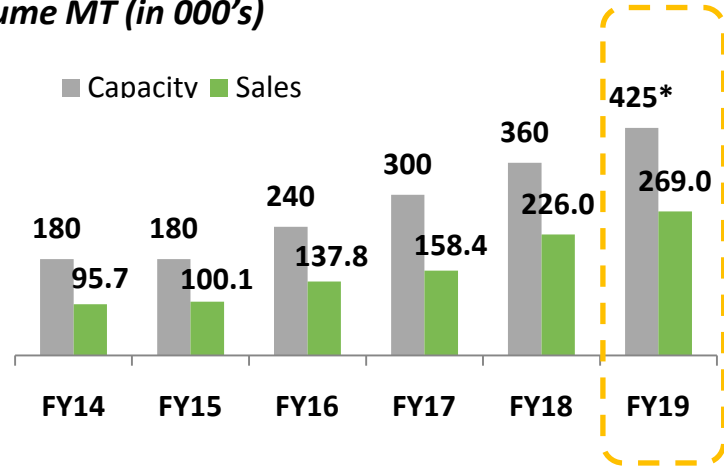


# Consolidated Balance Sheet

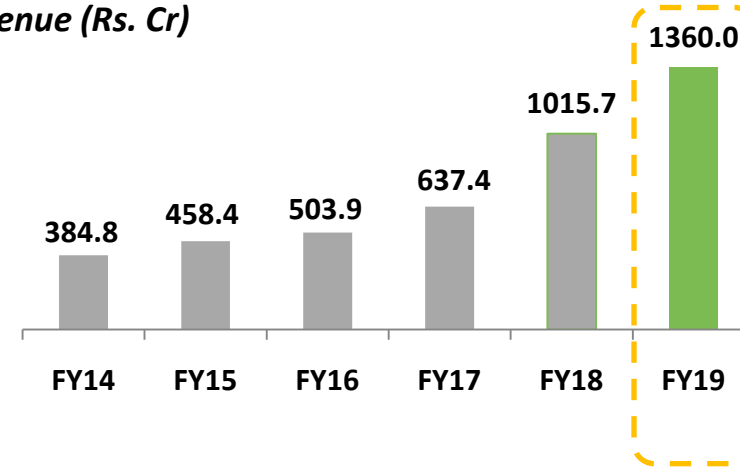
Rs. in Cr	As on 31 <sup>st</sup> Mar – 19	As on 31 <sup>st</sup> March – 18	Rs. in Cr	As on 31 <sup>st</sup> Mar – 19	As on 31 <sup>st</sup> March – 18
<b>Equity</b>	<b>146.7</b>	<b>113.6</b>	<b>Non-current Assets</b>	<b>177.4</b>	<b>149.4</b>
Equity Share Capital	10.7	10.5	Property, Plant and Equipment	169.1	123.9
Other Equity	136.1	103.1	Capital Work in Progress	3.7	17.4
<b>Liabilities</b>			Other Intangible asset	0.1	0.1
<b>Non Current Liabilities</b>	<b>84.7</b>	<b>83.8</b>	Investments	0.0	0.0
<b>Financial Liabilities</b>			Loans	2.9	2.7
Borrowing	71.7	70.4	Other Non Current Assets	1.6	5.3
Other Financial liabilities	1.0	6.4	<b>Current Assets</b>	<b>327.8</b>	<b>299.2</b>
Provisions	0.6	0.6	Inventories	151.2	154.3
Deferred Tax Liabilities (Net)	11.4	6.4	<b>Financial Assets</b>		
<b>Current Liabilities</b>	<b>273.7</b>	<b>251.2</b>	Investments	0.0	0.0
<b>Financial Liabilities</b>			Trade Receivables	137.4	103.9
Borrowings	186.5	172.1	Cash & Cash Equivalent	0.8	0.9
Trade Payables	59.1	45.4	Bank Balance other than above	15.2	11.9
Other Financial Liabilities	14.8	13.1	Other Current Assets	23.2	28.1
Other Current Liabilities	5.1	16.0	<b>Total Assets</b>	<b>505.2</b>	<b>448.6</b>
Provisions	3.8	1.2			
Current Tax Liabilities (Net)	4.3	3.3			
<b>Total</b>	<b>505.1</b>	<b>448.6</b>			

# Consolidated Financial Highlights

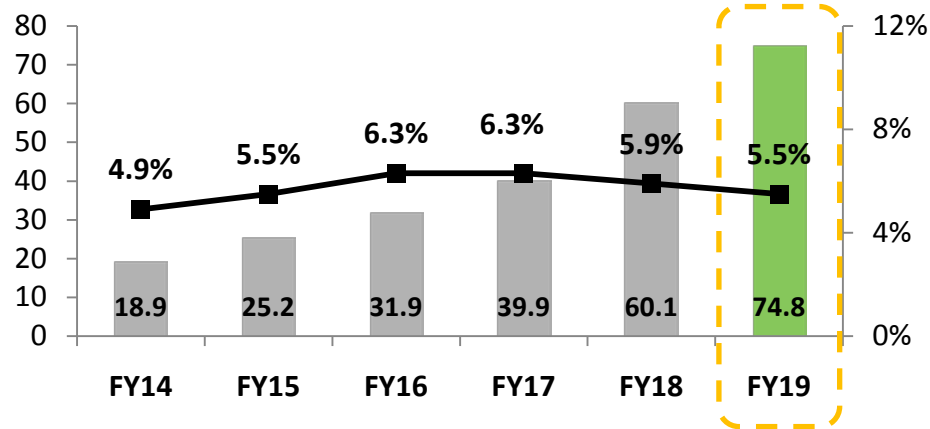
Volume MT (in 000's)



