THE MAN GROUP
Globally Committed
MAN Industries (India) Ltd
the line pipe people
Investor Presentation
August – 2018

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MAN Industries (India) Ltd
the line pipe people

Company Overview

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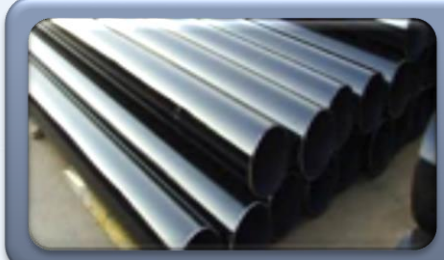
Executive Summary

Overview:-

- Man Group, promoted by Mansukhani family in 1970, incorporated its flagship company Man Industries (India) Ltd. in 1988.
- Man Industries (India) Ltd. (MIIL) is one of the largest manufacturer and exporter of large diameter carbon steel line pipes (LSAW and HSAW).
- MIIL has been exporting to various countries like USA & others in Middle East, Africa , S. America, Asia-Pac
- Listed on both BSE and NSE, with a market capitalization of around INR 7.06 Bn (as on 8th August, 2018).



Products:-

- **Longitudinal Submerged Arc Welded Pipes (LSAW):** Diameters ranging from 16" to 56"; maximum Pipe Length-12.20 meters, and a total capacity of 500,000 tonnes p.a.
- **Helically Submerged Arc Welded Pipes (HSAW)**: Diameter ranging from 18" to 130", maximum Pipe Length-18 meters, and a total capacity of 500,000 tonnes p.a.
- **Coating**: Internal & External PE, FBE coating, Cement Wet Coating (CWC), Internal blasting & painting.

Marquee Clients:-

- **Domestic Clients**: GAIL,IOCL, HPCL, BPCL, ONGC, Reliance, Adani, EIL, BHEL, L&T, Petronet India Ltd. and many more.
- **International Clients**: SHELL, Kinder Morgan, Kuwait Oil Company, Hyundai Engineering & Construction Ltd., PetroBangla - Bangladesh, NPCC-Abu Dhabi, PETROBRAS-Brazil and many more.

FY18 Consolidated Financial Performance:-

Total Income* INR 16,643 Mn

EBITDA of INR 1,813 Mn; **EBITDA Margin** at 10.9%

Net Profit INR 635 Mn

* Includes other income

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Company Profile

MAN Industries (India) Ltd
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- Incorporated in 1988, Man Industries (India) Ltd. is a flagship company of Man Group, promoted by Mansukhani family.
- The company is one of the largest Manufacturers and Exporters of LSAW and HSAW pipes in India with a Total installed capacity of 1 million tonnes.
- MIIL has two plants: one plant in Anjar, Kutch District of Gujarat and other in Pithampur, Madhya Pradesh, spread over a total of 150 acres.
- Anjar plant facilitates easy transportation to two major ports Kandla and Mundra as well as provides good connectivity to the road network.
- The company has supplied more than 12,000 Kilometers of line pipes across the world.
- MIIL has been a profit making company since inception and also a consistent dividend paying company.
- The company has had an excellent track record of promptly meeting its financial obligations in a timely manner in the toughest market conditions.

Industry Usage

Oil/Gas Transmission

Oil Refining/Exploration

Water and Sewage

Business Model

LSAW	HSAW	3LPE/FBE COATING	Cement Wet Coating
500,000 T.P.A	500,000 T.P.A	6.4 Mn sqm P.A.	1,25,000 cubic mts P.A.

Key Management

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Mr. Ramesh C. Mansukhani, The Group Executive Chairman has dedicated over 35 years of his life to the field of Manufacturing. Since the birth of Man Group he has been the core strength in its Progress. He has been the driving force behind the several new manufacturing facilities involving diverse technologies that have raised Man Group. He is actively involved in social welfare activities, Successful Business setup not only in India but also in United Kingdom and United Arab Emirates.

