



Investor Presentation – November 2015

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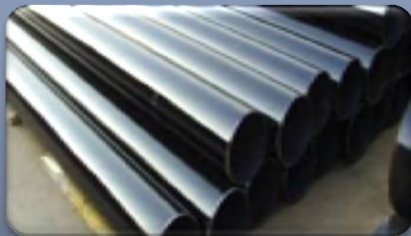


Executive Summary



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
- It is listed on both BSE and NSE, with a market capitalization of around INR 5.9 Bn (as of 30th Sept 2015).



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:** Single layer FBE, Internal blasting & painting, Coal tar Enamel, Capacity-7.8 million sq. meters p.a.



OUR CLIENTS

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.



FY15 Consolidated Financial Performance:-

Total Income* INR 13,986mn

EBITDA of INR 1,488mn ; **EBITDA Margin** at 10.64%

Net Profit INR 504mn

* Includes other income

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Company Profile

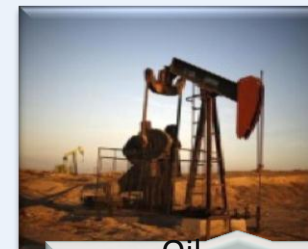


- Incorporated in 1988, Man Industries (India) Ltd. is a flagship company of Man Group, promoted by Mansukhani family.
- The company is one of the largest Manufacturers and Exporters of LSAW and HSAW pipes in India with a Total installed capacity of 1 million tonnes.
- MIIL has two plants: one plant 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 10,000 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

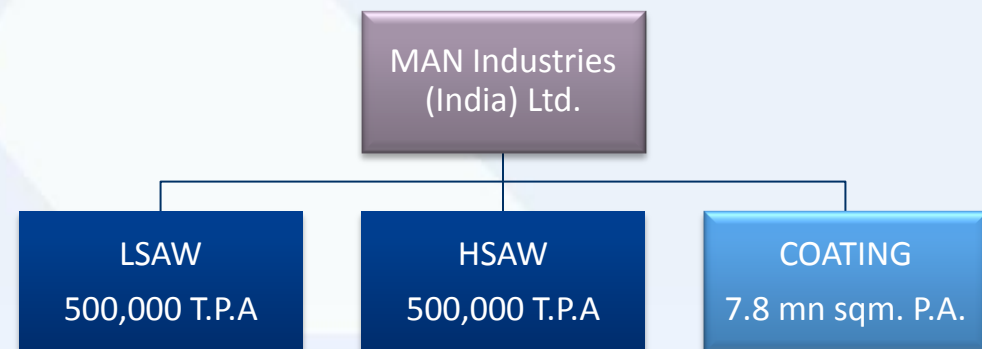


Oil
Refining/Explora
tion



Water and
Sewage

Business Model



Key Management



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

Mr. Ashok Gupta
Director and CFO

Mr. Kirit Damania
Independent Director

Mr. Pramod Tandon
Independent Director

Mr. Dhananjay Datar
Independent Director

Key Management

Mr. K K Purohit
Director-Operations

Mr. M S Arora
Director-Commercial

Mr. K G Mantri
*Sr. Vice President-Corporate
Affairs*

Mr. Mangesh Nabar
*Sr. Vice President-
Marketing*

Mr. Lalit Tolwani
*Sr. Vice President-
Operations*

Key Milestones

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 2mn and 1.6mn sq.mtr. respectively.
- **2005**- A new pipe & coating complex established worth \$39mn with increased capacity to 365,000 TPA LSAW.

2006-2008

- **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.

2009-2014

- **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**- First ever Indian company to get order from South American Market.

Plant Location

- 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.

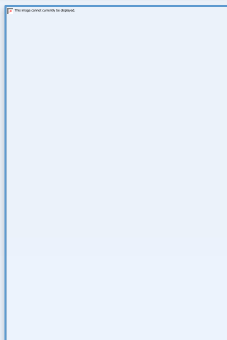
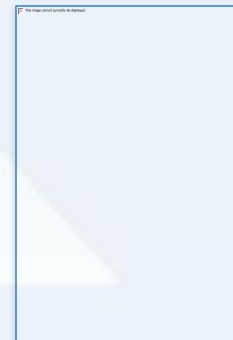
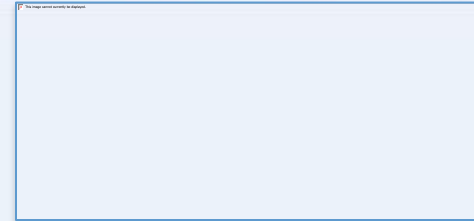


Anjar Plant, Gujarat.