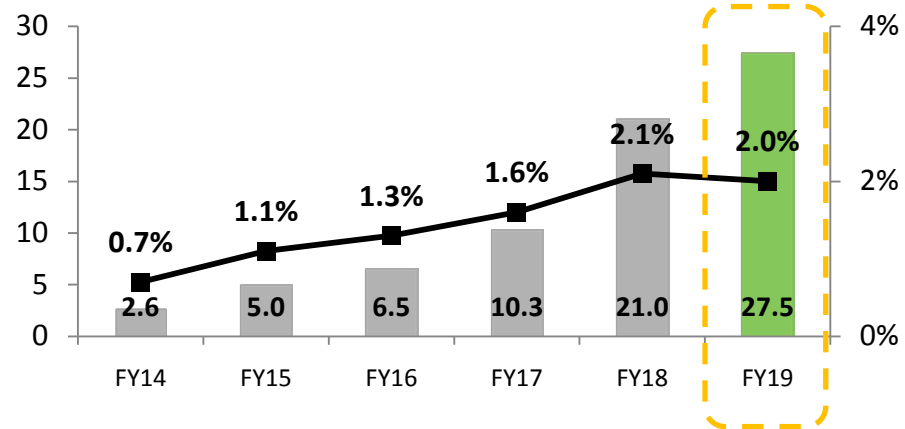
Revenue (Rs. Cr)



EBITDA (Rs. Cr) / Margin (%)



PAT (Rs. Cr) / Margin (%)