Board of Directors

Mr. Nikhil Mansukhani *Executive Director*	**Mrs. Heena Vinay Kalantri** *Non Executive Director*	**Mr. Kirit N Damania** *Independent Director*	**Mr. Pramod Tandon** *Independent Director*	**Mrs. Renu P Jalan** *Independent Director*

Key Management

Mr. K K Purohit *Director-Operations*	**Mr. Rajat Gupta** *President-Marketing*	**Mr. Ashok Gupta** *Chief Financial Officer*	**Mr. K G Mantri** *Sr. Vice President-Corporate Affairs*	**Mr. S H Belkhede** *Vice President-Legal & Compliance Office*

Key Milestones

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1970-1999

- **1988-** Founded and Incorporated by Mansukhani Family. Started with Aluminum Extrusion Plant at Pithampur.
- **1994-** MOU with Haeusler of Switzerland For SAW Pipe plant.
- **1996-** LSAW pipe plant established with capacity of 50,000 TPA at Pithampur, M.P.
- **1999**- HSAW Pipe plant established with capacity 50,000 TPA. LSAW Capacity Increased to 135,000 TPA.

2000-2005

- **2001-** Coating plant for PE & CTE coating established with capacity of of 2mn and 1.6mn sq.mtr. respectively.
- **2005-** A new pipe & coating complex established worth $39mn with increased capacity to 365,000 TPA LSAW.

2006-2012

- **2006-** Issued GDR of $35mn with listing on Dubai Stock Exchange. 7MW windmill Installed in Gujarat.
- **2007-** Received a prestigious order of $225mn from USA. Two new production lines of 200,000 MT each for HSAW. Demerger of Man Aluminium Ltd.
- **2012-** Entered Strategic relationship with Kobe Steel Ltd. Of Japan. Redeemed FCCBs worth $64.35mn (Including Premium), maintaining track record of 25 years of meeting Financial obligations timely.

2013-2018

- **2013-** First ever Indian company to get order from South American Market.
- **2016-** successfully commissioned state of the art 5600 Ton Hydraulic JCO press at Gujarat Plant which has been developed indigenously with in-house research, development and technical knowhow.
- **2018-** Successfully commissioned Concrete wet Coating (CWC) Plant for offshore pipe projects having capacity of 1,25,000 cubic meters p.a.

Plant Location

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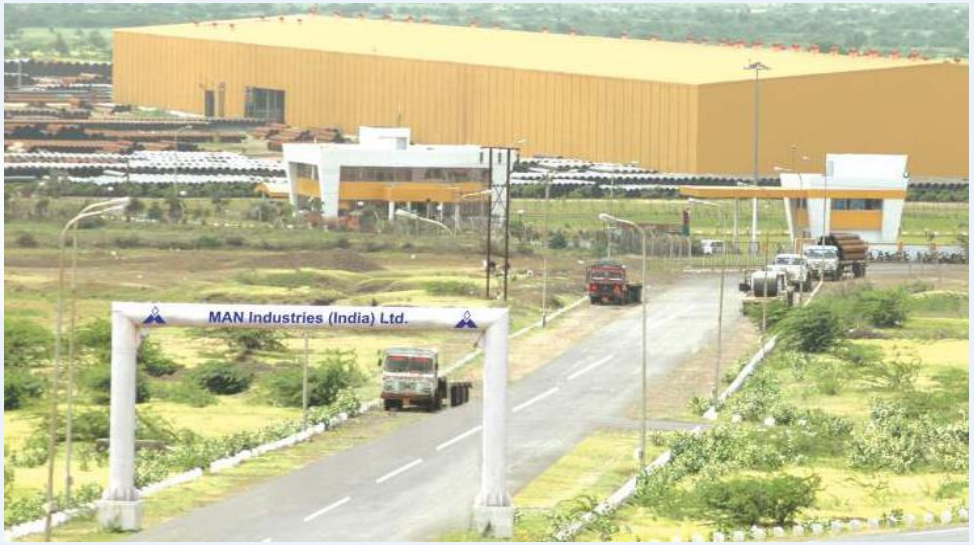
- Man Industries (India) Ltd. has two plants: one plant in Anjar, Kutch District of Gujarat and other in Pithampur, Madhya Pradesh spread over a total of 150 acres.
- The combined manufacturing capacity of both plants is 1mn T.P.A. of LSAW and HSAW Pipes.
- Anjar plant is strategically located in close proximity to Kandla and Mudra ports. The plant is also close to National Express Highway.
- With Environment Protection, Occupational Health & Safety Standards and accredited with ISO 9001, ISO 14001 and ISO 18001 Certificates, the company aims to provide highest Quality and Operating standards.

