Man Industries (India) Ltd

Strategic Expansion and High-Margin Export Dominance

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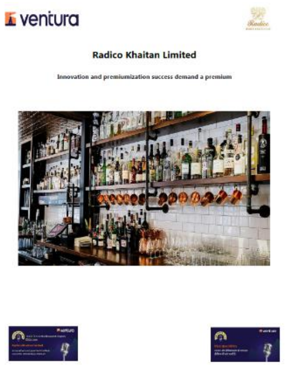
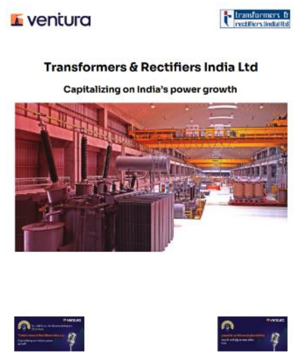


Radico Khaitan



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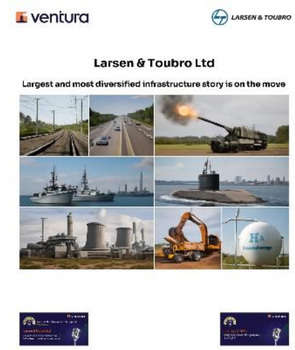

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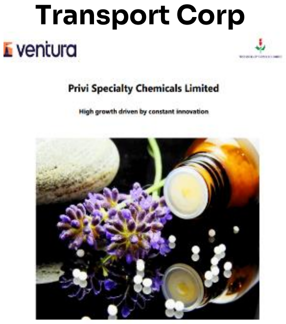

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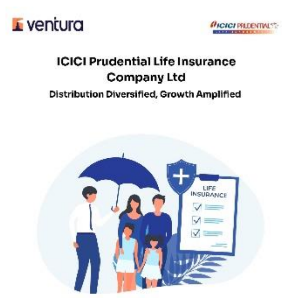
Samhi Hotels



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SBI Life

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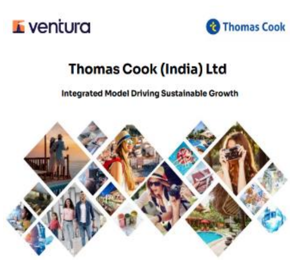
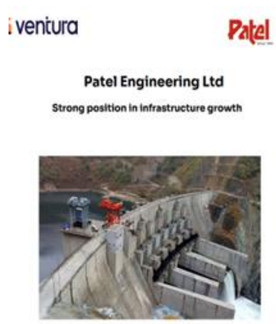
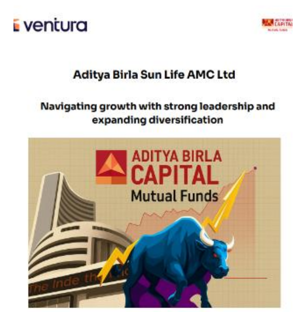


Thomas Cook



Patel Engineering

SPML Infra



Aditya Birla AMC

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the line pipe people

BUY @ CMP INR 387 | **Target: INR 547 in 24 months** | **Upside Potential: 41.0%**

Strategic Expansion and High-Margin Export Dominance

Business Model - Man Industries (India) Ltd (MAN INDIA) obtains ~ 90% of its core revenue from LSAW & HSAW pipes segment and the other ~10% from ERW pipes. With a total current order book of ~3500 crore, it derives 70-80% of its revenue from exports and the balance from domestic sales. It also recognized around INR 368 cr real state income in FY25 from the sale of non-core asset.

MAN INDIA, with over three decades since inception, has a total installed capacity of ~ 1.22 MTPA pipe manufacturing capacity. It is one of the largest manufacturers and exporters of large-diameter steel pipes (LSAW, HSAW & ERW). The company operates two state-of-the-art facilities with a combined revenue potential exceeding INR 5,000 cr. In addition to this, it is now expanding its footprint with two new facilities:

- **H-Saw pipes plant in Dammam, Saudi Arabia, with a capacity of 3,00,000 TPA (revenue potential of ~INR 3,000 cr at full capacity). The upcoming Saudi plant benefits from local production incentives.**
- **Greenfield plant in Jammu, marking its entry into the stainless steel seamless pipes segment with a capacity of 20,000 TPA (revenue potential of ~ INR 1,000-1,200 cr). Margins are expected to be ~ 18-20%—significantly higher than the current operating margins and hence, will be margin accretive.**

Both plants built at a total capex of INR 1,190 cr, are expected to commence operations in FY27. These strategic expansions will significantly enhance MAN INDIA's product portfolio and global competitiveness.

Building on ongoing capacity expansion and strong revenue visibility from existing facilities, we expect MAN INDIA total revenue to grow at a strong 18.9% CAGR over FY25-28, reaching INR 5,899 cr. This is backed by a strong bid order book of ~INR 15,000 cr with an anticipated conversion rate of 20%. The projection also factors in expected inflows of INR 100-120 cr from the real estate segment, stemming from a DoA signed for monetizing non-core assets.

We expect EBITDA/net profit to grow at a CAGR of 22.9%/23.2% to INR 560cr /INR 286 cr over the forecast period. EBITDA margin is expected to rise by 89 bps to 9.5%, supported by a higher share of value-added products and export orders, which offer better margins than domestic projects. Net margin is projected to rise by 48 bps to 4.9%, and ROE is expected to increase by 353 bps to 13.1% .

Valuation call: We initiate coverage with a buy for a DCF based price target of INR 547 (14.3 X FY28 P/E) representing an upside of 41.0% from the current CMP of INR 387 over the next 24 months.

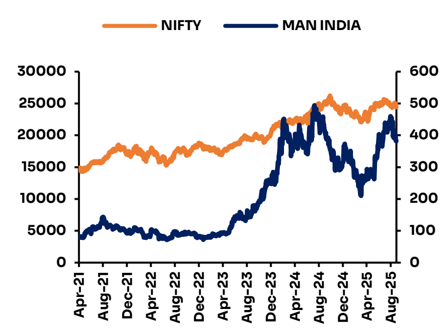
Risks: Global economic downturn and volatility in RM prices.

Industry	Steel Pipes

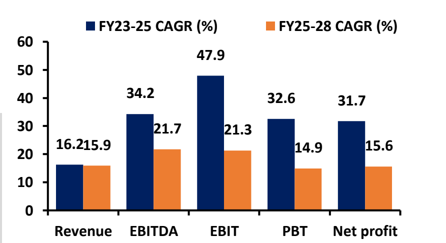
Scrip Details	
Face Value (INR)	5.00
Market Cap (INR Cr)	2,902
Price (INR)	387
No of Sh O/S (Cr)	7.5
1M Avg Vol (000)	4,08,838
52W H/L (INR)	469/ 201
Dividend Yield (%)	0.52

Shareholding (%)	Jul 2025
Promoter	43.2
Institution	4.1
Public	52.7
TOTAL	**100.0**

Price Chart



Financial Growth – Past vs Projection



Key consolidated financial data (INR Cr, unless specified)

	Net Revenue	EBITDA	Net Profit	EBITDA (%)	Net (%)	EPS (₹)	BVPS (₹)	RoE (%)	P/E (X)	EV/EBITDA (X)
FY24	3,142.2	241.2	105.1	7.7	3.3	14.0	187.3	7.5	27.6	11.3
FY25	3,505.4	301.4	153.2	8.6	4.4	20.4	214.3	9.5	18.9	9.8
FY26E	3,672.0	312.2	152.1	8.5	4.1	20.3	234.6	8.6	19.1	11.6
FY27E	5,085.8	470.7	208.3	9.3	4.1	27.8	262.3	10.6	13.9	7.5
FY28E	5,899.2	560.0	286.3	9.5	4.9	38.2	294.8	12.9	10.1	6.1

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Why invest in MAN Industries ?

Key expansion projects are fueling revenue growth: MAN INDIA is undertaking heavy CAPEX to support its expansion and diversification. The Jammu Plant, set to manufacture stainless steel seamless pipes, is on track to become operational in Q4FY26. This Greenfield project is expected to generate INR 1,000-1,200 crore in revenue at full capacity, with a project cost of INR 564 crore, and INR 282 crore already committed. Notably, government subsidies will lower the effective interest rate to 3.5-4%.

Internationally, the company is expanding its footprint with a new plant in Dammam, Saudi Arabia, which is expected to become operational in Q4FY26. The Saudi plant will focus on line pipe manufacturing and coating facilities to cater to the growing demand in the region. Setup at an estimated project cost of INR 600 crore, at peak utilisations revenue potential is of ~ INR 3,000 crore.

Strategic Exapnsion: MAN INDIA is expanding with a Jammu plant (20 MTPA for stainless steel seamless pipes) and a Dammam plant in Saudi Arabia (300 MTPA for HSAW pipes, along with coating facilities), both operational by Q4FY26.

The company expects an overall 50-100 bps improvement in EBITDA margins over FY25-28E, driven by multiple factors:

ERW Segment Growth, Increase Focus on VAP, oprerational efficiency, Low Debt costs ,Import Duty Advantage , export oriented business model etc.

The company maintains a **healthy order book** and **significant bid pipeline.**

Current Order Book: the unexecuted order book stands at **INR 3,500 crore**, set for execution in FY'26. **The company also holds a bid pipeline of INR 15,000 crore, with expected 20% conversion, supported by its accreditation in 25 countries.**

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Margin enhancement through operational efficiency and High-Value product focus: **MAN INDIA is driving margin enhancement through operational efficiencies and a focus on high-value products. Automation and energy efficiency initiatives have reduced production costs, while the company's shift to value-added products like bends and special coatings boosts profitability. Exports, which make up 80-90% of the order pipeline, further contribute to higher margins.**

A Far East order, set to feature value-added products like bends and special coatings, is expected to contribute an 11% margin with execution started in Q1 FY'26.

The ERW segment, now contributing 10% of revenue, is gaining traction with API certifications and export orders. The Jammu plant, with subsidized debt financing at 3.5-4%, supports margin improvement, while raw material hedging ensures stability against price fluctuations. With Saudi Arabia's plant set to generate INR 3,000 crore in revenue, it is expected to achieve an EBITDA margin between 12% to 15%.

Strong order book and robust bid pipeline, positioning for growth:

MAN INDIA maintains a **healthy order book** and **significant bid pipeline**, indicating strong future revenue potential. As of March 31, 2025, the company's **unexecuted order book** stands at **INR 3,500 crore**, scheduled for execution within **FY'26**, providing a solid foundation to meet its targets for the year. In addition, the company has a **robust bid pipeline** of **INR 15,000 crore**, with **80-90%** of the pipeline being international, reflecting its strong global presence.

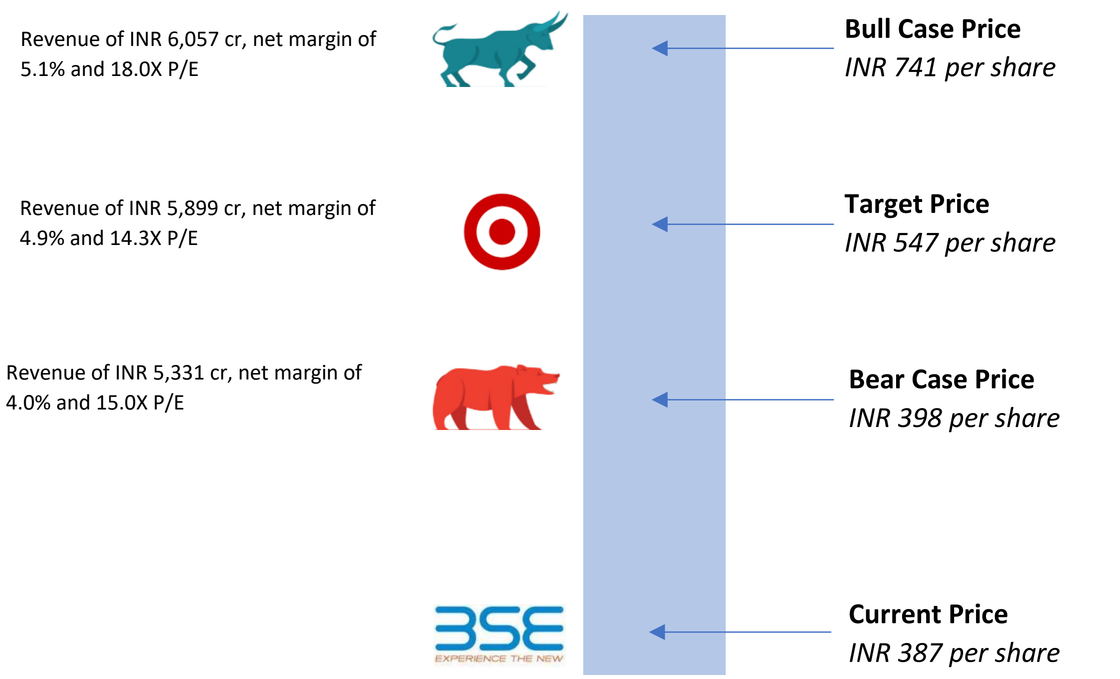
The company expects orders to materialize "in the near term" and notes that while the order book has seen fluctuations in recent quarters, it is not unusual due to the irregular nature of project evaluations and order wins. Execution timelines for projects typically range from **6 to 18 months**, and **Q3 and Q4 of FY'26** are expected to be the busiest periods, with significantly better financial performance compared to H1.