Accolades & Certificates

- 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.
- Udyog 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 Institute valid till 2017.
- ISO 9001 : 2008, ISO 14001 : 2004 & BS OHSAS 18001 : 2007 certified by TUV NORD valid till 2017.
- Quality Control Certificate in compliance with Quality Management System and Quality Requirement for Fusion Welding of Metallic Materials valid till 2017.
- Quality Control Certificate in compliance with the requirement of Pressure Equipment Directive Product valid till 2017.



Key Strengths



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.

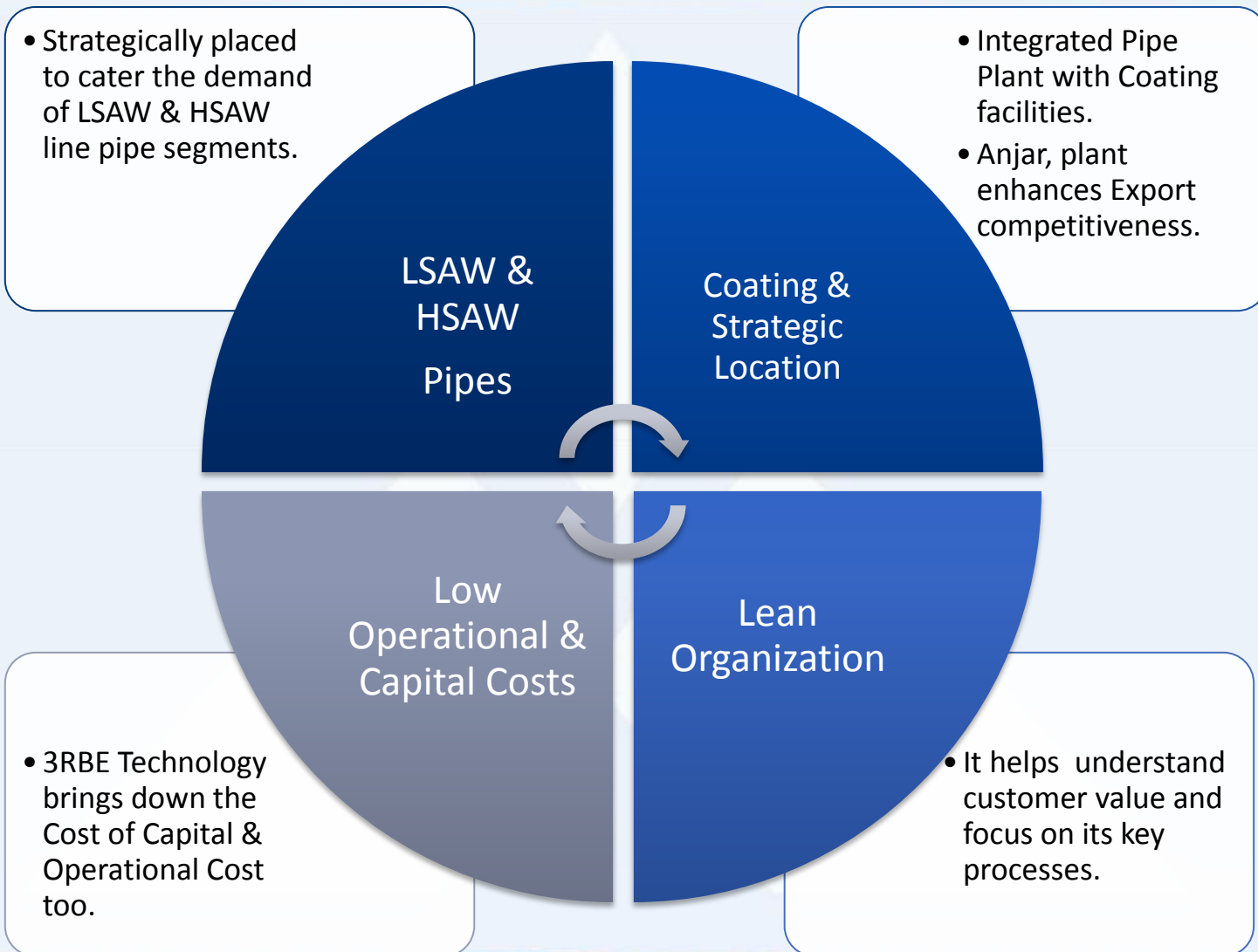
Product Range

- 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

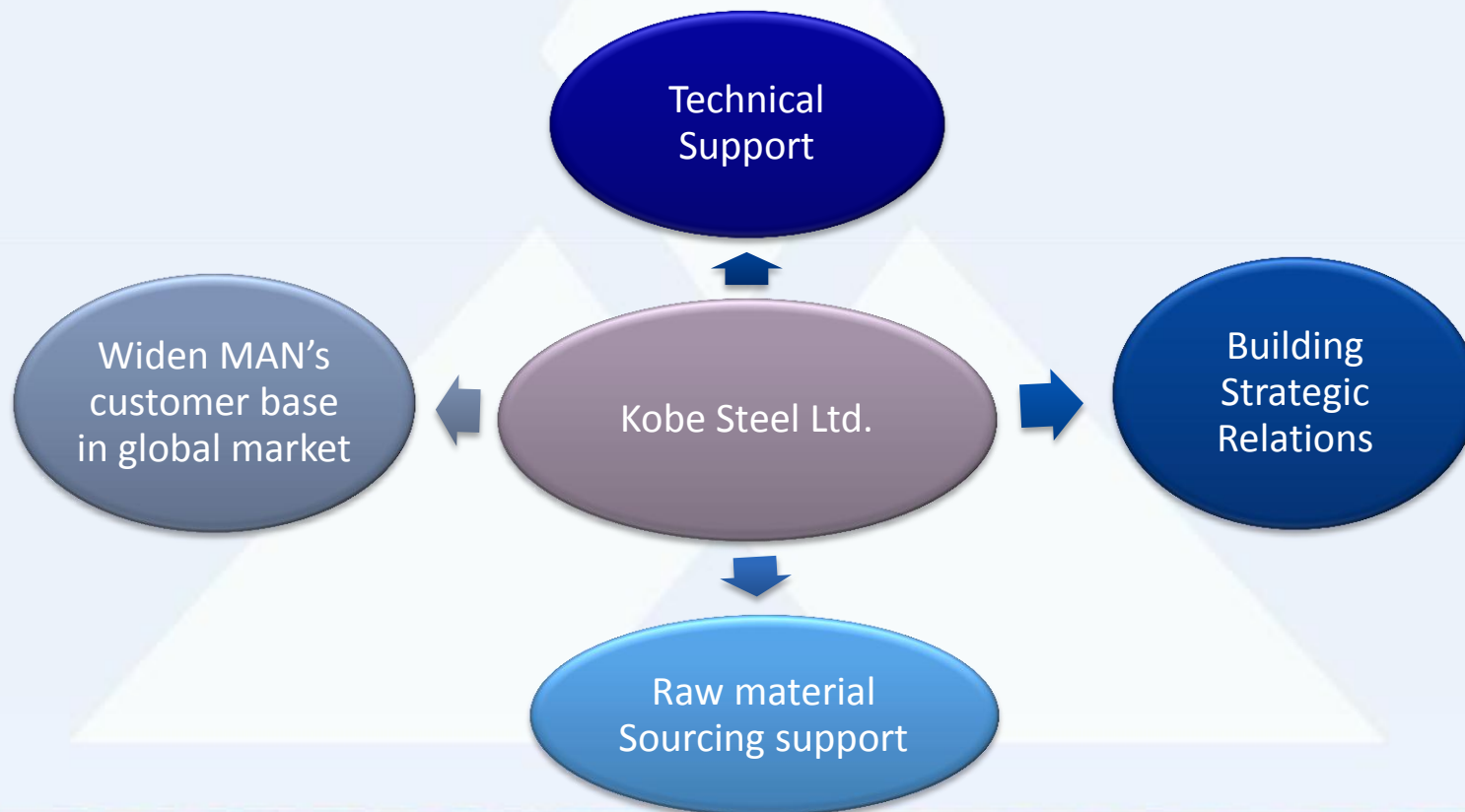
- Received many Awards and Certificates from International Bodies and Government of India.
- Exporting to various countries across the world.
- Majority of clients come from Oil & Gas Transportation and Refining Sectors.