Pithampur Plant, M.P.

Anjar Plant, Gujarat.



Accolades & Certificates

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- Star Performer Award by EEPC India for Outstanding contribution to engineering exports in three successive years 2008-2009, 2009-2010 & 2010-2011.
- Government recognized 2 STAR “EXPORT HOUSE” status.
- Recipient of GAIL Award 2010-2011.
- Niryat Shree Award of FIEO 2001-2002.
- Management Excellence Award in 1995.
- Udhyog Ratna Award in 1995.
- Rajeev Ratna Award in 1994.
- EXPORT EXCELLENCE Award by EEPC India in 1993 & 1994.
- American Petroleum granted The Certificate of Authority to use the Official API Monogram.
- ISO 9001 : 2008, ISO 14001 : 2004 & BS OHSAS 18001 : 2007 certified.
- Quality Control Certificate in compliance with Quality Management System and Quality Requirement for Fusion Wielding of Metallic Materials.
- Quality Control Certificate in compliance with the requirement of Pressure Equipment Directive Product.

Key Strengths

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Industry Experience	• Mr. R.C. Mansukhani has more than three decades of experience in the industry. • Strongly established in International markets, as well as good brand reputation domestically. • Kobe Steel Ltd. Japan is into strategic relationship with the company.
Product Range	• Entire range of thickness of LSAW and HSAW pipes for various clients. • The diameter and other various specification are matched to customer demand/specification with the help of latest technology. • Different kinds of coating facilities are available with high end machinery.
Strong Global Marketing	• Received many Awards and Certificates from International Bodies and Government of India. • Exporting to various countries across the world. • Majority of clients come from Oil & Gas Transportation and Refining Sectors.

Competitive Advantages

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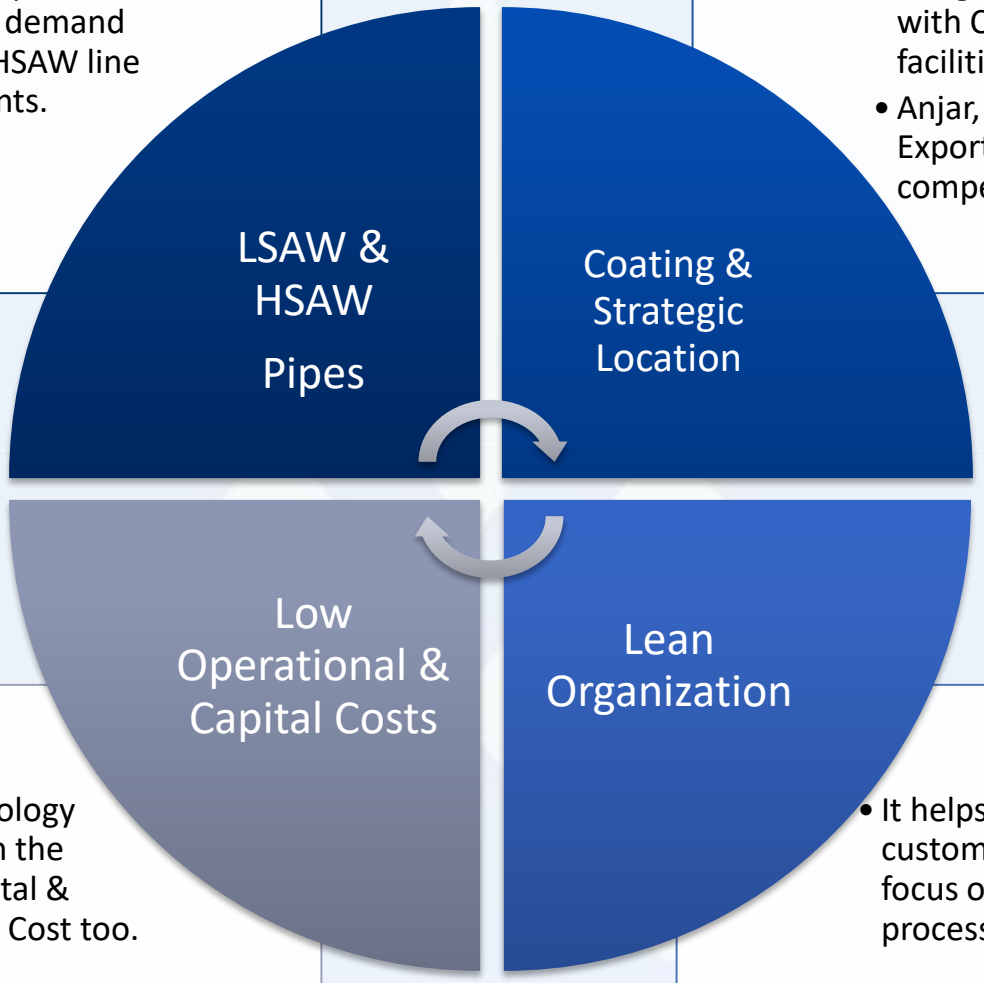
- Strategically placed to cater the demand of LSAW & HSAW line pipe segments.