Our Bull and Bear Case Scenarios

We have prepared likely Bull and Bear case scenarios for FY28 price, based on revenue growth, net margins and P/E multiples.

- **Bull Case:** We have assumed revenue of INR 6,057 cr (20.0% 3-year CAGR) and a net margin of 5.1% at a P/E of 18X, which will result in a Bull Case price target of INR 741 per share (an upside of 91.6% from CMP).
- **Bear Case:** We have assumed revenue of INR 5,331cr (15.0% 3-year CAGR) and a net margin of 4.0% at a P/E of 14X, which will result in a Bear Case price target of INR 398 per share (an upside of 2.9% from CMP).

Bull & Bear Case Scenario



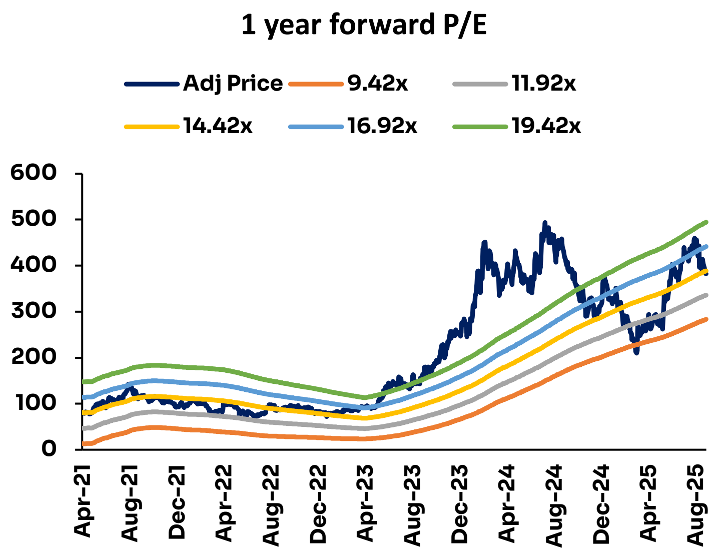
Source: BSE & Ventura Research

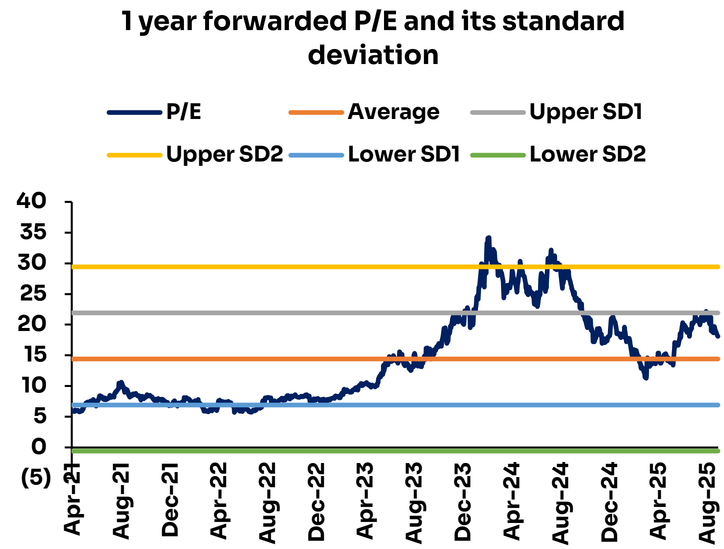
Consensus vs Ventura Estimates

Consensus vs Ventura Estimates	FY25	FY26E	FY27E	FY28E	FY25-28E CAGR (%)
Revenue (INR cr)					
Consensus	3,505.4	3,895.9	4,769.9	5,794.6	*18.2*
YoY Growth (%)	*11.6*	*11.1*	*22.4*	*21.5*	
Ventura Estimates	3,505.4	3,672.0	5,085.8	5,899.2	*18.9*
YoY Growth (%)	*11.6*	*4.8*	*38.5*	*16.0*	
EBITDA (INR cr) & EBITDA margin (%)					
Consensus	301.4	365.8	500.4	633.6	*28.1*
Consensus Margin (%)	*8.6*	*9.4*	*10.5*	*10.9*	
Ventura Estimates	301.4	312.2	470.7	560.0	*22.9*
Ventura Margin (%)	*8.6*	*8.5*	*9.3*	*9.5*	
Net Profit (INR cr) & Net margin (%)					
Consensus	153.2	194.4	235.9	332.4	*29.5*
Consensus Margin (%)	*4.4*	*5.0*	*4.9*	*5.7*	
Ventura Estimates	153.2	152.1	208.3	286.3	*23.2*
Ventura Margin (%)	*4.4*	*4.1*	*4.1*	*4.9*	
EPS (INR)					
Consensus	20.4	25.9	31.5	44.3	*22.4*
Ventura Estimates	20.4	20.3	27.8	38.2	*18.6*
Valuation					
P/E Ratio (X)					
Consensus	18.9	14.9	12.3	8.7	
Ventura Estimates	18.9	19.1	13.9	10.1	

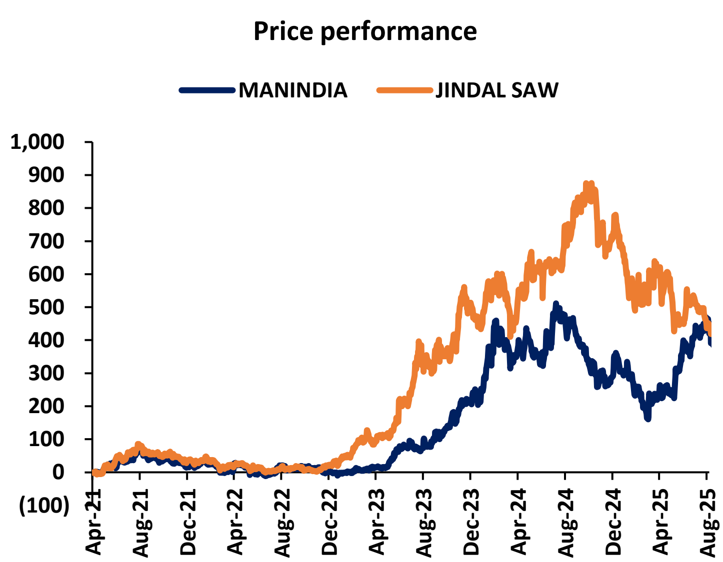
Source: Ventura Research and Bloomberg estimates

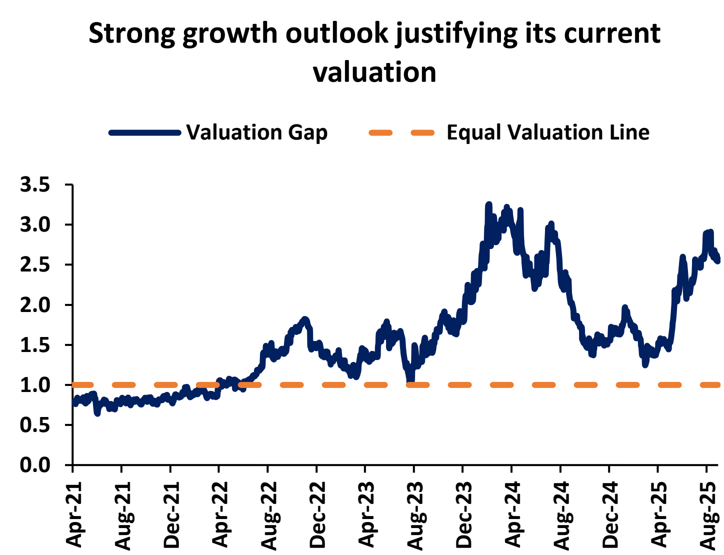
Strong growth outlook and improving margins profile could re-rate the valuation





MANINDIA v/s Jindal Saw





Source: ACE Equity, Company Reports & Ventura Research

Phases of MAN INDIA's financial performance

We have analyzed MAN INDIA's 15-year financial performance, a period marked by multiple market cycles. Throughout, the company demonstrated resilience and a consistent focus on strengthening its balance sheet—without resorting to equity dilution.

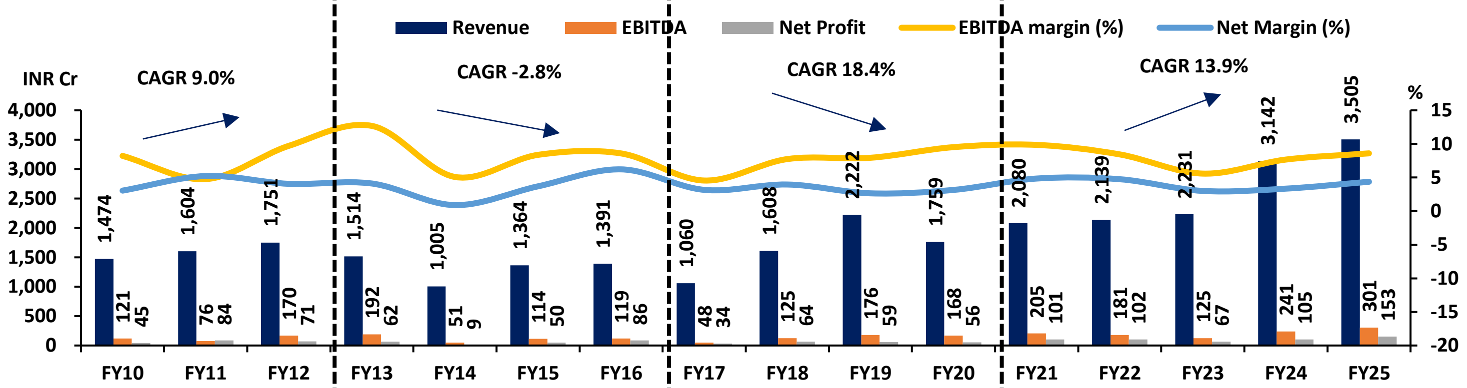
15 years of MAN INDIA's business performance

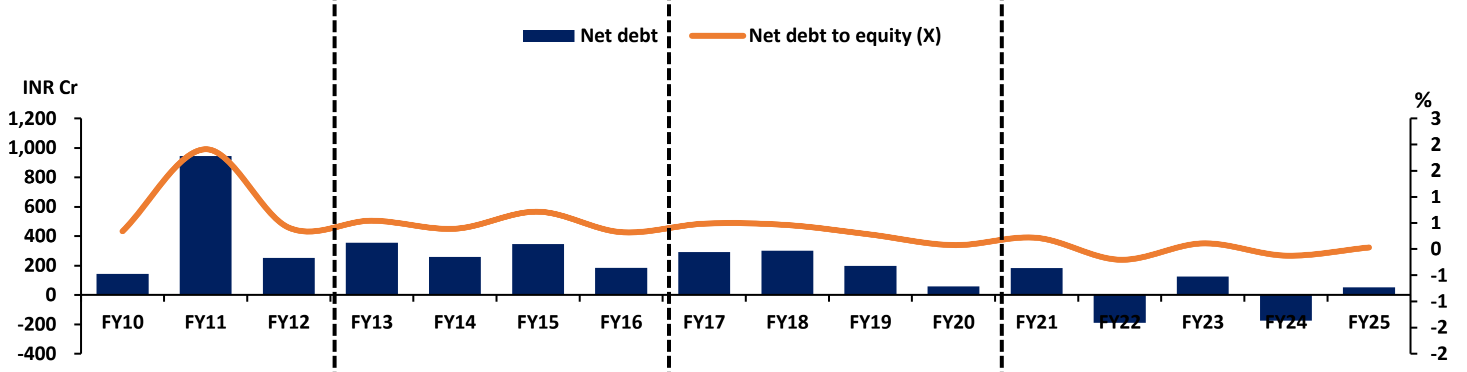
Following the 2008 global meltdown, MAN INDIA maintained a stable revenue stream, with figures rising from INR 1,474 cr in FY10 to INR 2,222 cr in FY19. However, volatile EBITDA margins, peaking at 12.7% in FY13 and dipping to 4.56% in FY17, were a result of both market conditions and operational challenges.

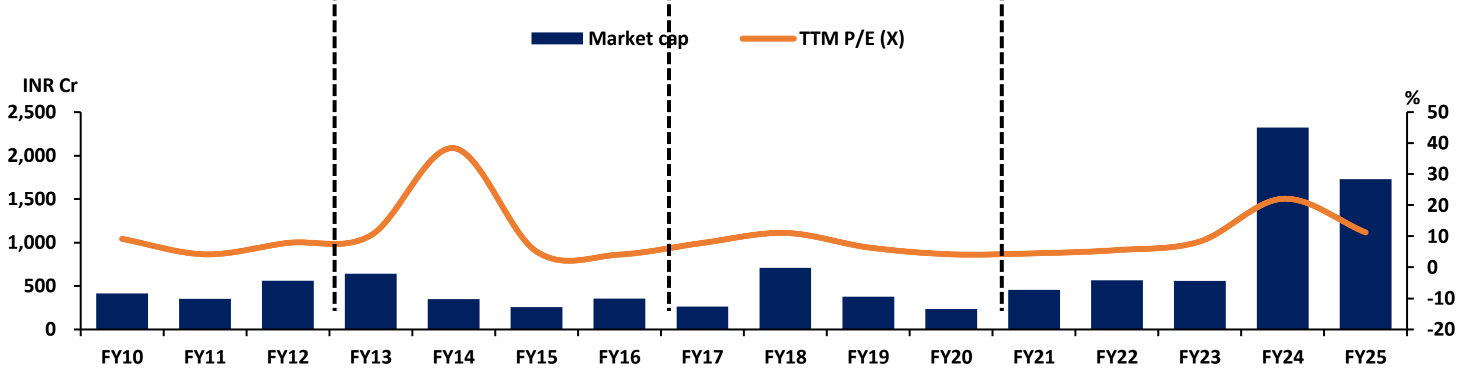
After FY13, MAN INDIA faced economic slowdown and banking NPAs, which dampened demand. Revenue fell to INR 1,005 cr in FY14; though it rebounded later, EBITDA margins were volatile, hitting a low of 4.56% in FY17 due to market and operational pressures.