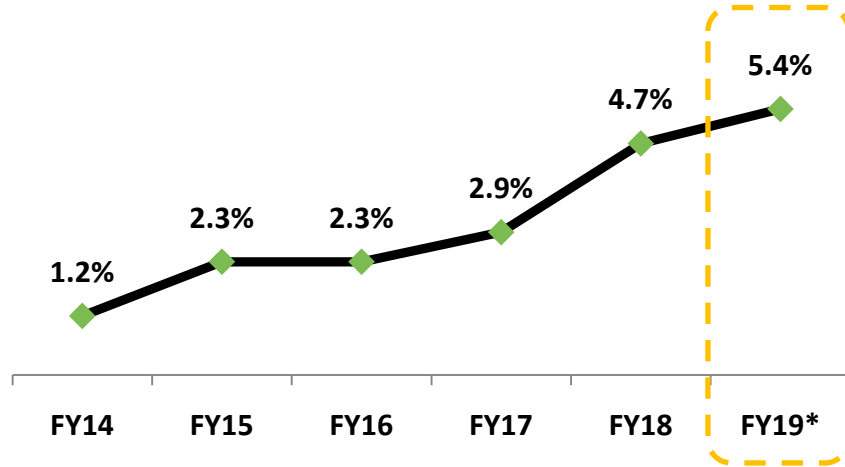


\*0.75k capacity at Sikandrabad added In March 2019

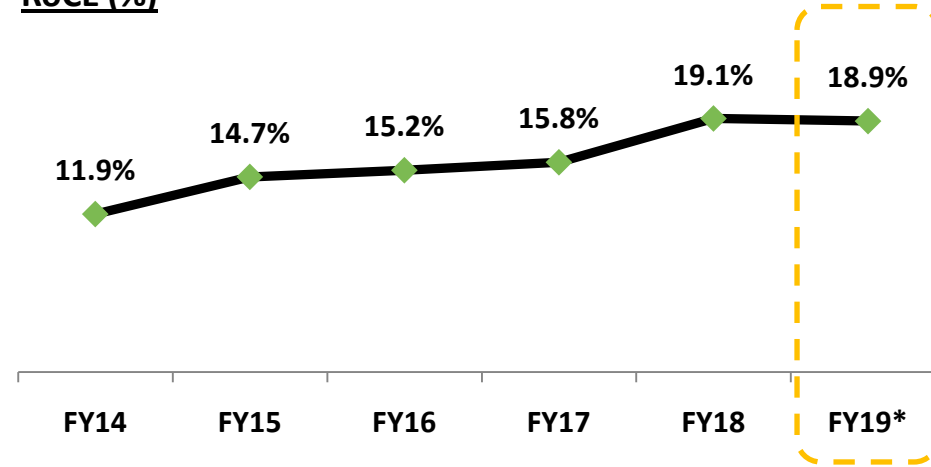


# Consolidated Financial Ratios

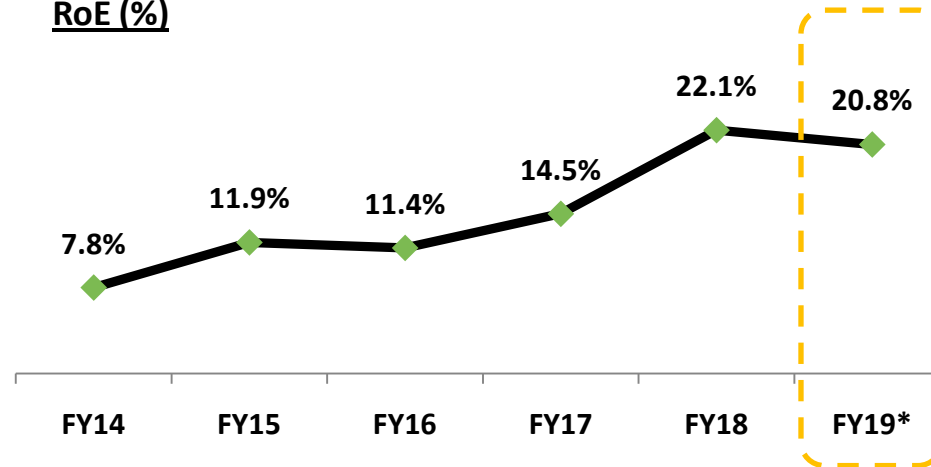
ROA (%)



RoCE (%)



RoE (%)



# Consolidated Annual P&L Highlights

Rs. in Cr	FY19	FY18	Y-o-Y %
<b>Sales Volume ( in MT )</b>	<b>269,000</b>	<b>226,023</b>	<b>19.01%</b>
<b>Total Income from Operations</b>	<b>1360.4</b>	<b>1015.7</b>	<b>33.9%</b>
Raw Materials	1236.4	913.3	
Employee Cost	13.7	12.1	
Other Cost	35.6	30.1	
Total Expenditure	<b>1285.7</b>	<b>955.5</b>	
<b>EBITDA</b>	<b>74.8</b>	<b>60.1</b>	<b>24.5%</b>
Other Income	1.4	1.3	
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<b>Profit Before Tax</b>	<b>40.9</b>	<b>30.0</b>	<b>36.3%</b>
Tax	13.6	9.0	
<b>Profit After Tax</b>	<b>27.3</b>	<b>21.0</b>	
<b>Other Comprehensive Income</b>	<b>0.2</b>	<b>0.00</b>	
<b>Total Comprehensive Income</b>	<b>27.5</b>	<b>21.0</b>	<b>31.0%</b>
<b>Basic EPS ( in Rs.)</b>	<b>25.8</b>	<b>20.39</b>	

# Journey So far....



1988 - 96

- Started manufacturing MS pipes at Sikandrabad- Unit 1
- Started manufacturing Cold Rolled coils & strips

- Installation of Hot Dipped Galvanised Facility
- Started production of Highway Crash Barriers
- Started production of Hollow sections and Solar Mounting sections

2001 - 10



2012-16

- Unit 2 at Sikandrabad to manufacture steel tubes & hollow sections
- Started commercial production of Steel tubes & hollow section at State of Art Sanand (Gujarat) facility
- Listing in NSE-SME

- Commenced Operations at Hindupur(A.P.)
- Modernisation of Cold Rolling Mill at Sikandrabad Plant
- Commissioning ERW Pipe manufacturing at Hindupur
- 3<sup>rd</sup> Company to Migrate to NSE Main Board - May 2018

2017-18



2018 - 19

- Started Tube Mill 3 at Sanand.
- Installed Solar Project at Sanand and Hindupur facility
- Received Secondary Steel sector Award from Ministry of Steel
- Received Top Performer award from SAIL.



# Professional Management

**Mr. Ajay Kumar Bansal**  
**Chairman cum Managing Director**

- Commerce Graduate from Delhi University
- Industry Stalwart with more than 35 years of rich experience
- Nominated as Chairman of Federation of Indian Industries (Steel Tube Panel) representing entire steel tubes industries at various National and International Summits, Seminars and Conferences
- Leading the Tube and Pipes Industry with dynamic approach
- Strategic Planning and identifying new growth drivers for Company

**Mr. Anish Bansal**  
**Executive Director**

- B.Sc Economics in Banking and Finance from Cardiff University U.K in 2005
- Rich experience of more than 12 years in Administration and Business Development
- Responsible in taking care of entire area of Corporate Finance and Business Strategies

**Mr. Ashok Aggarwal**  
**Commercial Head**

- Graduated from Delhi University
- More than 32 years of experience in area of procurement of Steels from primary steel producers at competitive prices

**Mr. Arvind Bansal**  
**Chief Financial Officer**

- Qualified Chartered Accountant with over 20 years of experience in matters related to Corporate Finance, Corporate Restructuring, Taxation, Capital Market, Management Information System and Accounting