- Integrated Pipe Plant with Coating facilities.
- Anjar, plant enhances Export competitiveness.

- 3RBE Technology brings down the Cost of Capital & Operational Cost too.

- It helps understand customer value and focus on its key processes.

Strategic Alliance - Kobe Steel

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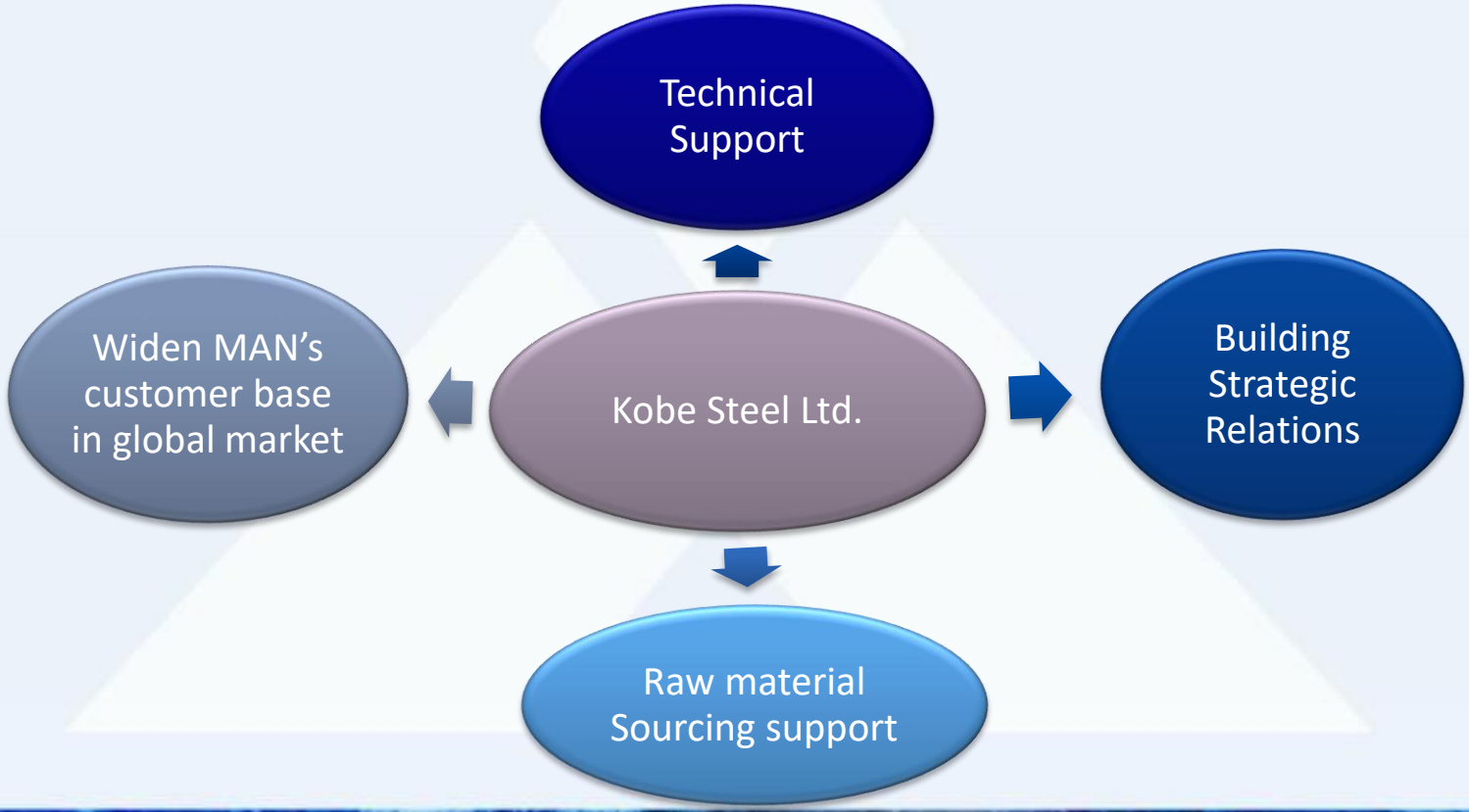
- In 2012, The company entered into Strategic relationship with Kobe Steel Ltd. (Japan)
- Kobe Steel Ltd. is a Major Japanese manufacturer of Iron and Steel.
- Kobe Steel Ltd. Japan focuses on outstanding Products and Technologies. They share strategic relations with Man Industries (India) Ltd.