Competitive Advantages



Strategic Alliance - Kobe Steel

- 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

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 ROMANIA 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
16" to 56"

Wall Thickness
6mm to 38mm

Pipe Length(Max)
12.20meters

Grade
Up to API 5L X-80

HSAW Pipes

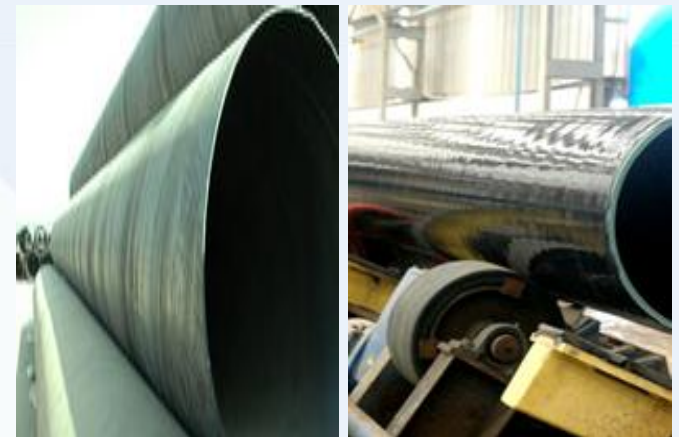
Manufacturing Facilities :-

- 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.

Application of HSAW Pipes:-

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

Installed Capacity: 500,000 T.P.A



Product Range

Outside Diameter
18" to 130"

Wall Thickness
6mm to 25.40mm

Pipe Length(Max)
18meters

Grade
Up to API 5L X-80

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. **Single Layer FBE, 3 Layer PE & 3 Layer PP Coating** (Pipe Diameter: 4" to 56". Plant Capacity: 3,900,000 sq. m. per annum).

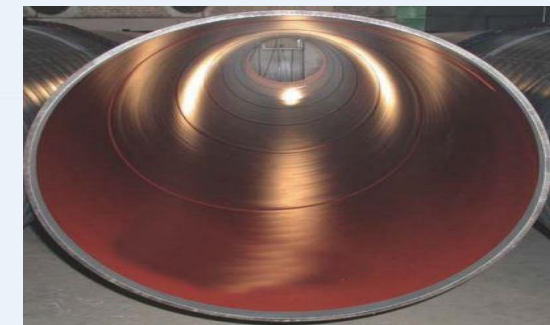
Firstly, To remove moisture heat is applied and than blast cleaned to provide roughness and inspected for cleanliness. Then the pipe is heated by electric induction and FBE is sprayed to achieve required thickness of layer. Before the FBE gels, the Co-polymer Adhesive is applied by extrusion method followed by application of PE or PP Layer.

- II. **Internal Blasting and Painting** (Pipe Diameter: 14" to 84" and above. Plant Capacity: 2,900,000 sq. m. per annum).

The pipe is being placed on the rotator of the Shot Blasting Machine and the hose pipe with a rotary turbine longitudinally to provide the required degree of roughness to the internal surface of the pipe. The blast cleaned pipe is transferred to another rotator by the means of hydraulic ejecting and receiving arms. The coating can be performed in single or double layers depending on the thickness of coating.

- III. **Coaltar Enamel Coating** (Pipe Diameter: 4" to 56" and above. Plant Capacity: 1,000,000 sq. m. per annum).

The pipe is externally shot blasted to the required standard. A layer of coaltar primer is then immediately applied on the shot blasted surface. The pipe is then transported to the coating booth, as the pipe rotates over a parabolic conveyer, the hot molten coaltar is made to fall freely under gravity on the pipe surface. As the pipe exits the booth, it is covered with the last outer wrap. Finally the pipe is passed through cooling process.



