January 21, 2026

Hindustan Tin Works Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Term loan	72.30	58.17	[ICRA]BBB+ (Stable); reaffirmed
Long-term – Fund-based working capital limits	71.00	71.00	[ICRA]BBB+ (Stable); reaffirmed
Short-term – Non-fund based limits – LC/BG	50.20	50.20	[ICRA]A2; reaffirmed
Long-term – Unallocated	66.70	80.83	[ICRA]BBB+ (Stable); reaffirmed
Short-term – Unallocated	9.80	9.80	[ICRA]A2; reaffirmed
Total	**270.00**	**270.00**	

**Instrument details are provided in Annexure-I*

Rationale

The ratings reaffirmation for Hindustan Tin Works Limited (HTWL) factors in its established position as a leading tin can manufacturer in India, supported by a long operating track record, experienced promoters, diversified product portfolio (including open-top sanitary/food cans) and a reputed customer base comprising marquee brands. This has led to repeat business over the years, aiding the company's revenue growth. Its export presence provides revenue diversification, with exports contributing about 25% of the overall revenues. Although profitability remains exposed to raw material and foreign exchange (forex) movements, the impact is partly mitigated through pass-through mechanisms, natural hedges and partial hedging. Moreover, the recent commissioning of the company's export-focussed facility at Sonipat in July 2025 and subsequent ramp-up of operations are expected to strengthen export competitiveness and support future growth.

The ratings are, however, constrained by the high working capital intensity of the business and limited pricing flexibility owing to intense competition and vulnerability to volatile raw material prices and forex rate fluctuations. The same has also been demonstrated by some operating margin volatility in recent quarters. Further, the company continues to face competition from substitutes such as flexible forms of packaging, though that is mitigated to an extent by the advantages of using tin cans for specific edibles.

The Stable outlook on the long-term rating reflects ICRA's opinion that HTWL will report steady growth in earnings, while maintaining adequate debt protection metrics, supporting its overall credit profile.

Key rating drivers and their description

Credit strengths

Established track record as a major player in the industry – HTWL benefits from its established operational track record, experienced promoters, wide product mix and diversification of its revenue stream, given its presence in the export market. These factors have contributed to the company's emergence as a leading industry player.

Stable business profile with wide customer base of reputed clientele – HTWL has a stable business profile while operating in an industry which is largely insulated from economic downturns. Over the years, it has developed a wide customer base, which includes reputed corporates such as Dharampal Satyapal Ltd., Nestle India Limited, Asian Paints Limited and Haldiram Snacks Private Limited. The company is one of the key vendors for some products of these clients. HTWL's established relationships with its customers have resulted in repeat business. Its top five customers continued to account for about 30% of its revenues in FY2025.

Investment in new unit augurs well for export prospects; ongoing capital expenditure (capex) expected to improve credit metrics – HTWL's recently commissioned export-focussed facility is expected to remove bottlenecks from existing capacities and further streamline production capabilities, especially for the export segment. A healthy ramp-up of operations from this unit would enable the company to report an improvement in its business and credit metrics and would remain a key rating monitorable.

Credit challenges

High working capital intensity, given long receivables period and elevated stocking requirements – The company operates in a working capital-intensive business due to high inventory and debtor levels, along with considerable outstanding debtors of greater than six months (primarily for the tinplate trading business). ICRA has noted the decline in the old outstanding debtors in the current fiscal and expects further reduction as its trading activity has almost been discontinued. HTWL's inventory levels have also remained raised, given the transit time related to sourcing of raw materials and inventory levels needed to be maintained as per the manufacturing requirements.

Exposure to raw material price volatility and forex risk, although with ability to pass on high prices – HTWL's profit margins largely remain exposed to volatility in raw material prices, though it manages to pass on large variations with a lag. The margins also fluctuate with the share of tinplate trading revenues in the total revenue pie, which is being downsized progressively. The company's earnings have moderated in the current fiscal against earlier anticipations, partly due to product mix and lower-than-expected ramp-up of exports. Also, with exports constituting 20-25% of its turnover in FY2025, it is exposed to adverse movements in forex rates. However, the risk is mitigated to an extent due to a natural hedge as well as the company's partial hedging policy.

Competition from other packaging substitutes – The competitive and fragmented nature of the industry and substitution risk from alternative packaging materials, such as plastic and tetra packs, limit the pricing flexibility of industry participants, including HTWL. However, tin has advantages for specific food packaging with less probability of contamination as well as a longer shelf life.

Environmental and social risks

Environmental considerations: HTWL is one of the biggest players involved in manufacturing of cans and other tin-based packaging solutions. Tin cans help towards providing an alternative to plastic products, which are more hazardous to the environment. Tin cans have higher recyclability compared to composite plastic/polymers.