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LSAW Pipes

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Manufacturing Facilities :-

- The total production capacity of both plants together is 500,000 T.P.A.
- The LSAW Line Pipes are manufactured in Diameter ranging from 16” to 56” in strict conformance to the growing Global demand of high pressure, cross-country pipeline owners and operators.
- Man Industries (India) Ltd. possess valid licenses to use API Monogram, International Standards of quality including API and NACE, and also acquire various customized approvals from reputed clients worldwide.

Technology From CHR HAEUSLER AG, Switzerland :-

- The facilities employ state-of-the-art PLC Automated JCO and 3 Roll Bending Press supplied by CHR Haeusler of Switzerland, high speed Welding Stations, productive Expander and a series of NDT and Laboratory facilities.
- In addition the facility of a COLD EXPANDING MACHINE is also available. EXPANDER is imported from EUROPE to meet the mandatory/optional requirements of Oil & Gas industry.

Application of LSAW Pipes :-

- Oil & Gas Transportation and Refining

Installed Capacity: 500,000 T.P.A

Product Range

Outside Diameter	Wall Thickness	Pipe Length(Max)	Grade
16” to 56”	6mm to 55mm	18meters	Up to API 5L X-80

HSAW Pipes

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Manufacturing Facilities :-

- The total production capacity of both plants together is 500,000 T.P.A.
- The HSAW Line Pipes are manufactured in Diameter ranging from 18" to 130" in strict conformance to the growing Global demand of high pressure, cross-country pipeline owners and operators.
- Quality Assurance of the facilities complies with the National and International Standards.

Installed Capacity: 500,000 T.P.A

Application of HSAW Pipes:-

- Oil & Gas Transportation and Refining
- River Linking Projects
- Water Supply/Sewerage.

Product Range

Outside Diameter	Wall Thickness	Pipe Length(Max)	Grade
18" to 130"	6mm to 25.40mm	18meters	Up to API 5L X-80

Coating

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Manufacturing Facilities :-

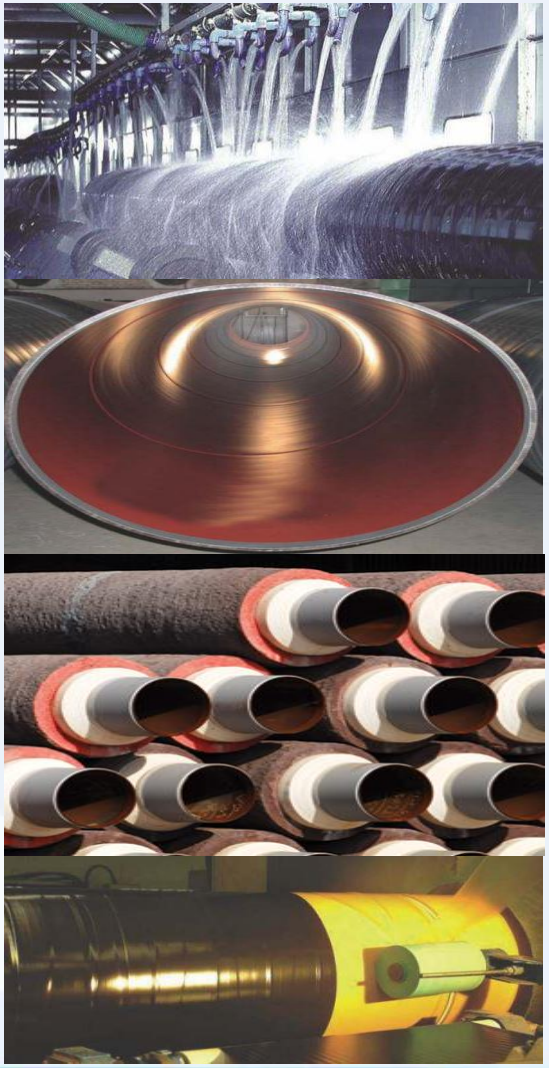
- By the use of proven Latest Technology and Raw Materials the coating is carried out to protect pipes from corrosion(Internally/Externally) and increase operational life.