MAN INDIA saw a notable improvement in revenue and profitability, supported by favorable government policies and increased investment in tourism, which boosted market sentiment and demand.

MAN INDIA demonstrated remarkable resilience and **post-pandemic recovery** in the wake of the **COVID-19 crisis**, which severely impacted industries globally. **FY20** and **FY21** saw a significant downturn, but **Man Industries** quickly capitalized on the recovery. By **FY22**, revenue surged to **INR 2,139 crore**, and **EBITDA margins** improved to **8.44%**, supported by **favorable government policies** and strategic investments.







Valuation and comparable metrics of domestic and global companies

	Mkt Cap	Price	PEG (x)	P/E (X)			EV/Sales (X)			EV/EBIDTA (X)			RoE (%)			RoIC (%)			Sales			EBITDA Margin (%)			Net Margin (%)		
				2025	2026	2027	2025	2026	2027	2025	2026	2027	2025	2026	2027	2025	2026	2027	2025	2026	2027	2025	2026	2027	2025	2026	2027
Domestic Peers (fig in INR cr, unless specified)																											
Man industries	2,902.5	387.0	0.7	18.9	19.1	13.9	1.4	1.1	0.9	17.7	14.5	11.9	13.5	14.6	16.3	13.6	14.5	15.2	3,505	3,672	5,086	8.6	8.5	9.3	4.4	4.1	4.1
Jindal SAW	12,781.2	199.9	0.5	7.4	6.7	5.5	0.8	0.8	0.7	5.1	4.5	3.7	15.2	14.5	15.3	18.2	20.4	21.2	20,829	20,561	22,198	16.5	17.2	17.4	8.3	9.3	10.5
Welspun Corp	22,974.7	871.6	0.8	12.0	15.8	13.5	1.6	1.3	1.1	13.5	11.1	9.4	25.5	17.0	17.0	19.4	20.0	21.0	13,978	17,607	21,170	11.9	12.1	12.0	13.7	8.3	8.0
Ratnamani metals	16,688.9	2,381.0	1.8	30.7	26.7	22.5	3.3	3.1	2.6	20.8	18.2	15.4	15.0	15.0	15.6	21.1	22.7	23.7	5,186	5,472	6,323	15.9	16.9	17.2	10.5	11.4	11.7
APL Apollo Tubes	44,549.5	1,604.6	1.6	58.8	39.3	31.2	2.2	1.9	1.6	37.4	26.2	21.0	18.0	22.0	22.4	23.4	31.0	35.1	19,996	23,874	28,025	6.0	7.1	7.5	3.8	4.7	5.1
Maharahtra Seamless	8,774.4	654.9	1.8	11.3	11.3	10.0	1.2	1.1	0.9	7.1	6.5	5.3	12.3	11.1	11.3	20.0	19.2	20.4	5,269	5,426	5,932	17.5	17.2	17.9	14.8	14.4	14.8
Hi-Tech Pipes	1,752.0	86.3	0.5	24.0	16.0	11.2	0.6	0.5	0.4	10.9	9.5	7.3	5.8	8.1	10.4	11.1	11.4	13.9	3,068	3,769	4,687	5.2	5.5	5.8	2.4	2.9	3.3
Sambhv Steel	3,590.6	121.9	1.5	61.9	34.4	31.3	2.2	2.0	1.8	21.0	16.5	14.3	11.7	19.1	19.3	19.1	19.8	20.3	1,511	1,632	1,795	10.3	12.0	12.5	3.8	6.4	6.4
JTL Industries	2,953.6	73.3	0.8	29.9	24.1	16.3	1.5	1.1	0.8	22.7	16.4	10.6	7.9	7.7	10.3	9.1	8.7	13.9	1,916	2,524	3,394	6.4	6.7	7.5	5.2	4.9	5.3
Venus Pipes	2,580.8	1,259.4	1.1	44.5	24.7	22.5	2.2	1.4	1.8	21.0	11.3	14.3	11.7	19.1	19.3	19.1	19.8	20.3	1,511	1,632	1,795	10.3	12.0	12.5	3.8	6.4	6.4
Electrosteel Castings	6,015.6	97.3	1.7	60.9	49.0	33.3	0.4	0.5	0.4	22.7	16.4	10.6	7.9	7.7	10.3	9.1	8.7	13.9	7,293	6,047	6,768	1.7	2.8	3.8	1.4	2.0	2.7
Global Peers (fig in USD mn, unless specified)																											
Group Five Pipe Saudi Ltd	317.1	11.3	2.4	30.9	25.7	21.4	1.5	1.3	1.0	17.6	14.4	11.6	10.7	10.8	11.0	8.0	8.5	9.0	337	398	464	8.6	8.7	8.8	3.0	3.1	3.2
EAST Pipes Integrated Co	900.7	28.6	0.6	12.6	8.8	8.0	0.3	0.3	0.3	10.3	7.7	6.0	31.4	33.7	35.0	30.0	34.4	35.0	2,798	3,208	3,719	3.3	3.8	4.0	2.5	3.2	3.4
Tenaris S.A	19,490.2	18.2	(2.4)	9.6	10.3	10.8	1.2	1.1	1.0	5.3	5.7	5.6	12.4	11.7	10.6	18.5	17.4	16.6	13,894	14,179	15,137	22.0	19.5	18.1	14.7	13.3	11.9

Source: ACE Equity, Company Reports & Ventura Research

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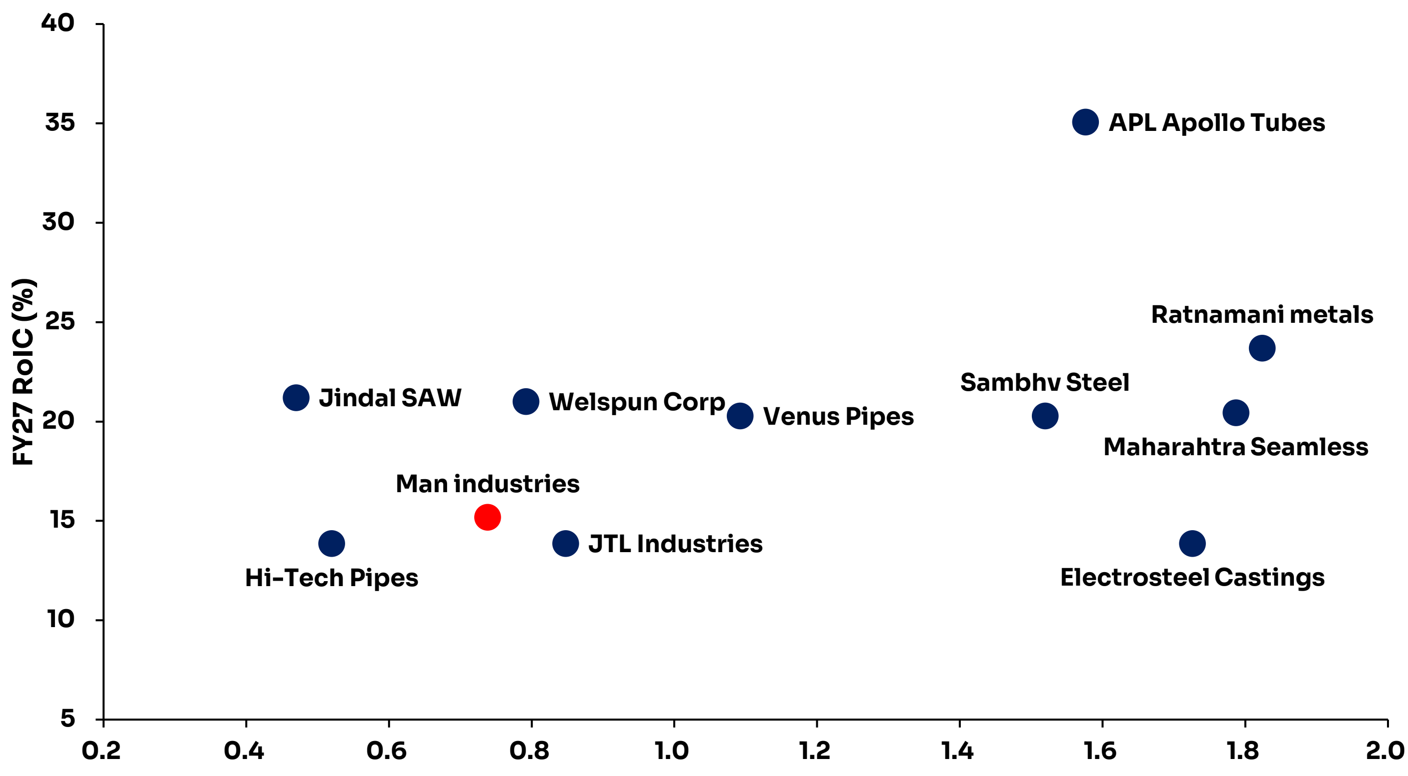
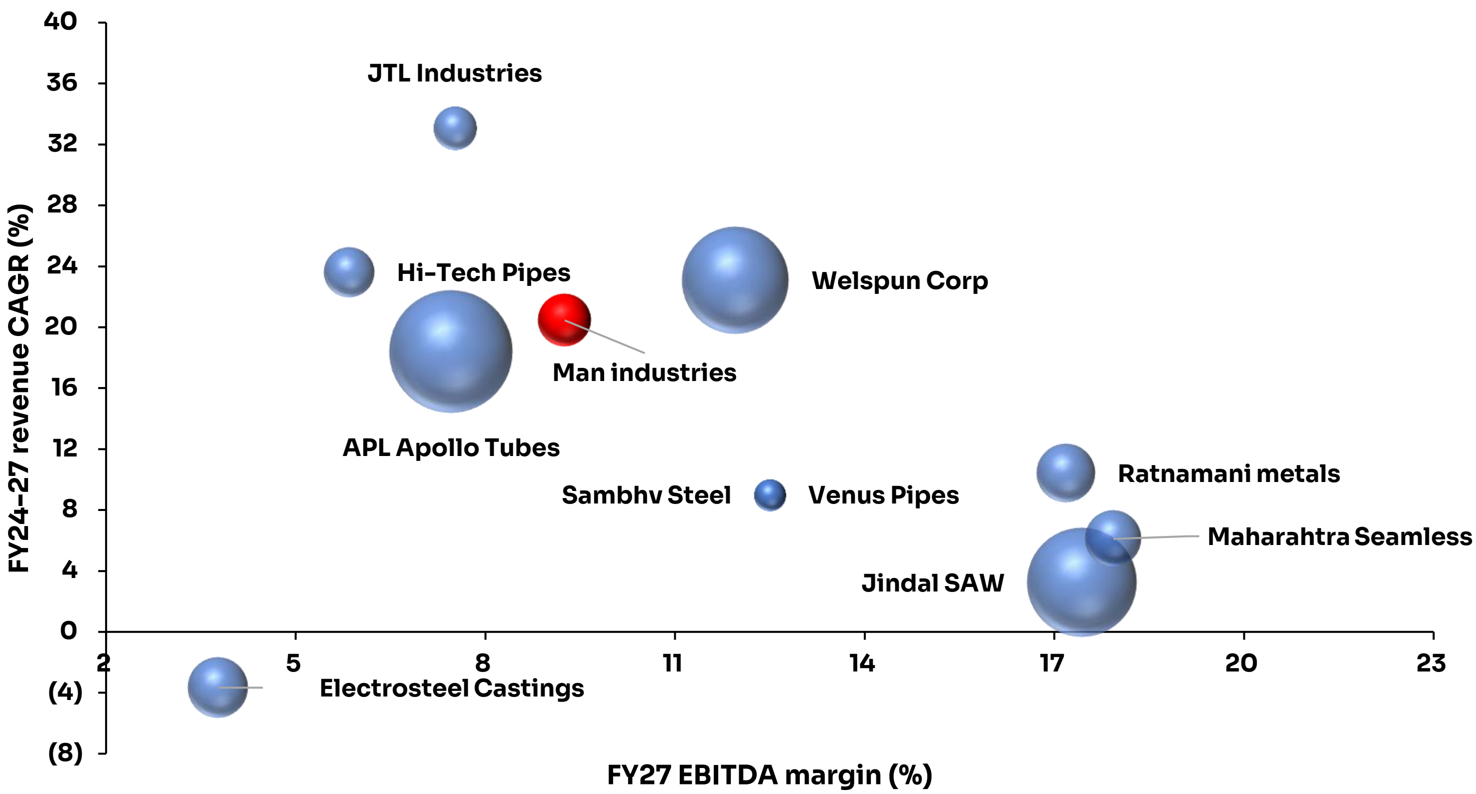
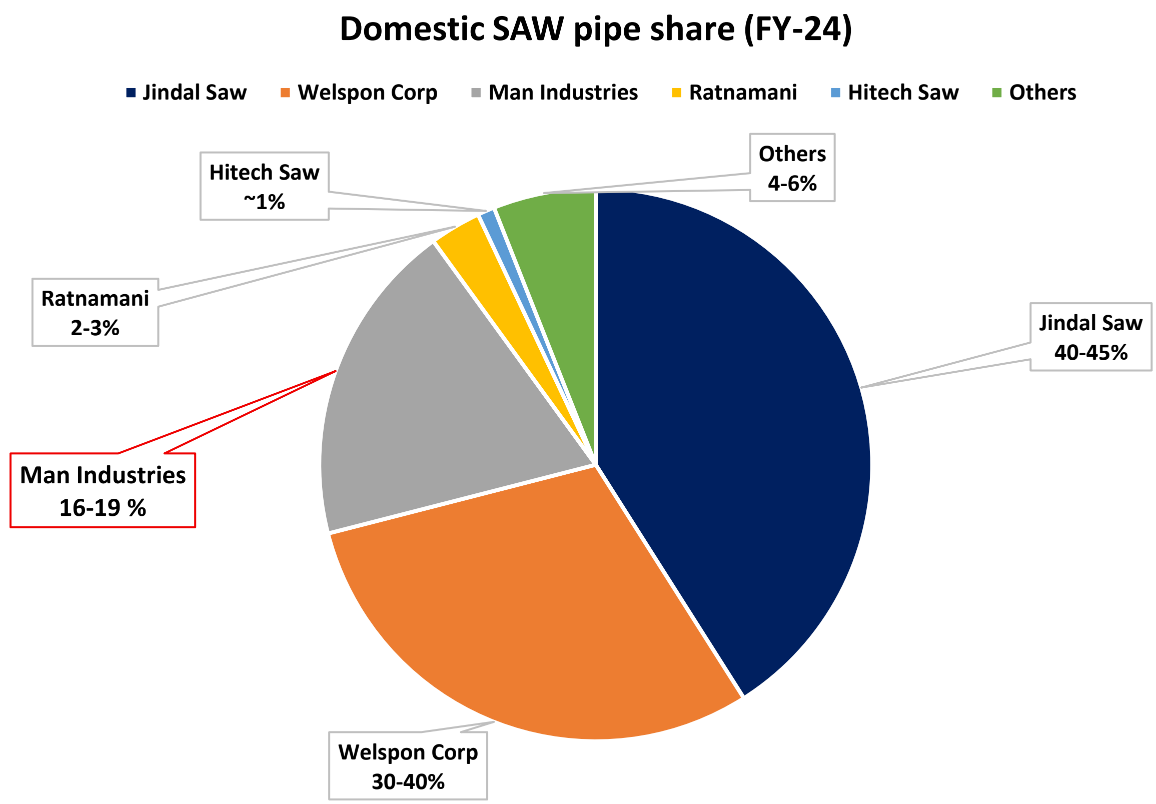
Revenue growth and margin expansion deserves re-rating in valuation