**Company Overview**

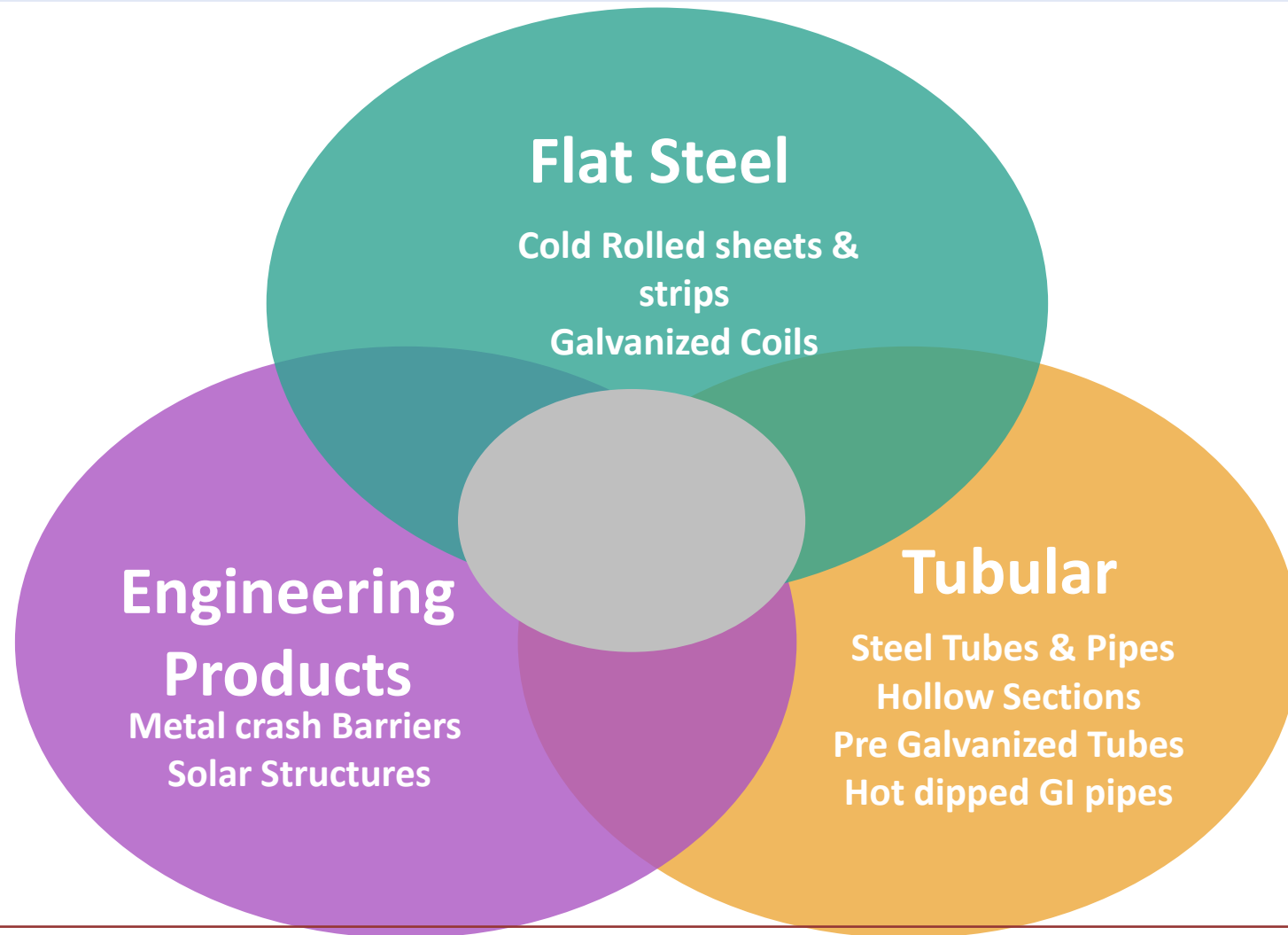
**Chairman's Message**

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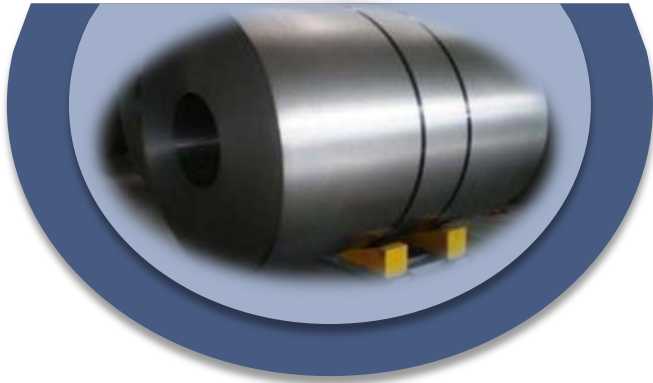
**Business Overview**