Domestic Key Clientele

DOMESTIC



International Key Clientele



INTERNATIONAL



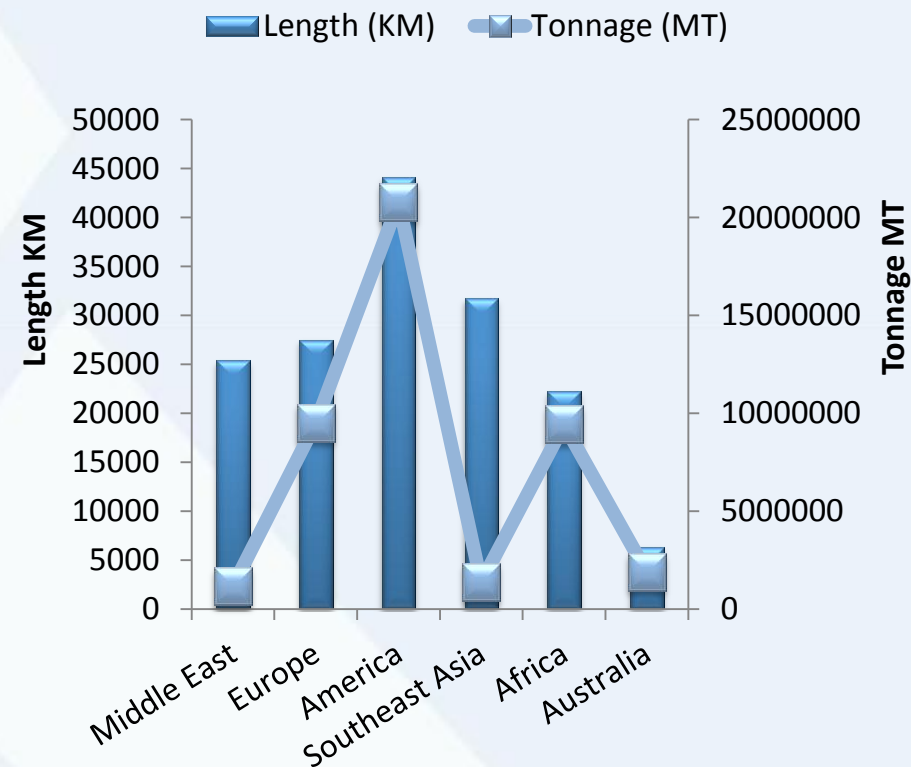
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Global Demand Triggers

- Global pipe demand from 2013-17 is expected to reach \$357 billion.
- Middle East, West Asia, Africa, South East Asia, Australia and the domestic market would be key volume drivers for Indian pipe manufacturers. These geographies account for over 40% of the total global demand of around 75 million tonnes of SAW pipes.
- Demand for steel pipes (such as HSAW, LSAW Pipes) is increasing as the need for oil & gas, water and waste water transportation is growing.
- World demand for oil and gas pipe is expected to increase 5.3% per year, reaching 51.8 million metric tons in 2017. US oil boom and Alaska Pipeline project expected to significantly boost demand.
- In the mature markets, demand for replacement pipe will also drive the pipe demand more than in the past.
- Cost Effective, Eco-friendly mode of transportation.
- The fall in oil prices forces companies to invest in efficient pipeline network in order to reduce transportation cost.
- Inter-regional oil and gas supply mismatch. Need to connect marginal oil fields with main hubs.
- Global demand for water pipe is forecasted to increase 6.8 percent per year through 2017.

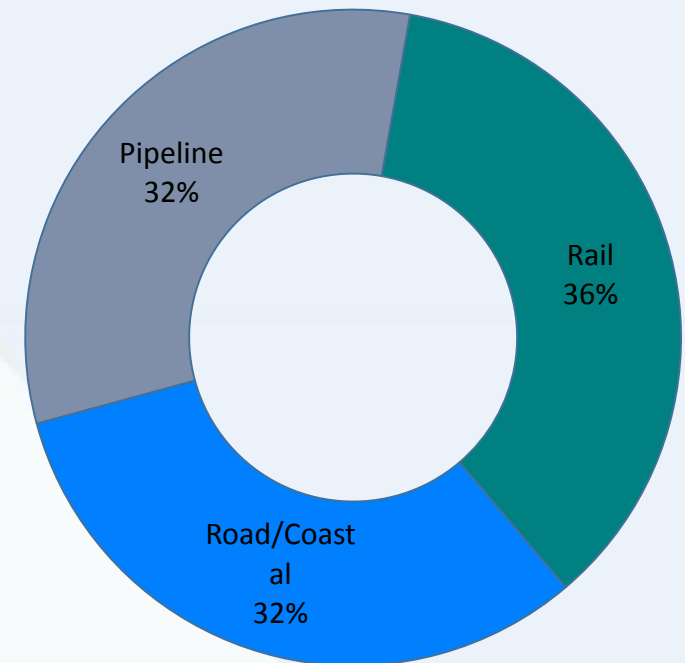
Global Pipeline Demand



Source:- Company, Simdex (industry report)