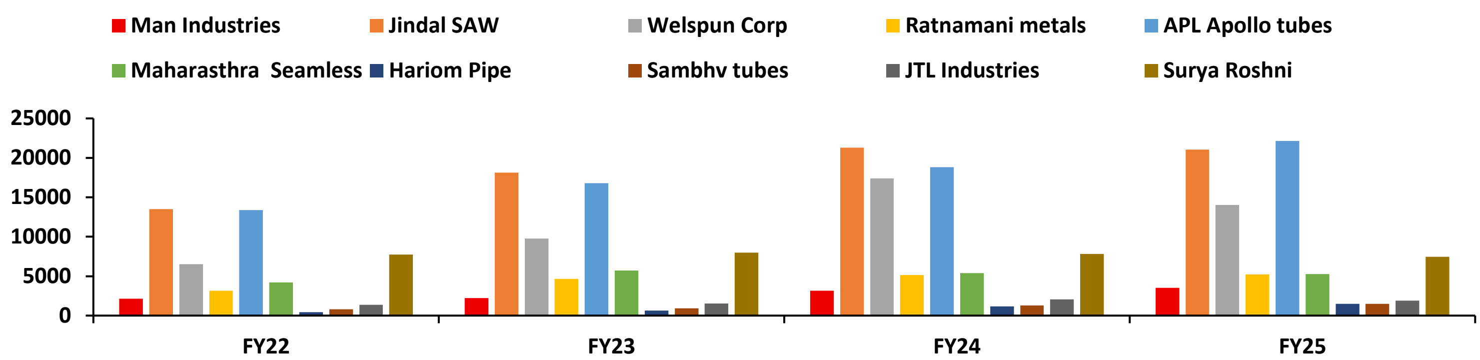
Source: Ventura Research, ACE Equity & Bloomberg
Bubble size indicates the size of the company's revenue

Man Industries: A Leading Force in the Consolidated SAW Pipe Market

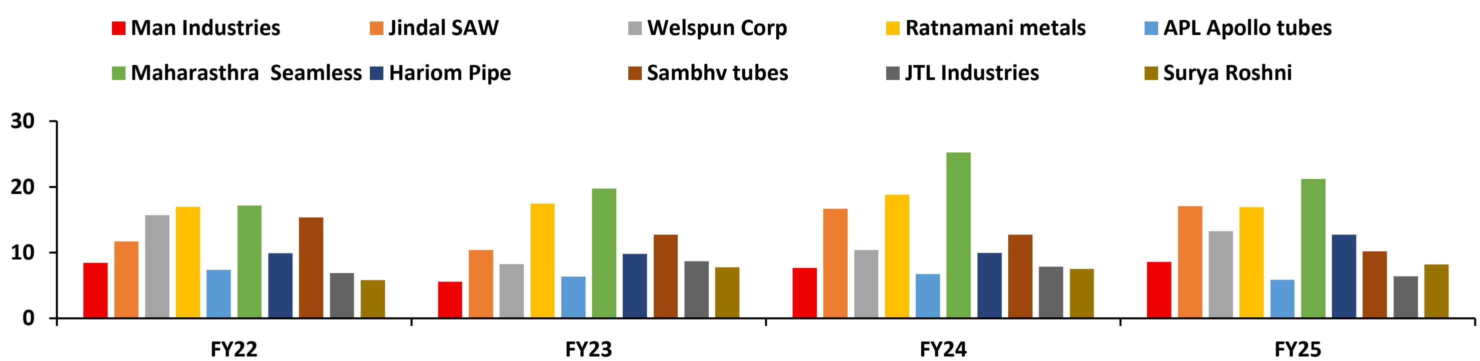


Source: Industry, CRISIL MI&A

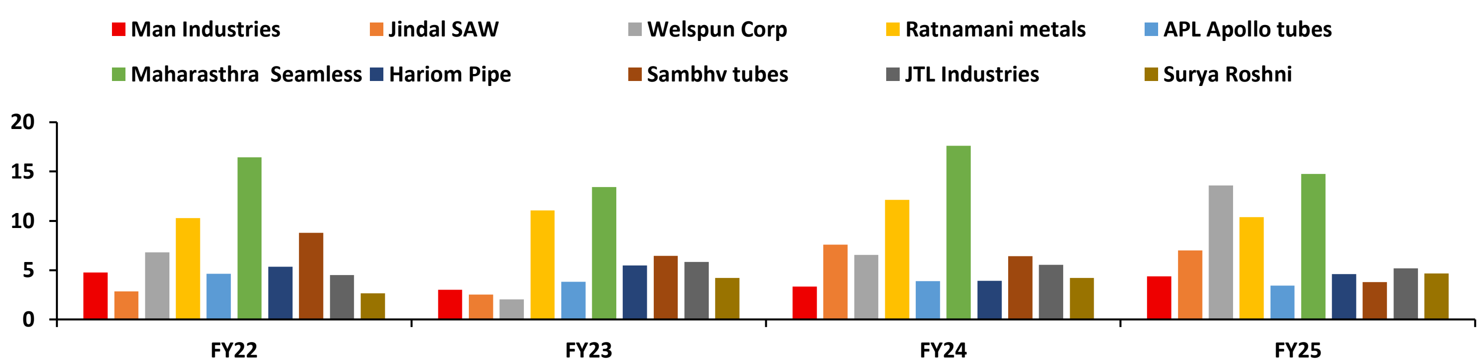
Revenue (INR cr)



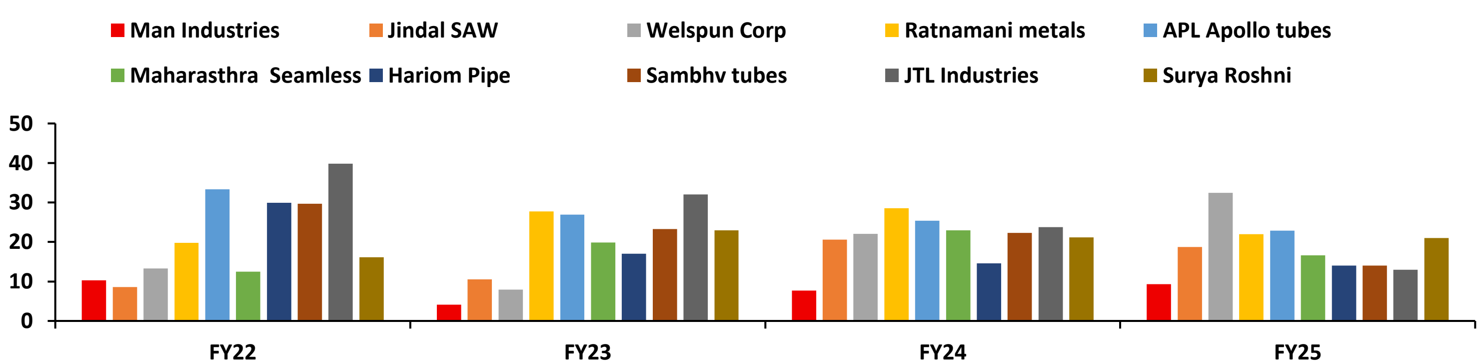
EBITDA margin (%)



Net margin (%)



ROCE (%)