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# Business Overview

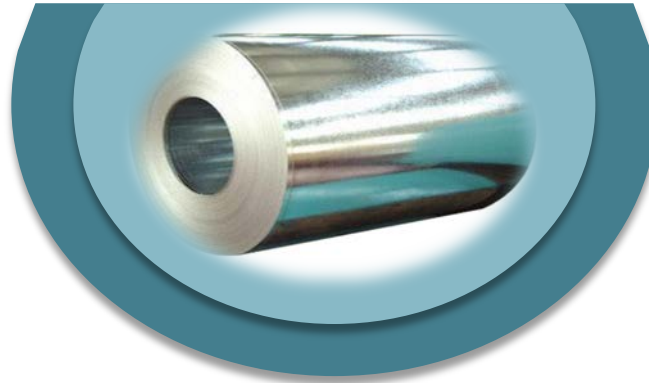


# FLAT STEEL PRODUCTS



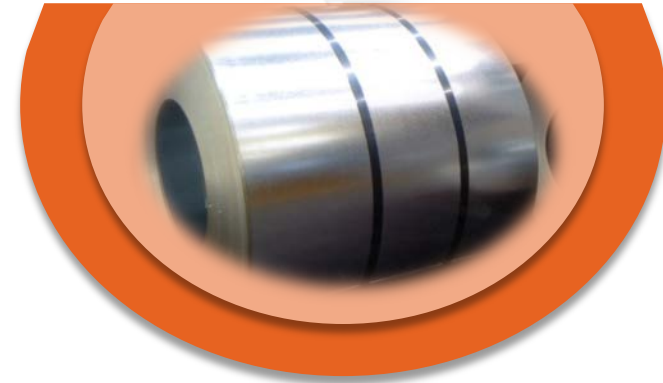
## CR Sheets & Strips

Stampings  
Auto & Auto Ancillaries  
Transmission Chain  
Bicycle Parts  
Fine Blanking  
Bearings



## Galvanized Coils

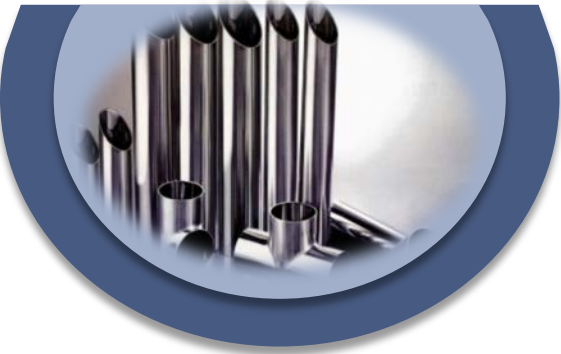
Construction  
Agriculture  
Automobile  
Domestic & Outdoor  
Electric Appliance  
Furniture & Fixtures  
Industry



## Cold Formed Sections

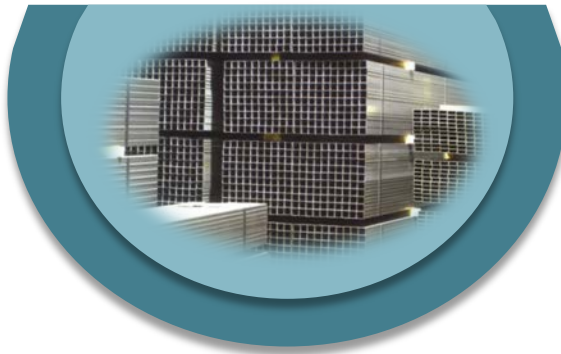
Automobile Industry  
Civil Construction  
Solar Mounting Structures  
Strut Support Systems  
Storage Systems  
Furniture & Office Equipments

# TUBULAR STEEL PRODUCTS



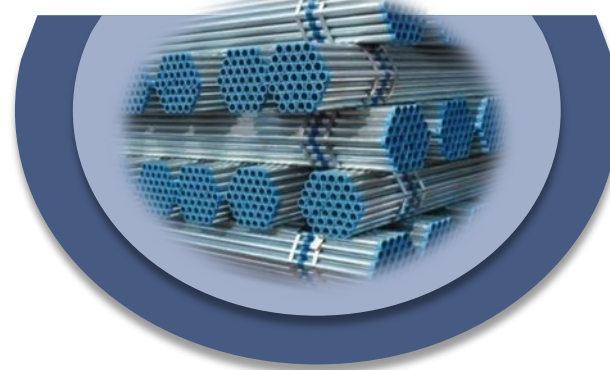
## Steel Tubes & Pipes

Water Gas & Air Pipeline  
Automobiles  
Power & Industrial Boilers  
Transformers  
Superheaters  
Economisers  
Heat Exchangers  
Railway  
Electrification and  
Furniture Applications etc.



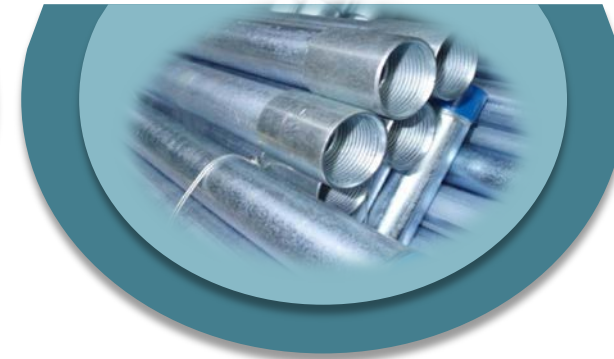
## Hollow Sections

Casing  
Columns & Fence  
Handrails  
Load Bearing Structure  
Piling  
Posts  
Poles  
Railings  
Scaffolding  
Skywalks, Towers etc.