Indian Demand Triggers

Mode of Petroleum Transportation



- India is one of the largest pipe manufacturing and exporting hub in the world, due to low cost of Manufacturing and Higher Productivity.
- India's pipeline density is 3km/1000 sq km as compared to 50 km/1000 sq km in UK, China and USA. The penetration level of pipelines in oil & gas transportation is low at 32% in India as compared to 59% in USA and 79% globally.
- The oil and gas sector has been conferred the status of infrastructure recently, which is expected to push oil and gas pipelines.
- New gas finds on India's eastern coast, heavy investment is being lined up for laying pipelines across the country. As per plans, the length of trunk pipelines is set to triple to 33,000 kms in the next 4-5 years.
- With a market size of over USD 4 billion, the Indian water and wastewater market is growing at the rate of 10%–12% every year. Government-related projects contribute over 50% of the revenues generated by this market, while the private sector contributes the rest.
- India is expected to invest USD 11 billion in developing infrastructure in 63 of the largest cities, with an emphasis on water supply and sanitation.

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Standalone Income Statement



Particulars (INR Mn)	FY13	FY14	FY15	H1FY16
Total Income *	15,415	10,361	14,015	7,624
Expenses	12,624	9,503	12,492	6,578
EBITDA	2,791	858	1,523	1,046
EBITDA Margin	18.1%	8.3%	10.9%	13.72%
Depreciation	388	318	425	190
Finance Cost	441	418	457	295
Extra-Ordinary Items	541	-	-	-
PBT	1,421	123	641	561
Tax	378	23	105	181
Deferred Tax	36	11	-	-
PAT	1,007	89	536	380
PAT %	6.5%	0.9%	3.8%	4.98%
EPS (Diluted)	17.32	1.56	9.38	6.65

* Includes other income

Standalone Balance Sheet



EQUITY & LIABILITIES (INR Mn)	FY14	FY15	H1FY16	ASSETS (INR Mn)	FY14	FY15	H1FY16
Shareholders' Funds				Non Current Assets			
Share Capital	286	286	286	Fixed Assets			
Reserves and Surplus	6,347	4,600	4,992	Tangible Assets	4,032	3,535	3,511
Total Shareholder's Funds	6,633	4,886	5,278	Capital Work-in-Progress	19	34	80
Non Current Liabilities				Non-current Investments	190	1,010	1,010
Long Term Borrowings	3,098	2,647	2,381	Long Term Loans and Advances	267	741	93
Deferred Tax Liabilities	537	424	412	Other Non Current Assets	498	415	405
Other Long Term Liabilities	8	15	13	Total Non Current Assets	5,006	5,735	5,099
Long Term Provisions	131	144	12	Current Assets			
Total Non Current Liabilities	3,774	3,230	2,818	Current Investments	16	9	8
Current Liabilities				Inventories	1,154	1,360	1,394
Short Term Borrowings	1,087	1,195	1,470	Trade Receivables	2,825	4,656	3,622
Trade Payables	3,626	3,984	2,872	Cash and Bank Balances	1,784	1,483	416
Other Current Liabilities	447	996	1,198	Short Term Loans and Advances	4,788	1,111	3,184
Short Term Provisions	213	191	353	Other Current Assets	205	128	266
Total Current Liabilities	5,373	6,366	5,893	Total Current Assets	10,773	8,747	8,890
TOTAL	15,779	14,482	13,989	TOTAL	15,779	14,482	13,989

Consolidated Income Statement



Particulars (INR Mn)	FY12	FY13	FY14	FY15
Total Income *	17,666	15,632	10,362	13,986
Expenses	15,736	13,217	9,502	12,498
EBITDA	1,930	2,415	860	1,488
EBITDA Margin	10.9%	15.4%	8.3%	10.6%
Depreciation	409	395	318	425
Finance Cost	270	442	418	459
Extra-Ordinary Items	49	541	0	-
PBT	1,202	1,037	124	604
Tax	501	378	23	100
Deferred Tax	(10)	37	11	-
PAT	711	622	90	504
PAT %	4.0%	4.0%	0.9%	3.6%
EPS (Diluted)	12.86	10.7	1.58	8.82

