



Press Release

The Indian Hume Pipe Company Limited

February 09, 2026

Ratings

Instrument/ Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	0.00 (Reduced from Rs. 50 crore)	--	IVR A- /Stable (IVR Single A Minus with Stable Outlook)	Rating Withdrawn	Simple
Long Term Bank Facilities	623.25 (Reduced from Rs. 650.00 crore)	IVR A/ Stable (IVR Single A with Stable Outlook)	IVR A- /Stable (IVR Single A Minus with Stable Outlook)	Rating Upgraded	Simple
Proposed Long Term Bank Facilities	0.00 (Reduced from Rs. 40 crore)	--	IVR A- /Stable (IVR Single A Minus with Stable Outlook)	Rating Withdrawn	Simple
Short Term Bank Facilities	90.00	IVR A1 (IVR A One)	IVR A2+ (IVR A Two Plus)	Rating Upgraded	Simple
Long Term/ Short Term Bank Facilities	1095.00 (Reduced from Rs. 1150 crore)	IVR A/ Stable/ IVR A1 (IVR Single A with Stable Outlook/ IVR A One)	IVR A- /Stable/ IVR A2+ (IVR Single A Minus with Stable Outlook/ IVR A Two Plus)	Rating Upgraded	Simple
Proposed Long Term/ Short Term Bank Facilities	41.75 (Enhanced from Rs. 20 crore)	IVR A/ Stable/ IVR A1 (IVR Single A with Stable Outlook/ IVR A One)	IVR A- /Stable/ IVR A2+ (IVR Single A Minus with Stable Outlook/ IVR A Two Plus)	Rating Upgraded	Simple
Total	1850.00 (Rupees One thousand eight hundred fifty crore only)				

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 upgraded the ratings assigned to the bank facilities of The Indian Hume Pipe Company Limited (IHP) on account of improved financial risk profile and liquidity supported by stable operating performance of the company. The ratings continue to derive strength from experienced promoters and established track record in water infrastructure segment and healthy order book position providing medium-term revenue visibility.



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These rating strengths are, however, constrained by working capital intensive nature of operations, susceptibility of operating margins to volatile input prices, and tender based operations of the company in competitive and fragmented industry.

The Stable outlook reflects the expected steady business profile supported by healthy revenue visibility backed by continuous flow of orders and relative geographic and counterparty diversity in the order book.

Also, Infomerics Ratings has withdrawn its rating on the term loan and proposed term loan basis the request letter from the company and the No dues certificate received from the lender. The rating withdrawal is in accordance with Infomerics policy on withdrawal of ratings.

Key Rating Sensitivities:

Upward Factors

- Significant increase in revenues and profitability thereby leading to an improvement in cash accruals and liquidity on a sustained basis.
- Improvement in working capital cycle and realization of receivables on a sustained basis.

Downward Factors

- Decline in revenues and profitability leading impacting cash accruals and liquidity.
- Stretch in working capital cycle and delays in realization of receivables impacting the cash flows and liquidity of the company.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Experienced Promoters and Established Track Record in Water Infrastructure Segment

IHP has an established track record of ten decades in the EPC business and is among the major players in water supply, irrigation, and sewerage infrastructure projects in India. The company has successfully executed projects across 11 states, reflecting its strong execution capabilities and geographic reach in the water infrastructure segment. IHP is promoted by Mr. Rajas Doshi, a qualified civil engineer with over 48 years of experience across manufacturing, project execution, marketing, and sales. The promoter's long-standing industry experience, supported by a well-qualified and experienced management team, has contributed to the company's established market position and supports continuity and stability in operations.