## Pre Galvanized Tubes

HVAC  
Cladding  
Roofing  
Building Accessory  
Partition  
False Ceilings  
Household Appliances (Washing  
Machine/ A.C etc)  
Railway Carriages, Road Signs  
Containers, Furniture etc.

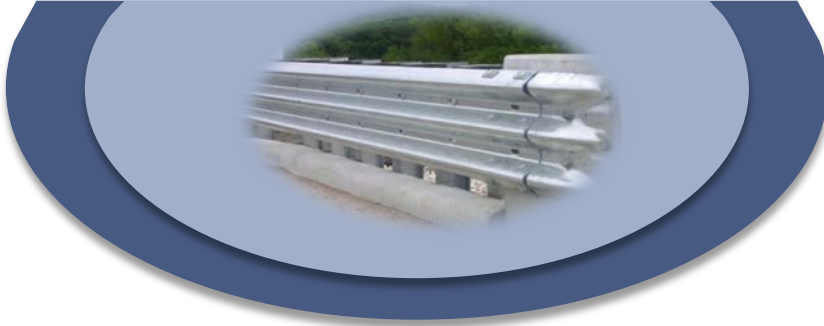


## Hot Dipped GI Pipes

Agriculture  
Plumbing  
Green Houses  
Irrigation  
Hand Pumps  
Bore  
Tubewell

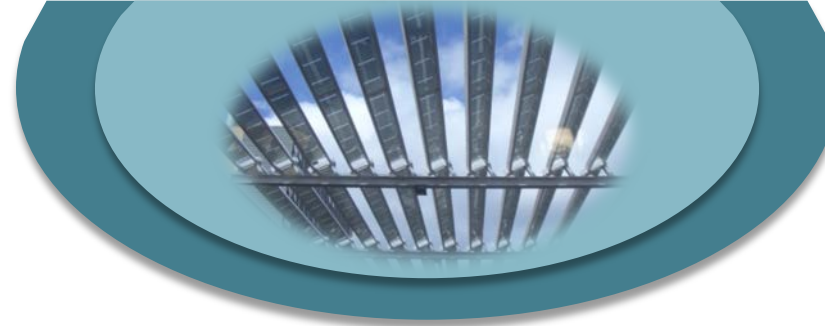


# ENGINEERING PRODUCTS



## Metal Crash Barriers

Water Gas & Air Pipeline  
Automobiles  
Power & Industrial Boilers  
Transformers  
Superheaters  
Economisers  
Heat Exchangers  
Bicycles  
Railways  
Electrification and Furniture



## Solar Structures

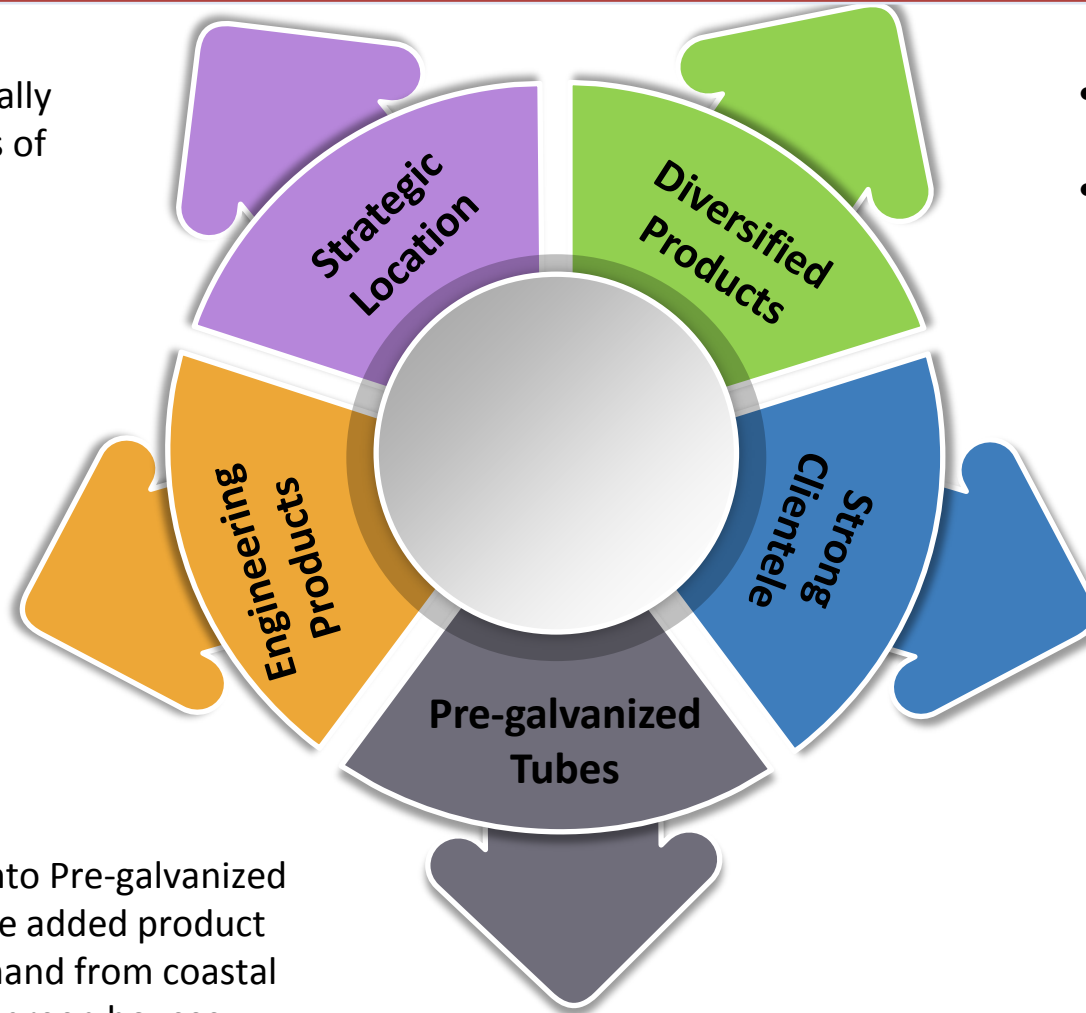
Ground mounted solar  
power plants  
Rooftop solar  
Street lighting  
Solar water pumps  
Solar street lighting