* Includes other income

Consolidated Balance Sheet

EQUITY & LIABILITIES (INR Mn)	FY13	FY14	FY15	ASSETS(INR Mn)	FY13	FY14	FY15
Shareholders' Funds				Non Current Assets			
Share Capital	299	286	286	Fixed Assets			
Reserves and Surplus	6,249	6,321	4,539	Tangible Assets	3,972	4,049	3,566
Total Shareholder's Funds	6,548	6,607	4,825	Intangible Assets	2	0	0
Non Current Liabilities				Capital Work-in-Progress	33	19	34
Long Term Borrowings	2,986	3,098	3,168	Goodwill on consolidation	303	0	598
Deferred Tax Liabilities	526	537	418	Non-current Investments	43	182	17
Other Long Term Liabilities	45	8	15	Long Term Loans and Advances	1,085	285	104
Long Term Provisions	130	131	144	Other Non Current Assets	538	498	423
Total Non Current Liabilities	3,687	3,774	3,745	Total Non Current Assets	5,976	5,033	4,742
Current Liabilities				Current Assets			
Short Term Borrowings	2,377	1,087	1,195	Current Investments	107	16	9
Trade Payables	2,248	3,626	3,993	Inventories	4,370	1,154	2,723
Other Current Liabilities	785	447	1,044	Trade Receivables	3,325	3,012	4,855
Short Term Provisions	253	213	191	Cash and Bank Balances	1,689	1,787	1,483
Total Current Liabilities	5,663	5,373	6,423	Short Term Loans and Advances	351	4,573	1,096
TOTAL	15,897	15,753	14,993	Other Current Assets	79	178	85
				Total Current Assets	9,921	10,720	10,251
				TOTAL	15,897	15,753	14,993

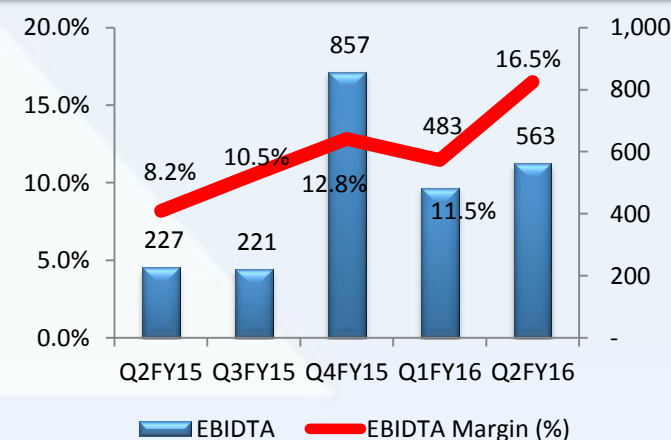
Standalone Quarterly Performance

Particulars (INR Mn)	Q2FY15	Q3FY15	Q4FY15	Q1FY16	Q2FY16
Total Income*	2,774	2,097	6,682	4,213	3,411
Operating Expense	2,547	1,876	5,825	3,730	2,848
EBITDA	227	221	857	483	563
EBITDA Margin(%)	8.2%	10.5%	12.8%	11.5%	16.5%
Depreciation	97	97	140	94	96
Finance Cost	90	101	174	136	159
Profit Before Tax	40	23	543	253	308
Tax	3	4	95	76	105
PAT	37	19	448	177	203
PAT Margin(%)	1.3%	0.9%	6.7%	4.2%	5.9%

Net Income (INR Mn)



EBITDA & EBITDA Margin (%)



* Includes other income

Capital Market

— MAN INDUSTRIES — SENSEX

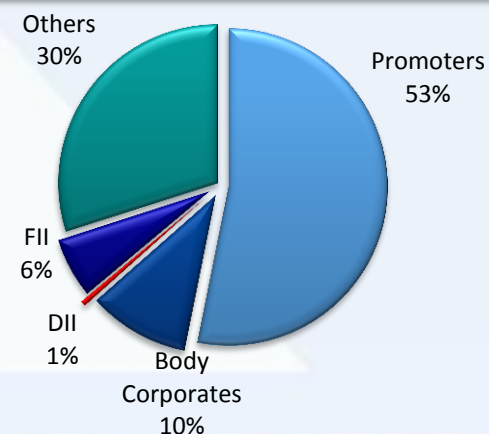


Price Data (As of 30th Sept 2015)

INR

Face Value	5
Market Price	103.10
52 week H/L	128.40 / 44.40
Market Cap (INR Mn.)	5,887
Equity Shares Outstanding (mn)	57
1 Year Avg. Trading Volume ('000)	765

Shareholding Pattern as on 30th Sept 2015



Disclaimer



Man Industries (India) Ltd.

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