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Healthy Order Book Position Providing Medium-Term Revenue Visibility

IHP has a healthy unexecuted order book of Rs. 3,922.66 crore as on October 31, 2025, equivalent to 2.63 times its FY25 (FY refers to the period April 1 to March 31) total operating income, providing adequate revenue visibility over the medium term. Majority of the orders are scheduled to be executed over the next 24–30 months, supporting stable business prospects. The company has also been declared L1 for a project aggregating Rs. 625.94 crore in Rajasthan, which is expected to further strengthen the order book upon award. The order book is well diversified geographically, spread across 11 states including Odisha, Andhra Pradesh, Karnataka, Madhya Pradesh, Rajasthan, Uttar Pradesh, and Maharashtra, thereby reducing regional concentration risk. The order book largely comprises water supply projects under the Central Government's Har Ghar Jal scheme across various states. Timely execution of the existing order book and sustained inflow of new orders will remain a key rating monitorable.

Improved Liquidity supported by Stable Operating Performance and Exceptional Cash Accruals

IHP's liquidity position has improved, supported by stable operating performance and significant cash accruals during FY25. The company's total operating income increased by ~7% to Rs. 1491.23 crore in FY25 from Rs. 1388.63 crore in FY24, driven by completion of several projects during the year. Operating profitability remained stable, with EBITDA increasing to Rs. 197.17 crore in FY25 from Rs. 184.57 crore in FY24, while EBITDA margins were largely maintained at ~13%. Further, liquidity benefited from a substantial improvement in profitability, with PAT increasing sharply to Rs. 558.05 crore in FY25 from Rs. 77.63 crore in FY24, primarily on account of an exceptional gain of Rs. 545.22 crore arising from sale of land. The exceptional inflow has strengthened company's cash position and financial flexibility. In H1 FY26 (unaudited), the company reported total operating income of Rs. 672.21 crore, with EBITDA and PAT margins of 12.69% and 11.17%, respectively, indicating continuity in operating performance supporting the improved liquidity profile.



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Key Rating Weaknesses

Working capital intensive operations

IHP's operations remain working capital intensive, inherent to the EPC nature of its business. The company continues to report elevated receivables due to milestone-based billing, accumulation of retention money, and procedural delays associated with government counterparties. Average collection days, though improved, remained high at 178 days in FY25 (FY24: 207 days). Retention money constituted ~58% of total receivables on March 31, 2025. Despite the stretched working capital cycle, IHP's adjusted leverage indicators remain comfortable with adjusted overall gearing and TOL/ATNW improving to 0.42x and 1.12x, respectively, as on March 31, 2025 (as on March 31, 2024: 0.84x and 1.92x). Debt protection metrics also remained adequate, with interest coverage improving to 2.76x in FY25 (FY24: 2.51x) and total debt to EBITDA improving to 2.60x in FY25 from 2.97x in FY24.

Working capital utilization remained high, with average fund-based limit utilization at ~84% during the 12 months ended October 2025. However, liquidity is supported by cash inflows of Rs. 65.76 crore from three land development projects during April 2025–December 2025 and further strengthened by the exceptional cash accruals from sale of land in FY25, which have enhanced financial flexibility and provided additional support to working capital requirements.

Susceptibility of Operating Margins to Volatile Input Prices, Partly Mitigated by Backward Integration

The company's operating margins remain susceptible to volatility in key raw material prices, primarily steel and cement, which constitute major cost components in civil construction activities. Historically, prices of these inputs have been volatile, exposing profitability to fluctuations in raw material and finished product prices, especially in fixed-price or partially indexed contracts. The risk is partly mitigated by IHP's strategy of setting up project-proximate manufacturing facilities for various types of pipes, which helps control input costs, reduce logistics expenses, and support operating margins. Further, the share of surplus pipes sold directly to customers increased to 16% of total operating income in FY25 from 3% in FY23. The company has been able to maintain stable operating profitability, with EBITDA margins at 13.29% in FY24, 13.22% in FY25, and 12.69% in H1 FY26.