MAN INDIA's Financial Summary

Fig in INR Cr (unless specified)	FY23	FY24	FY25	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E	FY34E	FY35E
Revenue from operations	2,231.3	3,142.2	3,505.4	3,672.0	5,085.8	5,899.2	6,734.6	7,269.3	7,656.6	8,335.8	9,066.0	9,810.5	10,558.9
YoY Growth (%)	4.3	40.8	11.6	4.8	38.5	16.0	14.2	7.9	5.3	8.9	8.8	8.2	7.6
Raw Material Cost	1,773.0	2,403.5	2,734.8	2,846.5	3,917.0	4,543.5	5,186.9	5,598.7	5,897.0	6,420.1	6,982.5	7,555.9	8,132.3
RM Cost to Sales (%)	79.5	76.5	78.0	77.5	77.0	77.0	77.0	77.0	77.0	77.0	77.0	77.0	77.0
Employee Cost	49.6	57.8	77.1	78.3	94.1	109.1	126.8	144.5	156.5	166.8	179.5	193.9	207.8
Employee Cost to Sales (%)	2.2	1.8	2.2	2.1	1.9	1.8	1.9	2.0	2.0	2.0	2.0	2.0	2.0
Other Expenses	284.2	439.7	392.1	435.0	604.0	686.6	797.0	859.9	907.1	986.8	1,072.7	1,160.8	1,249.9
Other Expenses to Sales (%)	12.7	14.0	11.2	11.8	11.9	11.6	11.8	11.8	11.8	11.8	11.8	11.8	11.8
EBITDA	124.6	241.2	301.4	312.2	470.7	560.0	623.9	666.2	696.0	762.1	831.3	900.0	968.8
EBITDA Margin (%)	5.6	7.7	8.6	8.5	9.3	9.5	9.3	9.2	9.1	9.1	9.2	9.2	9.2
PAT	67.0	105.1	153.2	152.1	208.3	286.3	343.4	372.5	379.4	416.7	455.9	493.8	530.8
PAT Margin (%)	3.0	3.3	4.4	4.1	4.1	4.9	5.1	5.1	5.0	5.0	5.0	5.0	5.0
Net Profit	67.0	105.1	153.2	152.1	208.3	286.3	343.4	372.5	379.4	416.7	455.9	493.8	530.8
Net Margin (%)	3.0	3.3	4.4	4.1	4.1	4.9	5.1	5.1	5.0	5.0	5.0	5.0	5.0
Adjusted EPS	8.9	14.0	20.4	20.3	27.8	38.2	45.8	49.7	50.6	55.6	60.8	65.8	70.8
P/E (X)	43.3	27.6	18.9	19.1	13.9	10.1	8.5	7.8	7.7	7.0	6.4	5.9	5.5
Adjusted BVPS	151.0	187.3	214.3	234.6	262.3	294.8	333.7	375.9	418.9	466.1	517.8	573.8	633.9
P/BV (X)	2.6	2.1	1.8	1.6	1.5	1.3	1.2	1.0	0.9	0.8	0.7	0.7	0.6
Enterprise Value	3,027.3	2,728.1	2,953.3	3,607.7	3,550.2	3,419.7	3,561.2	3,509.0	3,403.1	3,378.8	3,351.5	3,308.6	3,286.0
EV/EBITDA (X)	24.3	11.3	9.8	11.6	7.5	6.1	5.7	5.3	4.9	4.4	4.0	3.7	3.4
Net Worth	1,132.3	1,404.9	1,607.3	1,759.3	1,967.6	2,211.0	2,502.8	2,819.4	3,141.9	3,496.1	3,883.6	4,303.3	4,754.5
Return on Equity (%)	5.9	7.5	9.5	8.6	10.6	12.9	13.7	13.2	12.1	11.9	11.7	11.5	11.2
Capital Employed	1,427.6	1,713.3	2,063.2	3,005.3	3,202.7	3,363.5	3,674.4	3,938.3	4,195.9	4,494.6	4,822.4	5,175.9	5,554.2
Return on Capital Employed (%)	4.2	7.7	9.3	6.3	9.1	10.5	10.8	10.6	10.3	10.4	10.5	10.5	10.4
Invested Capital	1,257.1	1,230.5	1,658.1	2,464.6	2,615.3	2,728.2	3,161.5	3,426.0	3,642.4	3,972.4	4,332.6	4,709.5	5,138.0
Return on Invested Capital (%)	6.3	14.6	15.4	10.3	14.8	17.3	16.8	16.4	15.8	15.7	15.6	15.4	15.1
Cash Flow from Operations	(120.3)	257.5	68.0	376.6	294.8	211.7	251.8	462.6	542.5	493.3	529.5	578.1	631.0
Cash Flow from Investing	(135.5)	(263.7)	(41.3)	(904.6)	(61.7)	134.8	(173.7)	(186.8)	(199.5)	(218.5)	(236.2)	(253.8)	(311.3)
Cash Flow from Financing	210.7	157.9	29.6	662.4	(196.9)	(304.6)	(206.8)	(280.3)	(304.7)	(311.0)	(331.2)	(353.1)	(375.5)
Net Cash Flow	(45.1)	151.6	56.3	134.4	36.2	41.9	(128.7)	(4.4)	38.2	(36.2)	(37.9)	(28.8)	(55.8)
Free Cash Flow	(296.8)	201.1	(11.8)	(364.6)	383.2	286.7	214.9	408.5	482.8	424.3	450.7	489.4	492.2
FCF to Revenue (%)	(13.3)	6.4	(0.3)	(9.9)	7.5	4.9	3.2	5.6	6.3	5.1	5.0	5.0	4.7
FCF to EBITDA (%)	(238.1)	83.4	(3.9)	(116.8)	81.4	51.2	34.4	61.3	69.4	55.7	54.2	54.4	50.8
FCF to Net Profit (%)	(442.7)	191.2	(7.7)	(239.8)	184.0	100.2	62.6	109.7	127.3	101.8	98.9	99.1	92.7
FCF to Net Worth (%)	(26.2)	14.3	(0.7)	(20.7)	19.5	13.0	8.6	14.5	15.4	12.1	11.6	11.4	10.4
Total Debt	295	308	456	1,246	1,235	1,153	1,172	1,119	1,054	999	939	873	800
Net Debt	125	-174	51	705	648	517	659	607	501	476	449	406	383
Net Debt to Equity (X)	0.1	(0.1)	0.0	0.4	0.3	0.2	0.3	0.2	0.2	0.1	0.1	0.1	0.1
Net Debt to EBITDA (X)	1.0	(0.7)	0.2	2.3	1.4	0.9	1.1	0.9	0.7	0.6	0.5	0.5	0.4
Interest Coverage Ratio (X)	1.9	2.1	2.6	2.0	2.1	2.6	3.1	3.3	3.1	3.2	3.3	3.4	3.5
Fundamental scores													
Altman Z Score	1.8	1.9	1.5	1.3	1.5	1.7	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Piotroski F-score	4.0	7.0	2.0	5.0	7.0	7.0	4.0	7.0	5.0	7.0	7.0	7.0	7.0
Beneish M-score	(1.3)	(2.8)	(1.1)	(2.0)	(2.2)	(2.1)	(2.0)	(2.3)	(2.3)	(2.2)	(2.2)	(2.2)	(2.2)

Source: ACE Equity, Company Reports & Ventura Research

SWOT Analysis

Man Industries (India) Ltd

Growth Drivers

- Expansion: Saudi Arabia and Jammu plants expected to generate ~ INR 4,000 crore at full capacity.
- Higher Margins: Focus on value-added products and strong export demand (75-80% of revenue).

Key Challenges

- Rising Interest Costs: Finance costs of INR 100 cr in FY25, expected to increase significantly in FY26. (INR 790 crore debt for expansions in FY26.)
- Project Delays: Delays in project approvals, such as for the Taiwan order, are impacting the order book and inventory buildup.

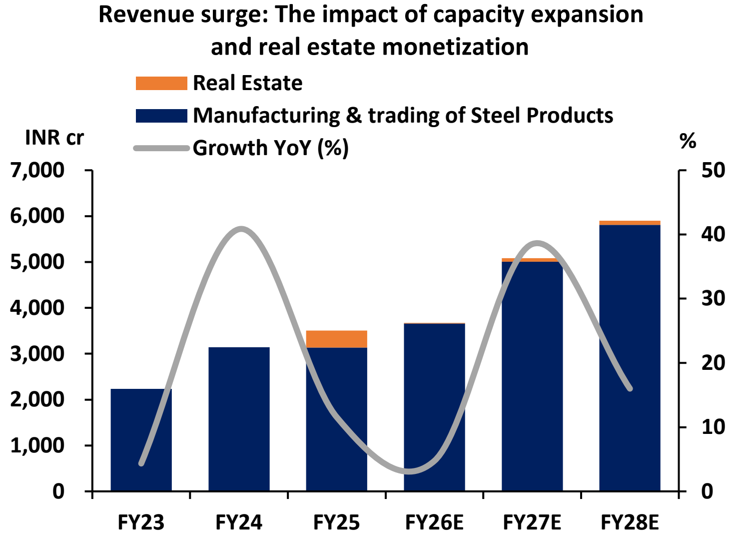
New Trends

- Automation to improve efficiency and reduce costs.
- Sustainability focus, tapping into green hydrogen and energy-efficient manufacturing.

Strategic Initiatives

- High margin Product expansion by foryaing into stainless steel and value added products.
- Focus on international markets, especially Middle East.

MAN INDIA's Key Investment Rationales



The **Real Estate segment** recognized revenue of **INR 368 crore in FY25** from **Merino Shelters Private Limited**, which monetized a **6-acre land parcel in New Mumbai** by granting **development rights to Paradise GreenSpaces LLP**. The company is entitled to **30% of the developed area (~450,000 sq. ft.)**, with FY25 EBITDA of ~**INR 40 cr**; CWIP and inventory are now fully sold. The **remaining INR 650-700 cr** from this entitlement is expected over **FY26-FY30**, with **INR 15 cr in FY26** and ~**INR 100 cr annually thereafter**, **without any expenses**, providing a **net revenue stream to fund CAPEX and benefit shareholders**.

Overall, the company's revenue is projected to grow from INR 3,505 crore in FY25 to INR 5,899 crore by FY28E, reflecting its strong market positioning and execution of expansion strategies in steel products.

Following the expansion, the combined capacity of MAN's facilities brings the total revenue potential to ~ INR 8,000 -9,000 cr.

MAN INDIA **total installed theoretical capacity** is **expected to reach 1.545 MTPA in FY26**, up from **1.15 MTPA in FY23**.This growth represents a **2.61% YoY** increase in **FY24**, **3.39% YoY** in **FY25**, and a significant **26.64% YoY** rise in **FY26**, driven by expansions in both existing facilities and the upcoming **Jammu** and **Saudi Arabia** plants. This capacity expansion positions the company to meet the growing global demand in key sectors such as **oil & gas**, **petrochemicals**, and **water infrastructure**.

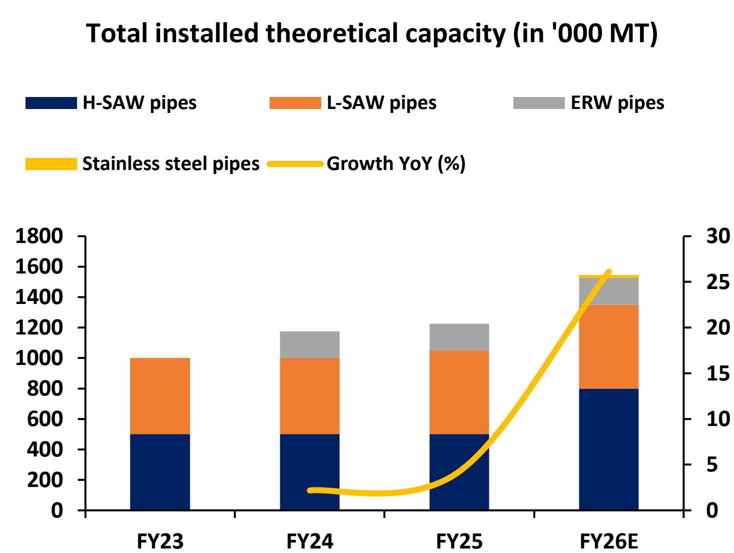
In **FY25**, the **steel products trading** segment generated **INR 3,137 crore**, expected to grow to **INR 5,809 crore** with a **CAGR of 22.8%** from **FY25 to FY28E**. Key drivers of this growth include:

- **Capacity Expansion**: Expansion at existing facilities in **Anjar** and **Pithampur**, complemented by new plants in **Saudi Arabia** and **Jammu** expected to begin operations by **Q4 FY26**.

- **Strong International Demand**: Increasing demand for steel pipes in **global oil & gas** and **infrastructure projects**, with **80-90%** of the order pipeline coming from international markets.

- **High-Margin Product Focus**: A strategic focus on **non-water infrastructure projects**, **special coatings**, and **bends**, driving higher sales and profitability.

- **Robust Bid Pipeline**: With a strong bid pipeline of **INR 15,000 crore** in **FY26** and an expected **20% conversion rate**, the company is well-positioned to drive consistent revenue growth. This robust pipeline will **support sustained revenue generation from existing facilities**, ensuring steady growth in the coming years.



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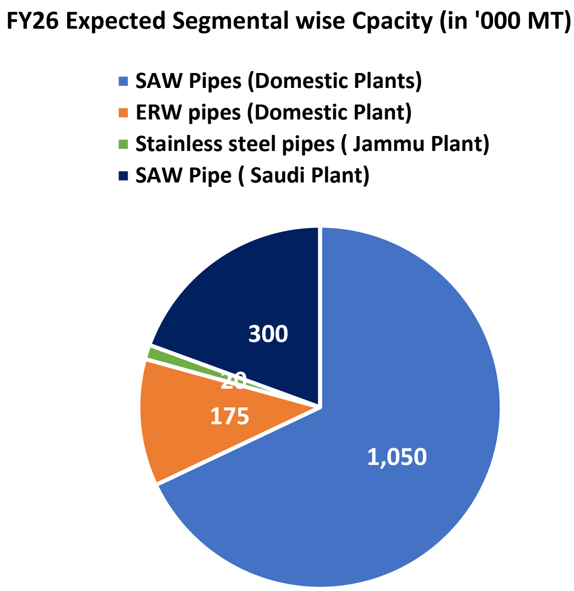
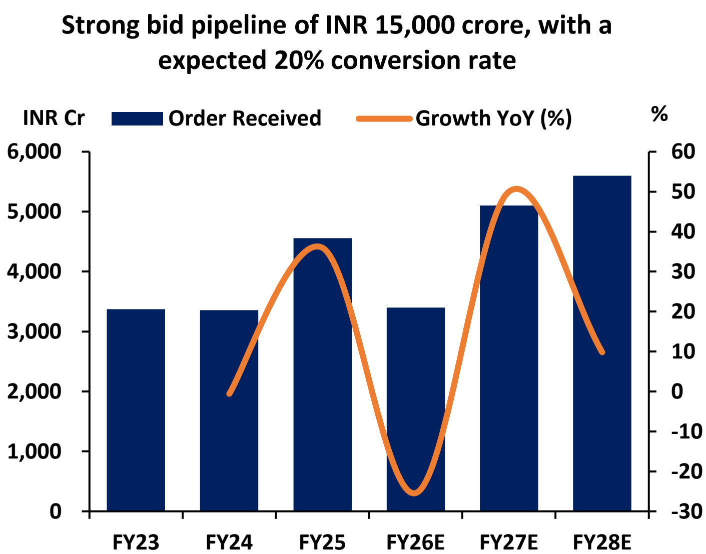
Strategic investments in Saudi Arabia and Jammu will complement existing facilities, positioning MAN for sustainable expansion and increased global market share.