# Key Business Strengths

- Manufacturing facilities – strategically located in key high growth markets of North & West India
- Resulting in increased operational efficiencies

- Market leader in Crash Barrier segment
- Strong presence in fast growing Solar Structures segment

- Entered into Pre-galvanized tube-Value added product
- Huge demand from coastal areas and green houses



- Diversified, specialized products
- Catering to wide array of sector applications

- Supplies to leading Infrastructure companies such as LNT, Adani Ports, NTPC, Powergrid, BHEL, Bharti Infratel, Ashok Leyland amongst others
- Approved vendor for major public sector undertakings like BHEL, Powergrid, AAI, DMRC & MMRDA

# State-of-Art Manufacturing Facilities

- Manufacturing plant Sikandrabad, Uttar Pradesh (UP)
- Installed capacity of 2,55,000\* mtpa



- Manufacturing unit in Hindupur
- Installed capacity of 1,20,000 mtpa

- Manufacturing unit in Sanand (Gujarat)
- Installed capacity of 1,25,000 mtpa



# Awards & Recognition

**DNV BUSINESS ASSURANCE  
CERTIFICATE**



**CERTIFICATE OF RECOGNITION  
MINISTRY OF COMMERCE  
INDUSTRY**



**EXEMPLARY GROWTH &  
INNOVATION AWARD  
SUPER SME**



**AMONG TOP 100 SMEs  
SKOCH GROUP**



**BEST COMPANY OF THE YEAR  
AWARD  
IBC CORPORATION, USA**



**PERFORMANCE EXCELLENCE AWARD  
MINISTRY OF STEEL, GOVERNMENT OF INDIA**



**TOP PERFORMER AWARD  
FROM SAIL**



# Media Coverage

# Our Esteemed Customers



RELIANCE  
Anil Dhirubhai Ambani Group



सेल SAIL



BAJAJ



adani™



पावरग्रिड



BSNL  
Connecting India



airtel



LARSEN & TOUBRO



एनटीपीसी  
NTPC



DLF



GVK



TATA



PWD  
Public Works Department  
(Delhi Govt.)



बी एच ई एल  
BHEL



HP



THERMAX



इंडियन ऑयल  
Indian Oil



AIRPORTS AUTHORITY OF INDIA



पी डी आई एल  
PDIL



JAYPEE  
GROUP



ASHOK LEYLAND

# Marquee Projects using Hi-tech products



Grandstand Roofing Structure- Buddh International Circuit



Toll Plaza- Bandra-Worli Sea Link



Tensile Membrane Structures- Mumbai Airport



Main Supporting Structures- Common Wealth Stadium



Station Structure & Railing- Delhi Metro



Structural Support Members- Foot Over Bridges in Delhi



Module Mounting Structures- Gujarat Solar Park

# Marquee Projects using Hi-tech products



Fire Fighting Pipes- Seven Hills Hospital Mumbai



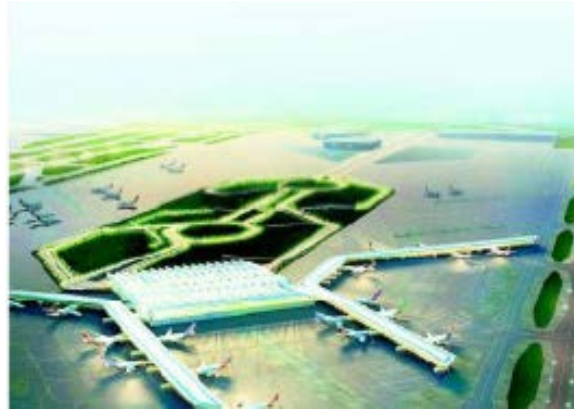
Crash Barriers- Yamuna Expressway



Towers- Suzlon Wind Farms



Curtain Walling Structure- Mumbai New Airport Terminal



Structural Glazing Structure- Delhi T3 Terminal



Walkways – Mumbai Skywalks



Substation Tubular Structure- Powergrid Corporation Ltd.