Types Of Coating :-

I. **Internal & External Single Layer FBE, 3 Layer PE & 3 Layer PP Coating-**Pipe Diameter: 4" to 140". Plant Capacity: 4 million sq. m. per annum.

II. **Internal Blasting and Painting-**Pipe Diameter: 14" to 140" and above. Plant Capacity: 2.9 million sq. m. per annum.

III. **CWC-**Pipe Diameter: 16" to 48". Concrete thickness up to 120mm Plant Capacity: 1,25,000 cubic metres per annum.



Domestic Key Clientele

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DOMESTIC

International Key Clientele

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INTERNATIONAL

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Global Demand Triggers

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- Global pipe demand from 2018-22 is expected to reach $468 billion.
- Middle East, West Asia, Africa, South East Asia, Australia, Latin America and the domestic market would be key volume drivers for Indian pipe manufacturers.
- Demand for steel pipes (such as HSAW, LSAW Pipes) is increasing as the need for oil & gas, water and waste water transportation is growing.
- In the mature markets, demand for replacement pipe will also drive the pipe demand more than in the past.

MENA

- Heavy oil development
- Enhancement of refining capacities in the region
- Iraq-Jordan Crude export pipeline (Total over 1,100 KM)
- Pipeline development in Kuwait & Oman
- Saudi – substituting oil with gas for domestic consumption; emphasis on oil exports; increased demand for water pipelines
- Opening up of Iran

Asia Pacific

- Doubling of gas pipelines infrastructure to 30000 Kms; activity has just begun
- ~2.5 million MT water pipeline projects expected in near future
- Transnational projects – TAPI, Middle East to India
- City gas distribution pipeline projects in multiple cities
- Offshore development in Thailand-Myanmar region

Future Pipeline Projects				
Geographical Zone	Number of Projects	Length		Business Value
		(Km)	(Miles)	(Billion USD)
North America	485	77,000	48,000	92
Latin and Central America	58	26,000	16,000	33
Europe	177	36,000	22,000	65
Africa	89	52,000	32,000	70
Middle East	69	21,000	13,000	41
Asia	166	81,000	50,000	128
Australasia	59	25,000	16,000	39
Total	**1,103**	**3,18,000**	**1,97,000**	**468**

Source: SIMDEX

North America

- LNG export terminals in USA – first operational; more to come
- Focus on LNG export projects – Prince Rupert, Coastal Gas Link
- Transnational gas pipeline projects from USA to Mexico

Indian Demand Triggers

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- The penetration level of pipelines in oil & gas transportation is quite low at 32% in India as compared to 59% in USA and 79% globally. The low penetration of pipes in the domestic market provides a huge business opportunity.

- Domestic demand drivers:
  - Expansion of National Gas Grid in India
  - Large number of water projects across India

- On the domestic front, low penetration of pipes coupled with government's thrust on setting up National Gas Grid and revamping the water and sanitation infrastructure provides domestic business opportunity of more than Rs.30,000 crore.

- There has been a major investment in Natural Gas Grid by the Ministry of Petroleum and Natural Gas. India is also seeking to double its existing gas pipeline infrastructure of 15,000 km to 30,000 km, as the Government aims to provide a clean energy source to consumers.

- Hydrocarbon Vision 2030 for North East India for setting up 6,894 km of pipeline network with an investment of over Rs.8,000 crore.