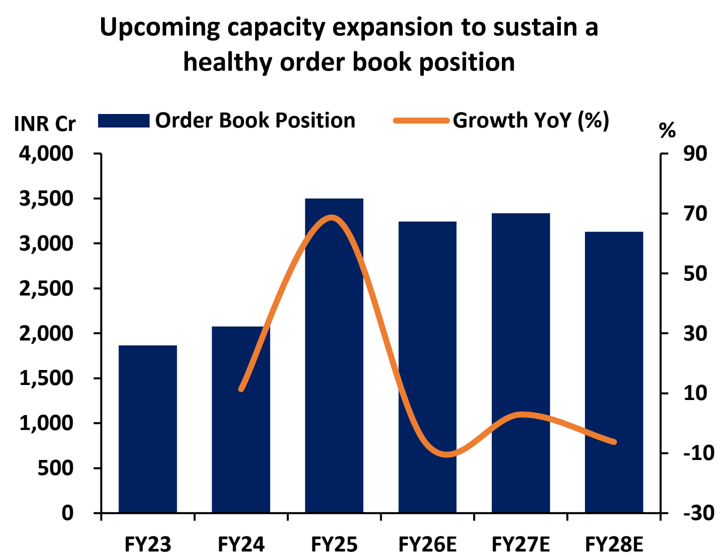


The **SAW pipes segment** will lead with a total capacity of **1.35 MTPA**, including **1.05 MTPA** from domestic plants and **300,000 TPA** from the **Saudi Arabia plant**, meeting the growing demand in **oil & gas**, **petrochemical**, and **water infrastructure** sectors. The **ERW pipes segment** will contribute **0.175 MTPA** from the domestic plant, further supported by API certification for international exports.

The **Jammu plant** will add **20,000 TPA** of **stainless-steel pipes**, catering to demand in the **chemical, oil & gas**, and **fertilizer** industries. With an expected **2x asset turnover** and **government power subsidies**, the plant will drive cost efficiency and profitability.

Robust Order Book Supported by Strong Bid Pipeline and Upcoming Capacity Expansion





MAN INDIA's **order book** of **INR 3,500 crore** in **FY25** remains sustainable, supported by a **robust bid pipeline of INR 15,000 crore**. With a **20% conversion rate**, the company is set to generate **INR 3,672 crore** in **FY26**, driven by ongoing and new projects.

The company's **expansion efforts**, including the **Jammu** and **Saudi Arabia plants**, are projected to boost the order book significantly in **FY27**. This expansion will bulge the order book even more helping the company better its financial performance.

Strong Global Accreditations and Bid Pipeline

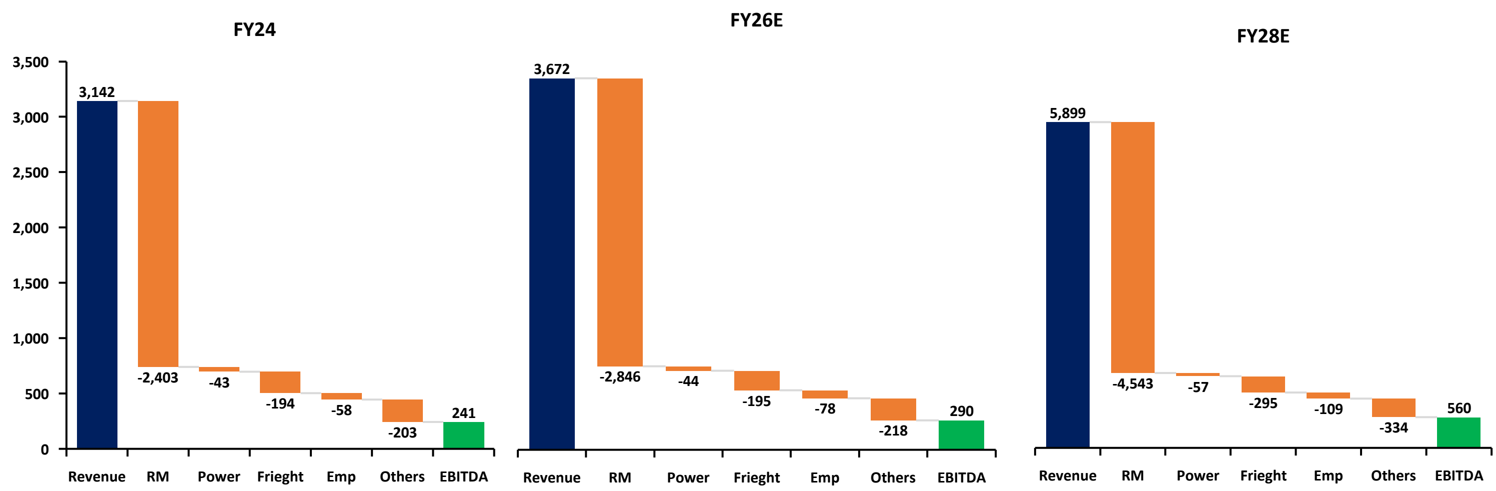
MAN INDIA thrives on acquiring **high-profile clients** in sectors like **oil & gas**, **petrochemicals**, and **CGD**. Its client base includes major names like **GAIL**, **ONGC**, **SHELL**, **Reliance**, and **Petrobras**. The company holds key **international certifications** such as **ISO 9001** and **API**, enabling it to serve **hydrocarbon applications**. **Qatar Energy LNG approval** further solidifies its position as a trusted global supplier.

The company has a **robust bid pipeline of INR 15,000 crore**, with **80-90% international** orders, supporting future client acquisition. The company targets **pipe projects worldwide** and plans expansions in **Saudi Arabia** and **Jammu** to meet **chemical** and **oil & gas** demand.

The **ERW segment**, along with strong demand for **pipeline infrastructure**, positions the company for **20% top-line growth** in **FY26**.

Client acquisition is essential for Man Industries to secure long-term contracts and drive growth, backed by global accreditations and a strong bid pipeline.

Improving unit economics of MAN INDIA from FY24-28E



Unit economics at play: MAN INDIA's path to sustainable margin expansion

Man Industries (India) Limited is experiencing a positive trend in its **EBITDA** and margin performance, driven by strategic investments in **value-added products**, **cost-efficient expansions**, and effective **risk management**.

EBITDA growth and margin improvement:

- **Q4 FY'25 EBITDA margin**: **11.1%**, a significant **230 bps YoY** increase.
- **FY'25 EBITDA margin**: **9.9%**, up **70 bps YoY**, marking the highest margin in the company's history.
- **FY'26**: The company expects an additional **50-100 bps margin improvement**, targeting **11%+ EBITDA** by the end of **FY'26**, with projections to exceed **12%** from **FY'27** onward.

Focus on Value-Added Products:

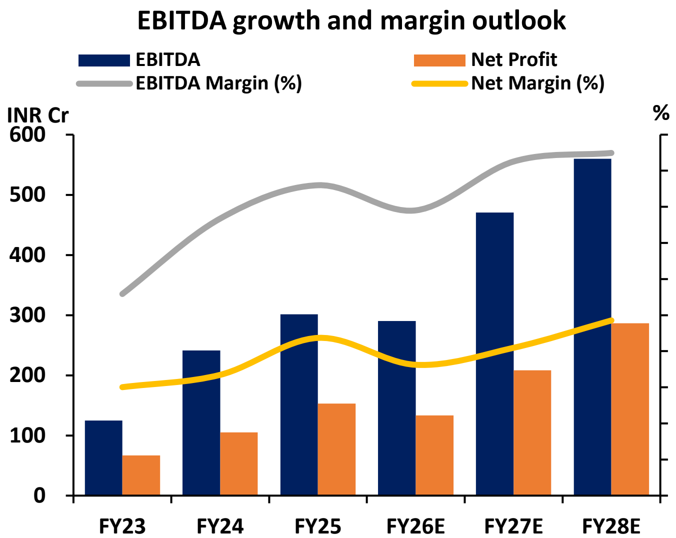
- MAN INDIA is prioritizing **high-margin value-added products**, such as **bends**, **special coatings**, and **specialized pipes**.

Export-Oriented Business Model:

- **Exports** contribute **75-80%** of **revenue** and **80% of the order book**, allowing the company to secure better **margins** and **profitability**.
- The company selectively operates in the **domestic water segment**, where margins are typically lower (**6-7% EBITDA**).

Cost-Efficient Expansions:

- The **Jammu plant** benefits from **government power subsidies**, reducing its effective **interest cost to around 3.5-4%. Automation** in plants has improved **efficiency** and reduced **manpower costs**, helping stabilize production costs.
- Strategic expansion with a new plant in **Dammam, Saudi Arabia** will enhance profitability by leveraging local production to **avoid import duties, reduce transportation costs**, and achieve strong EBITDA margins of **12-15%.**



MAN INDIA is set to grow its **EBITDA** from **INR 301 crore in FY25** to **INR 560 crore by FY28E**, reflecting a **CAGR of 22.9%.** This growth is driven by **higher-margin value-added products**, **cost-efficient expansions**, and a strong focus on **export markets**, which contribute **75-80% of revenue.**

EBITDA margins are expected to improve to **9.5%** by **FY28E**, up from **8.6% in FY25**, supported by value-added products and international projects. **Cost-efficient expansions**, like the **Jammu** and **Saudi Arabia plants**, alongside **automation** and **subsidized power costs**, will boost operational efficiency.

Net profit is projected to grow at a **CAGR of 23.2%**, reaching **INR 286 crore** by **FY28E**,and **net margins** are projected to increase slightly from **4.4% in FY25** to **4.9% in FY28E.** However, we expect near term pressure on margins, due to higher freight costs and **interest costs** associated with the company amid ongoing **expansions** and **capital expenditures.**

MAN INDIA experienced an increase in **inventory** from **INR 646 cr in FY24 to INR 1269 cr** (inventory days shoot up from 75 to 132 days) driven by **project-specific inventory** awaiting shipment, particularly for a delayed **Taiwan order.**

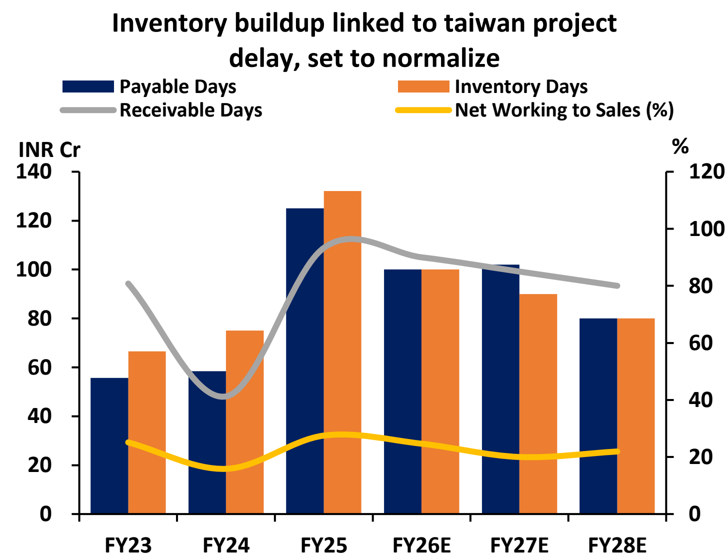
This inventory is expected to normalize as shipments started in Q1FY26 to Taiwan. Receivables also grew from INR INR 355 cr to INR 896 cr due to the project cycle mainly Indian projects.

Working capital shoots up in FY25, expected to normalize

Company is expected to optimize its working capital from **FY25 to FY28. Payable days** increased to **125** in **FY25** but are projected to stabilize at **80** by **FY28** due to improved supplier negotiations. **Inventory days**, which surged to **132** in **FY25** due to project-related buildup, are expected to normalize to **80** by **FY28** as **shipments started to Taiwan.**

Receivable days are anticipated to improve from **93** in **FY25** to **80** by **FY28**, reflecting better billing and collection processes.

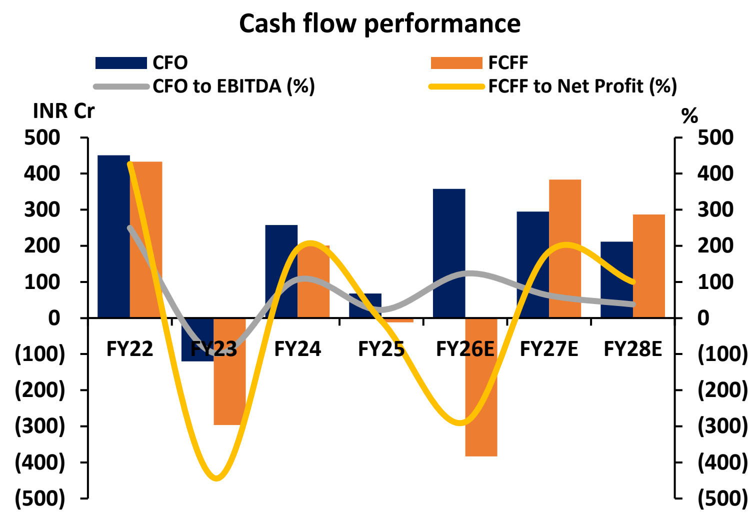
Consequently, the **net working capital to sales ratio** is expected to decrease from **28% in FY25** to **22% by FY28**, reflecting enhanced working capital efficiency and cash conversion. These changes will help strengthen Man Industries' financial health and operational performance.