**Company Overview**

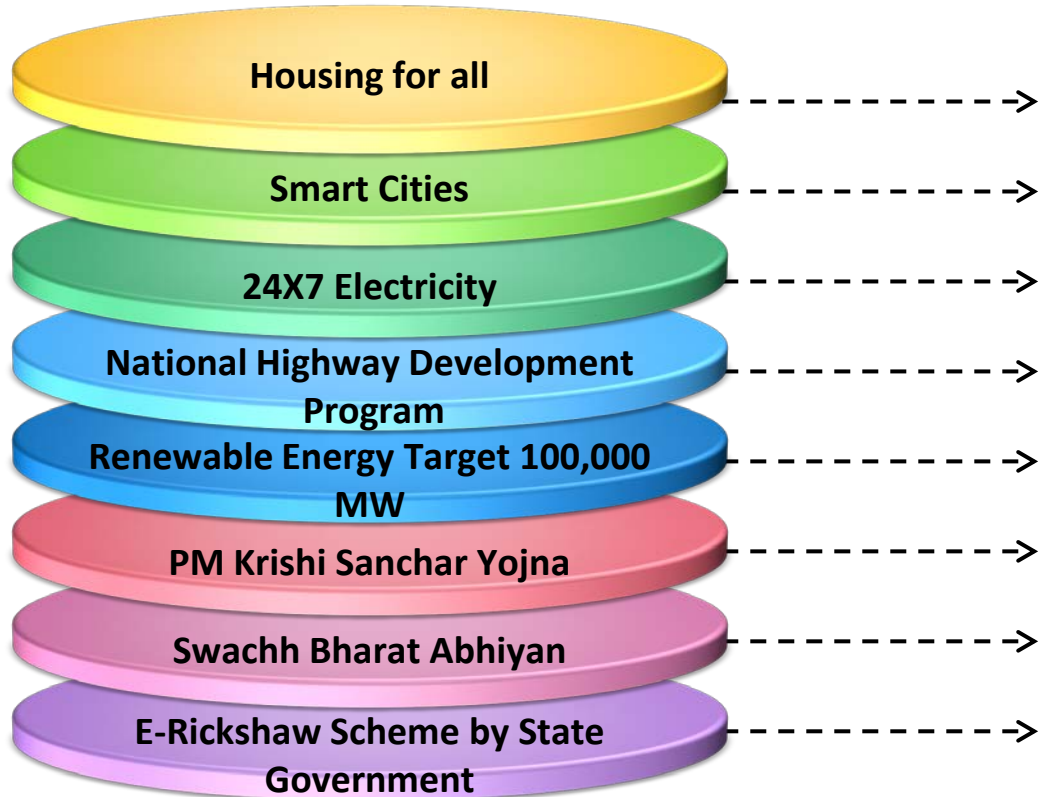
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**Way Ahead**

# Government Impetus creating significant industry growth opportunity



- MS Black Tubes & Hollow Section for Roofing, Rails, Grills, Gate Etc.
- Tubes And Pipes Used for Prefab home and shelters
- Large Hollow Section Pipe & Poles Used in Infrastructure Projects, Street Lighting, Sewage
- Power Transmission & Distribution Structures and Poles.
- Road Crash Barrier for Highway Safety
- Solar Mounting Structures Used For Supporting Solar Panels
- Casing Pipe and Galvanised Pipes for Boring and tube well
- Hollow Section Used in Prefab Toilets
- CR Square Tube Used For Rickshaw Frame

... Hi-tech uniquely positioned to leverage upon these opportunities – to emerge as a leading player in India

# Future Demand Drivers

## DEFENCE



## GREEN HOUSE



## AIRPORT



## TELECOM



## DRINKING WATER SUPPLY



## METRO RAIL



*With an increased focus on the Defence sector on the part of the government, the company looks to generate incremental revenue from the sector.*

*Today India needs to help its farmers with smooth and effective irrigation facility. The sector promises immense potential.*

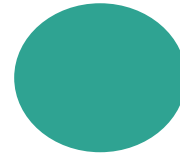
*With a successful track record of delivering quality products for different airport needs, the company is well-positioned to cash in on the upcoming opportunities*

*The telecom sector is at the verge of consolidation and quality of service only is going to be the norm. This is likely to lead to some uptick in the telecom sector.*

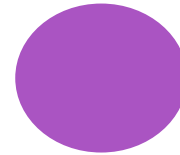
*With India striving hard to make clean and pure drinking water reach every corner of the country, the sector promises to be a good avenue for growth for the company.*

*We have delivered the roofing / station structuring projects for Delhi Metro Rail Corp.*

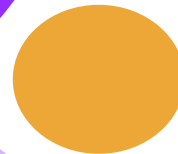
# Way Ahead



**Aspiring to achieve one million ton installed capacity**



**Become Globally Reputed Steel Processing Company**



**Be known for technology and high quality specialized products**

Thank you



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