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Standalone Income Statement**

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Particulars (INR Mn)	FY15	FY16	FY17	FY18	Q1-FY19
Total Income *	**14,015**	**14,606**	**11,346**	**16,300**	**6,367**
Expenses	12,492	12,741	10,149	14,496	5,701
EBITDA	**1,523**	**1,865**	**1,197**	**1,804**	**666**
EBITDA Margin	***10.9%***	***12.8%***	***10.55%***	***11.07%***	***10.5%***
Depreciation	425	371	401	392	110
Finance Cost	457	565	363	430	179
Exceptional Item	-	-	-	37	-
PBT	**641**	**929**	**433**	**945**	**377**
Tax	105	69	107	317	126
PAT	**536**	**860**	**326**	**628**	**251**
PAT Margin	***3.8%***	***5.9%***	***2.87%***	***3.85%***	***3.9%***
EPS (Diluted)	9.38	15.06	5.72	11.01	4.39

* Includes other income

** Prior to FY16 Financials are based on iGAAP and after FY16 financials are presented under Ind-AS

Standalone Balance Sheet as per Ind-AS

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EQUITY & LIABILITIES (INR Mn)	FY16	FY17	FY18
Shareholders' Funds			
Share Capital	286	286	286
Reserves and Surplus	5,408	5,717	6,248
Total Shareholder's Funds	**5,694**	**6,003**	**6,534**
Non Current Liabilities			
Long Term Borrowings	1,909	1,376	990
Deferred Tax Liabilities	390	369	354
Other Non Current Liabilities	52	49	37
Long Term Provisions	18	21	13
Total Non Current Liabilities	**2,369**	**1,815**	**1,394**
Current Liabilities			
Short Term Borrowings	767	2,254	1,804
Trade Payables	2,195	2,117	5,682
Other current financial liabilities	960	1,205	1,216
Other Current Liabilities	420	146	226
Short Term Provisions	50	50	67
Current tax liability	40	15	139
Total Current Liabilities	**4,432**	**5,787**	**9,134**
TOTAL	**12,495**	**13,605**	**17,062**

ASSETS (INR Mn)	FY16	FY17	FY18
Non Current Assets			
Fixed Assets			
Tangible Assets	3,465	3,430	3,554
Capital Work-in-Progress	189	53	630
Non-current Investments	1,235	1,244	1,510
Other Non Current Assets	112	80	594
Total Non Current Assets	**5,001**	**4,807**	**6,288**
Current Assets			
Current Investments	13	9	6
Inventories	1,275	1,089	4,183
Trade Receivables	2,462	3,236	3,670
Cash and Cash Equivalent	1,487	1,183	52
Bank balance other than Cash and cash equivalent	188	362	612
Short Term Loans and Advances	1,309	1,744	415
Other financials	122	97	139
Other Current Assets	637	1,078	1,697
Total Current Assets	**7,495**	**8,798**	**10,774**
TOTAL	**12,495**	**13,605**	**17,062**

Standalone Balance Sheet as per I - GAAP

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EQUITY & LIABILITIES (INR Mn)	FY14	FY15
Shareholders' Funds		
Share Capital	286	286
Reserves and Surplus	6,347	4,600
Total Shareholder's Funds	**6,633**	**4,886**
Non Current Liabilities		
Long Term Borrowings	3,098	2,647
Deferred Tax Liabilities	536	424
Other Non Current Liabilities	8	15
Long Term Provisions	131	144
Total Non Current Liabilities	**3,773**	**3,230**
Current Liabilities		
Short Term Borrowings	1,087	1,195
Trade Payables	3,626	3,984
Other Current Liabilities	447	996
Short Term Provisions	213	191
Total Current Liabilities	**5,373**	**6,366**
TOTAL	**15,779**	**14,482**

ASSETS (INR Mn)	FY14	FY15
Non Current Assets		
Fixed Assets		
Tangible Assets	4,032	3,535
Capital Work-in-Progress	19	34
Non-current Investments	190	1,010
Long Term Loans and Advances	267	741
Other Non Current Assets	498	415
Total Non Current Assets	**5,006**	**5,735**
Current Assets		
Current Investments	16	9
Inventories	1,154	1,360
Trade Receivables	2,826	4,656
Cash and Bank Balances	1,784	1,483
Short Term Loans and Advances	4,788	1,111
Other Current Assets	205	128
Total Current Assets	**10,773**	**8,747**
TOTAL	**15,779**	**14,482**