Social considerations: HTWL is exposed to social risks, including shifts in consumer preference for another packaging alternative. Further, it faces high dependence on human capital. Retaining human capital, maintaining healthy relationships with employees and a safe work environment remain essential for disruption-free operations.

Liquidity position: Adequate

HTWL's liquidity position is adequate, supported by steady cash flow generation and cushion in working capital limits of around Rs. 33 crore as of October 2025; and modest free cash levels. It has debt repayments of Rs. 11-12 crore per annum over FY2026 and FY2028, which are expected to be adequately met through cash flow generation. The company is projected to incur a capex of Rs. 25 crore in FY2026, including maintenance capex of Rs. 5-10 crore. This is expected to be funded through internal cash flows and external borrowings.

Rating sensitivities

Positive factors – HTWL's ratings could be upgraded if the company demonstrates a consistent growth in its profits and cash accruals, along with efficient management of working capital. Total debt/OPBIDTA of lower than 2.3 times on a sustained basis may result in ratings upgrade.

Negative factors –The ratings could be downgraded if there is a material decline in its revenues and profitability, which along with elongation in the working capital cycle exerts pressure on its liquidity position and causes deterioration in its coverage metrics.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

Incorporated in 1958, HTWL is a public limited company involved in the manufacturing of tin cans and trading of tinplate. Mr. Sanjay Bhatia, who is the Managing Director and a part of the promoter family, entered the business in 1977 and has over three decades of experience. It is among the largest players in the tin can industry in India with expertise in round, irregular tin cans, especially open-top sanitary cans or food cans. The company's manufacturing facility is in Murthal, Haryana. It is also setting up an export-focussed unit at Sonipat, Haryana.

Key financial indicators

HTWL (standalone)	FY2024	FY2025	H1 FY2026*
Operating income	426.3	408.7	*236.3*
PAT	17.0	12.3	*4.5*
OPBDITA/OI	8.4%	7.0%	*6.1%*
PAT/OI	4.0%	3.0%	*1.9%*
Total outside liabilities/Tangible net worth (times)	0.5	0.6	*0.7*
Total debt/OPBDITA (times)	2.3	2.7	*3.2*
Interest coverage (times)	4.8	4.3	*2.9*

*Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation*Unaudited*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years					
		Type	Amount rated (Rs. crore)	Jan 21, 2026	FY2025		FY2024		FY2023	
					Date	Rating	Date	Rating	Date	Rating
1	**Term loans**	Long term	58.17	**[ICRA]BBB+ (Stable)**	Dec 05, 2024	[ICRA]BBB+ (Stable)	Mar 07, 2024	[ICRA]BBB+ (Positive)	Feb 28, 2023	[ICRA]BBB+ (Positive)
2	**Working capital limits**	Long term	71.00	**[ICRA]BBB+ (Stable)**	Dec 05, 2024	[ICRA]BBB+ (Stable)	Mar 07, 2024	[ICRA]BBB+ (Positive)	Feb 28, 2023	[ICRA]BBB+ (Positive)
3	**LC/BG**	Short term	50.20	**[ICRA]A2**	Dec 05, 2024	[ICRA]A2	Mar 07, 2024	[ICRA]A2	Feb 28, 2023	[ICRA]A2
4	**Unallocated**	Long term	80.83	**[ICRA]BBB+ (Stable)**	Dec 05, 2024	[ICRA]BBB+ (Stable)	Mar 07, 2024	[ICRA]BBB+ (Positive)	Feb 28, 2023	[ICRA]BBB+ (Positive)
5	**Unallocated**	Short term	9.80	**[ICRA]A2**	Dec 05, 2024	[ICRA]A2	Mar 07, 2024	[ICRA]A2	Feb 28, 2023	[ICRA]A2

Complexity level of the rated instruments

Instrument	Complexity indicator
Fund-based/Term loan	Simple
Fund-based/Working capital limits	Simple
Non-fund based – LC/BG	Simple
Long-term/Unallocated	Not Applicable
Short-term/Unallocated	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click here

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Fund-based/Working capital limits	NA	NA	NA	71.00	[ICRA]BBB+ (Stable)
NA	Fund-based/Term loan	FY2023	5-10%	FY2028	58.17	[ICRA]BBB+ (Stable)
NA	Long-term – Unallocated	NA	NA	NA	80.83	[ICRA]BBB+ (Stable)
NA	Short-term/Unallocated	NA	NA	NA	9.80	[ICRA]A2
NA	Non-fund based – LC/BG	NA	NA	NA	50.20	[ICRA]A2

Source: Company

Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis - Not applicable

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