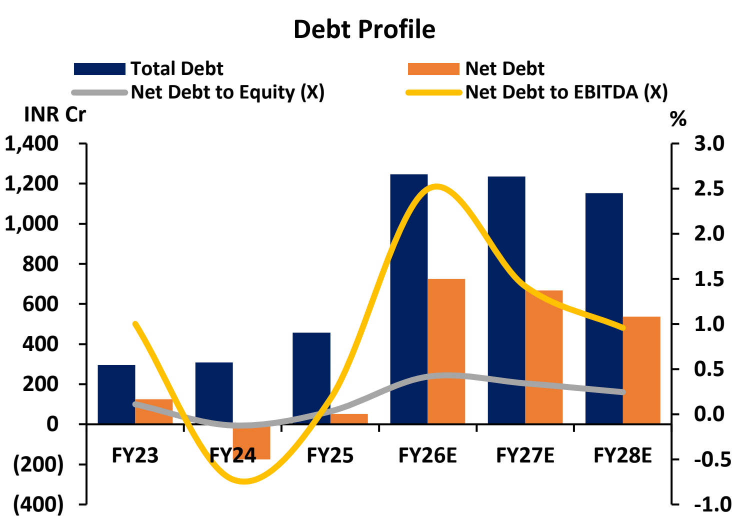


Man Industries (India) Limited is expected to see positive trends in **cash flow** and **free cash flow** from **FY25 to FY28. CFO** is projected to grow from **INR 68 crore in FY25** to **INR 212 crore by FY28E**, reflecting improved operational efficiency.

FCFF is expected to decline in **FY26E** to **INR -384 crore** due to higher capital expenditures, before rebounding to **INR 287 crore by FY28E**, supported by improved profitability and cash management. The **CFO to EBITDA ratio**, which stood at **23% in FY25**, is expected to rise to **38% by FY28**, indicating better conversion of earnings into cash.

Similarly, **FCFF to Net Profit** will improve from **-8% in FY25** to **100% in FY28E**, demonstrating stronger cash flow relative to profits. These trends indicate a strong liquidity position, supporting continued growth and expansion.





The company is set to incur INR 790 crore in debt in FY26 for completing expansion projects like the Saudi Arabia and Jammu plants.

MAN INDIA is expected to see significant changes in its **debt** and **net debt** metrics from **FY25 to FY28**. **Total debt** is projected to rise sharply from **INR 456 crore in FY25** to **INR 1,153 crore by FY28E**, reflecting the company's increased capital expenditures for **expansion projects**. Despite this, **net debt** is expected to remain manageable, increasing from a **net debt position of INR 51 crore in FY25** to **INR 667 crore by FY27E**, before stabilizing at **INR 536 crore by FY28E**.

The **Net Debt to EBITDA** ratio, which is **0.17 in FY25**, is expected to peak at **2x in FY26E** as the company ramps up its expansion but expected to improve to **1x** by **FY28E** as revenues and EBITDA grow.

Rising Interest costs driven by expansions, projected to hit INR 179.1 Cr by FY28

MAN INDIA has seen significant **increases in interest costs**, driven by both **higher executive purchases** and the extensive use of **non-fund-based limits**, such as **Letters of Credit** and **Bank Guarantees**. **Consolidated finance costs** for FY25 rose to **INR 100 Cr**, a significant increase from the previous year, reflecting higher borrowings and project financing costs.

The **Saudi plant**, estimated to cost **INR 600 crore**, will be funded by approximately **INR 400 crore of debt** at an estimated interest rate of **7-8% over LIBOR/SOFR**, while the **Jammu plant** will benefit from a **subsidized 3.5-4% interest rate**. These projects are expected to significantly impact the company's **debt profile** in FY26 but also position it for stronger revenue generation in the future. As the company continues its **expansions** with **new projects** like the **Saudi and Jammu plants**, **interest costs** are expected to rise further, potentially increasing to INR 216 cr **in FY28.**

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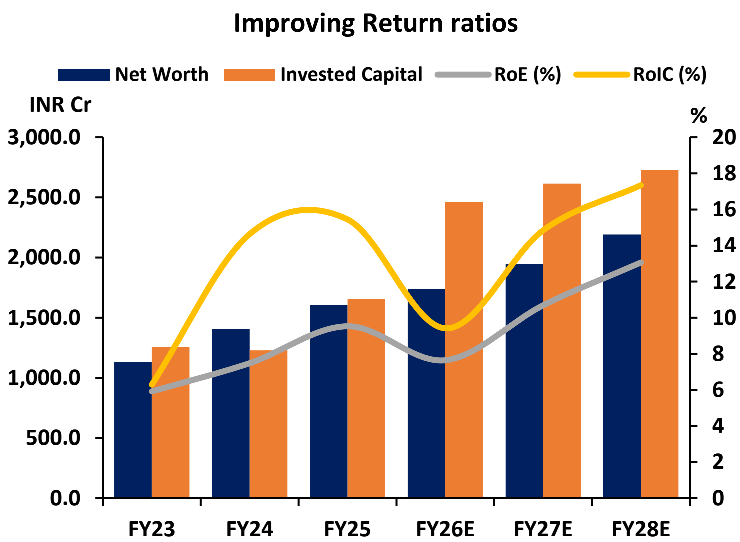


Net Worth is expected to reach **INR 2,192 crore by FY28E**, driven by improved profitability and capital retention. **Invested Capital** is projected to rise from **INR 1,658.1 crore in FY25**,to **INR 2,728.2 crore by FY28E**, reflecting substantial investments in expansions. The company's **RoE** is expected to improve from **9.5% in FY25**, to **13.1% by FY28E**, while **RoIC** is projected to increase from **15.4% in FY25**, to **17.3% by FY28E**, indicating better capital utilization and stronger profitability. These trends highlight the company's solid financial position, driven by increased equity, growing capital, and improved efficiency in capital utilization, positioning it for sustained growth.

Five step Dupont analysis for MAN INDIA

We have used the five-step Dupont analysis to analyze MAN INDIA's financial strength.

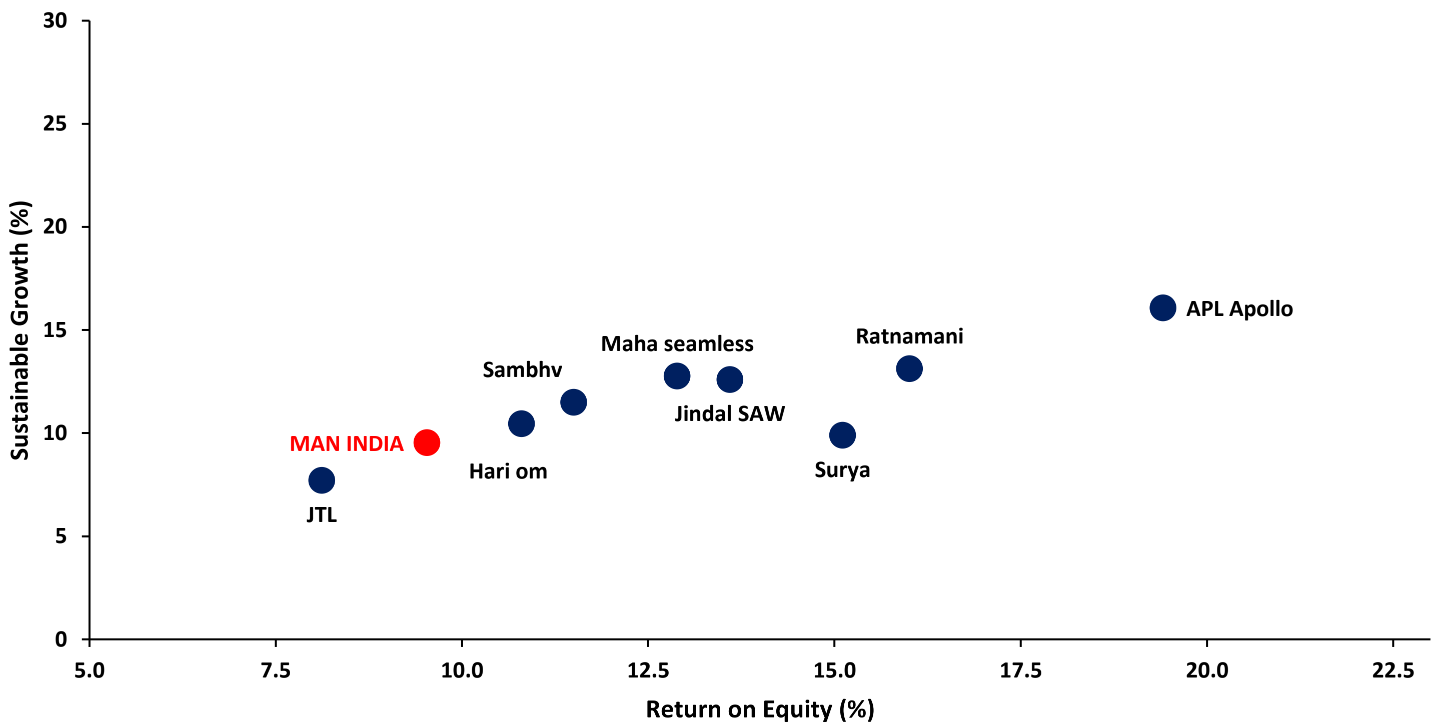
Five step Dupont Analysis for FY25 – MAN INDIA vs peers

Companies	Interest Burden (X)	Tax Burden (X)	EBIT margin (%)	Total Asset Turnover (X)	Financial Levarage (X)	RoE (%)	Dividend Payout (%)	Sustainable growth (%)
Man Industries	0.8	0.7	7.3	0.9	2.4	9.5	0.0	9.5
Jindal SAW	0.8	0.6	14.3	1.0	1.8	13.6	7.4	12.6
Welspun Corp	0.9	0.8	18.4	1.0	2.0	29.2	6.9	27.2
Ratnamani metals	1.0	0.7	14.9	1.2	1.3	16.0	18.0	13.1
APL Apollo tubes	0.9	0.8	4.9	2.8	1.8	19.4	17.2	16.1
Maharasthra Seamless	1.0	0.8	15.3	0.8	1.1	12.9	1.0	12.8
Hariom Pipe	0.6	0.7	7.6	1.8	3.5	10.8	3.2	10.5
Sambhv tubes	0.6	0.7	7.9	1.1	2.8	11.5	0.0	11.5
JTL Industries	1.0	0.8	5.9	1.5	1.1	8.1	5.1	7.7
Surya Roshni	1.0	0.7	6.5	2.4	1.3	15.1	34.5	9.9

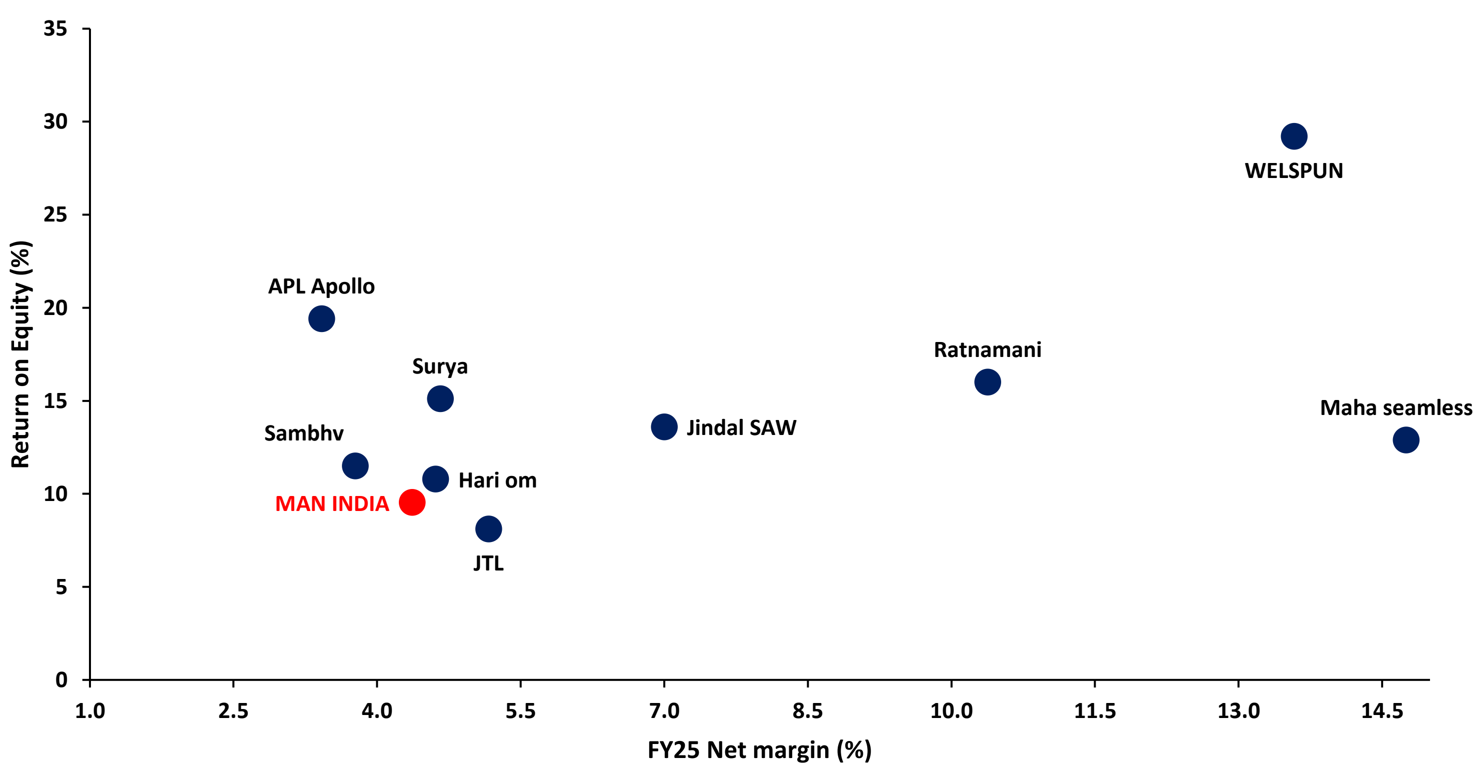
The DuPont analysis of MAN INDIA reveals a moderate financial performance, with a decent return on equity (RoE) of 9.5%. The company could improve its EBIT margin and asset turnover to boost overall profitability.