Standalone Quarterly Performance

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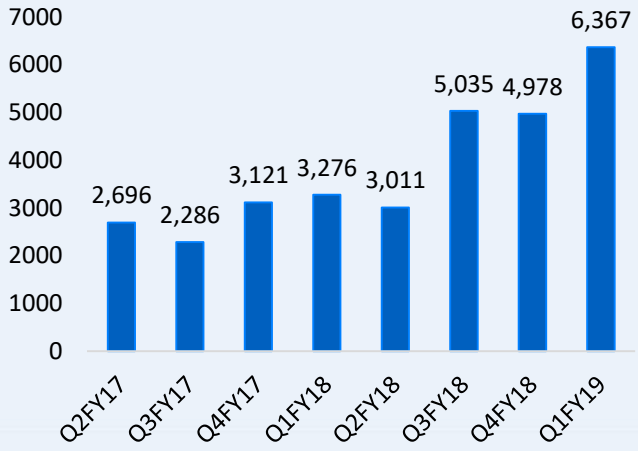
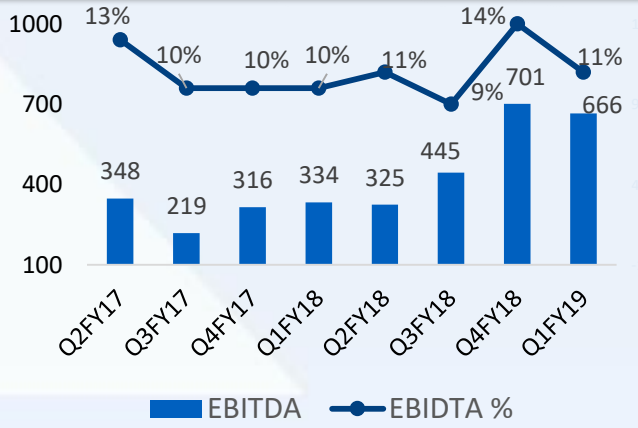
Particulars (INR Mn)	Q2FY17	Q3FY17	Q4FY17	Q1FY18	Q2FY18	Q3FY18	Q4FY18	Q1FY19
Total Income*	**2,696**	**2,286**	**3,121**	**3,276**	**3,011**	**5,035**	**4,978**	**6,367**
Operating Expense	2,348	2,067	2,805	2,942	2,686	4,590	4,277	5,701
EBITDA	**348**	**219**	**316**	**334**	**325**	**445**	**701**	**666**
EBITDA Margin(%)	***12.9%***	***9.6%***	***10.1%***	***10.2%***	***10.8%***	***8.8%***	***14.1%***	***10.5%***
Depreciation	98	109	101	98	98	99	97	110
Finance Cost	120	101	69	98	90	101	142	179
Exceptional Items	-	-	-	-	-	-	37	-
Profit Before Tax	**130**	**9**	**146**	**138**	**137**	**245**	**425**	**377**
Tax	37	18	33	37	43	75	161	126
PAT	**93**	**27**	**113**	**101**	**94**	**170**	**264**	**251**
PAT Margin(%)	***3.4%***	***1.2%***	***3.6%***	***3.1%***	***3.1%***	***3.4%***	***5.3%***	***3.9%***
Other Comprehensive Income (Net of Tax)	4	1	(6)	(4)	4	(7)	12	21
Total Income (After Comprehensive income)	**97**	**28**	**107**	**97**	**98**	**163**	**276**	**272**

Total Income (INR Mn)



EBITDA & EBITDA Margin (%)

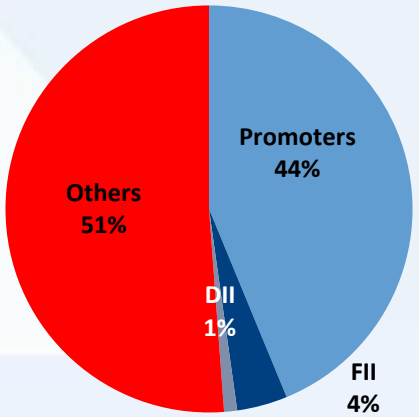


* Includes other income

Capital Market

Price Data (as on 8th August, 2018)	INR
Face Value	5.0
Market Price	123.6
52 week High/Low	161.0/73.6
Market Cap (INR Mn.)	7,057.9
Equity Shares Outstanding (Mn)	57.1
1 Year Avg. Trading Volume ('000)	757.7

Shareholding Pattern as on 30th June, 2018



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