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Tender-Based Operations in a Competitive and Fragmented Industry

The company's business is largely tender-driven, exposing it to competitive intensity and potential volatility in revenues and profitability due to the fragmented nature of the water infrastructure sector. However, the risks are partly mitigated by the company's long operating history of ten decades and its established presence across 12 states, which supports its competitive positioning.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Infrastructure Companies](#)

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

[Criteria for assigning Rating outlook](#)

[Policy on Withdrawal of Ratings](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

Liquidity – Adequate

IHP's liquidity position is adequate, supported by sufficient cushion in expected average cash accruals vis-vis debt repayment obligations during FY26- FY28. While the average fund-based working capital utilization remained high at ~84% during the 12 months ended October 2025, liquidity has been supported by inflows of Rs. 65.76 crore from the three land development projects during April–December 2025, which aided working capital requirements. Additionally, liquidity improved significantly following the sale of land, resulting in free cash and cash equivalents of Rs. 256.12 crore as on December 31, 2025, providing strong financial flexibility.

About the Company

IHP was established by late Mr Walchand Hirachand in 1926. IHP is engaged in providing engineering, procurement, construction and commissioning services in water supply, irrigation and sewerage related projects. The company has presence in almost all water supply related activities, viz. urban & rural water supply, penstock for hydro power generation, tunnel lining, large diameter irrigation pipelines, head works including pumping machinery, treatment plants, overhead tanks, and other allied civil construction activities.



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Financials (Standalone):

(Rs. crore)

For the year ended/ As on*	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	1388.63	1491.23
EBITDA	184.57	197.17
PAT	77.63	558.05
Total Debt	548.18	511.92
Tangible Net Worth	825.11	1369.19
EBITDA Margin (%)	13.29	13.22
PAT Margin (%)	5.56	37.20
Overall Gearing Ratio (x)	0.66	0.37
Interest Coverage (x)	2.51	2.76

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr.	Name of Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					Feb 06, 2025	Dec 12, 2023	--
1.	Term Loan	Long Term	0.00 (Reduced from Rs. 50 crore)	--	IVR A-/ Stable	IVR A-/ Stable	--
2.	Proposed Term Loan	Long Term	0.00 (Reduced from Rs. 40 crore)	--	IVR A-/ Stable	IVR A-/ Stable	--
3.	Cash Credit	Long Term	583.25 (Reduced from Rs. 610 crore)	IVR A/ Stable	IVR A-/ Stable	IVR A-/ Stable	--
4.	WCDL	Long Term	40.00	IVR A/ Stable	IVR A-/ Stable	IVR A-/ Stable	--
5.	WCDL	Short Term	25.00	IVR A1	IVR A2+	IVR A2+	--
6.	Letter of Credit	Short Term	65.00	IVR A1	IVR A2+	IVR A2+	--
7.	LC/ BGs	Long Term/ Short Term	1095.00 (Reduced from Rs. 1150 crore)	IVR A/ Stable/ IVR A1	IVR A-/ Stable/ IVR A2+	IVR A-/ Stable/ IVR A2+	--
8.	Proposed LC/ BGs	Long Term/ Short Term	41.75 (Enhanced from Rs. 20 crore)	IVR A/ Stable/ IVR A1	IVR A-/ Stable/ IVR A2+	IVR A-/ Stable/ IVR A2+	--



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Analytical Contacts:

Name: Neha Khan	Name: Jyotsna Gadgil
Tel: (022) 62396023	Tel: (020) 69015332
Email: neha.khan@infomerics.com	Email: jyotsna.gadgil@infomerics.com

About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] 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. 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 <http://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 or to sanction, renew, disburse, or recall the concerned bank facilities. 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. 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.



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Annexure 1: Facility Details

Name of Facility	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned
Cash Credit	--	--	--	--	583.25	IVR A/ Stable
WCDL	--	--	--	--	40.00	IVR A/ Stable
WCDL	--	--	--	--	25.00	IVR A1
Letter of Credit	--	--	--	--	65.00	IVR A1
LC/ BG	--	--	--	--	1095.00	IVR A/ Stable/ IVR A1
Proposed LC/ BG	--	--	--	--	41.75	IVR A/ Stable/ IVR A1

Annexure 2: Facility wise lender details:

https://infomericstorage.blob.core.windows.net/uploads/len_humepipe_feb26_d4ddd35f1a.pdf

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

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

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.