Additionally, while financial leverage is moderate, tax optimization could further improve the net income. Focusing on operational efficiency and improving asset utilization could drive higher RoE for Man Industries in the future.

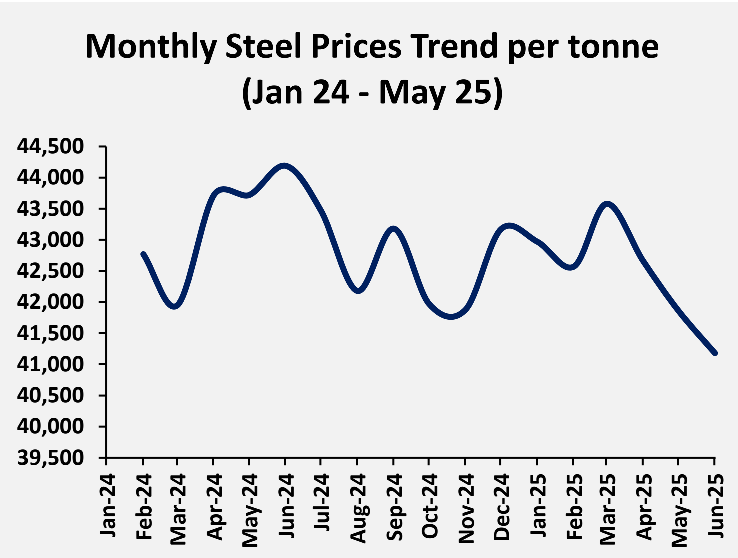
Sustainable growth and ROE – MAN INDIA vs Peers



RoE and profitability



Hedging and price freezing at order confirmation: A strategic advantage in steel price fluctuations



In FY25, despite a 12% drop in steel prices, the company achieved a 12% increase in revenue, underscoring its ability to perform even in challenging market conditions.

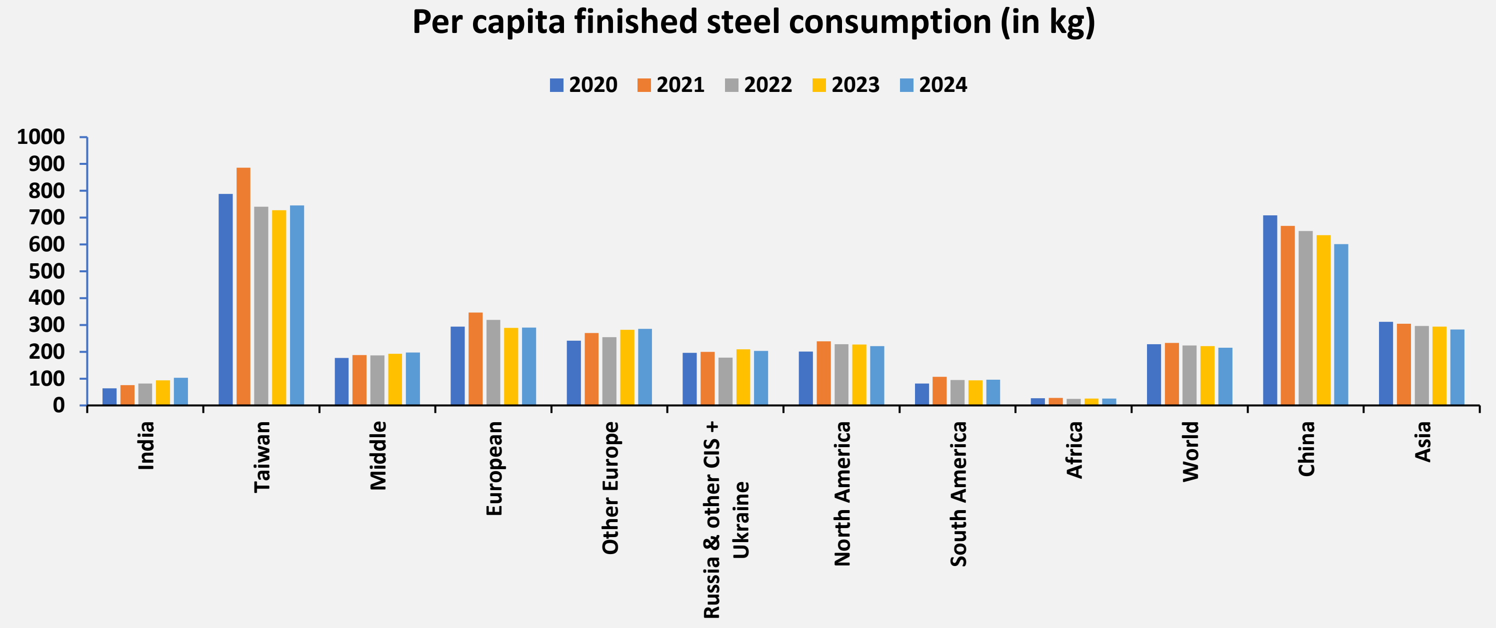
MAN INDIA employs a strategic, multi-faceted approach to mitigate the risks of steel price fluctuations and protect its profitability.

The company sources its raw materials from both **domestic and international suppliers** and ensures a stable supply chain with **bulk procurement and imports**, utilizing **advance licenses** for duty-free imports for re-export purposes.

Key strategies include:

1. **Back-to-Back Contracting and Hedging**: The company **locks in raw material prices** with suppliers at the time an order is confirmed, ensuring that price fluctuations after confirmation do not impact project profitability.
2. **Conversion Business Model**: As a **conversion company**, MAN INDIA focuses on processing steel into pipes, aiming to maintain **stable margins (10-12% EBITDA)** rather than speculating on commodity price movements. This approach helps the company avoid the risks of high volatility.
3. **No Speculative Inventory**: The company only procures steel once a firm order is in place, eliminating the risk of holding inventory during price declines.
4. **Pre-Bid Negotiation and Price Fixation**: Before bidding, Man Industries negotiates steel prices with vendors, ensuring price stability once an order is secured. This ensures costs are locked in with suppliers.
5. **Foreign Exchange Hedging**: The company also utilizes **forward cover** to manage forex risks arising from international procurement, further insulating it from market fluctuations.

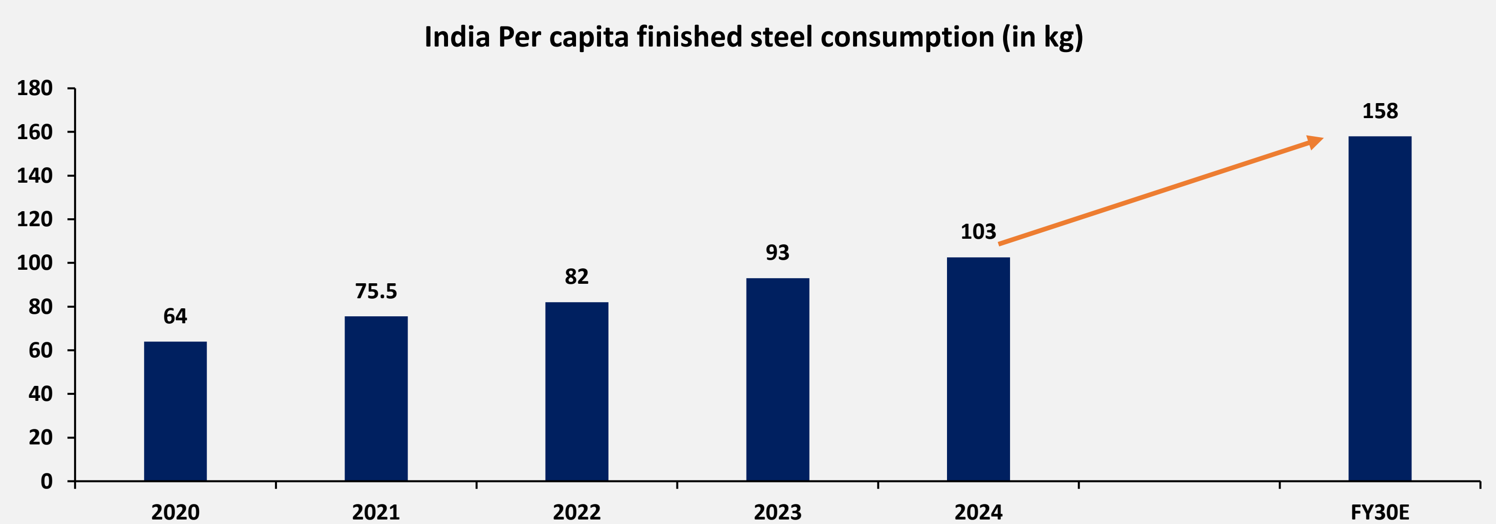
Rising per capita steel consumption in India and key markets driving growth for MAN INDIA



The growing demand for steel, especially in regions like **Asia** and the **Middle East**, presents a **positive outlook for Man Industries**. With a focus on **high-margin products** and **export-driven growth**, the company stands to benefit from increasing steel consumption globally, particularly in sectors like **oil & gas**, **infrastructure**, and **construction**, aligning well with its expansion plans.

India's Steel Consumption Growth: A Rising Trend

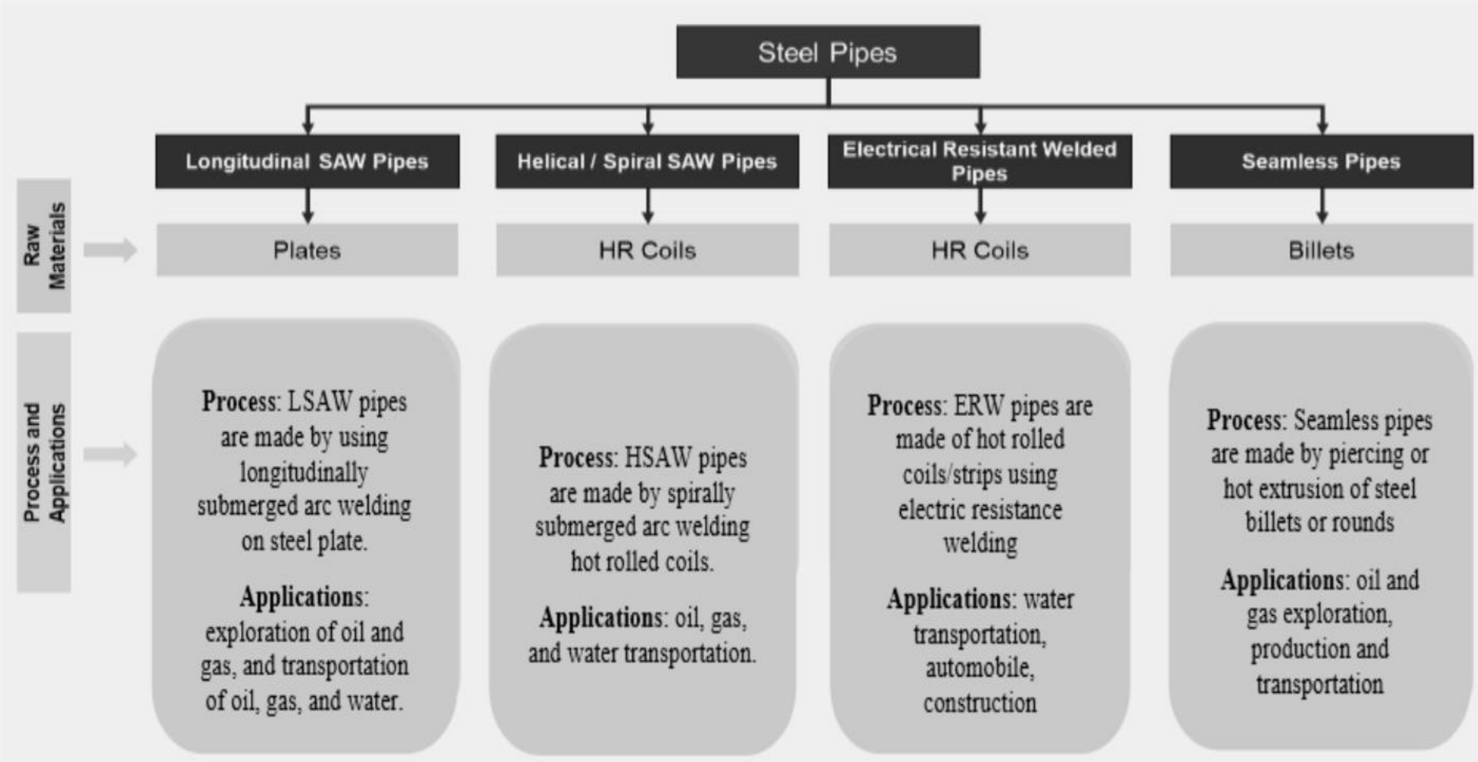
India's **per capita finished steel consumption** has seen consistent growth from **64 kg in 2020** to **102.6 kg in 2024**, and it is projected to reach **158 kg by FY30E**. This growth highlights the increasing demand for steel driven by ongoing **infrastructure development**, **industrial growth**, and the expanding **construction** and **automobile sectors**.



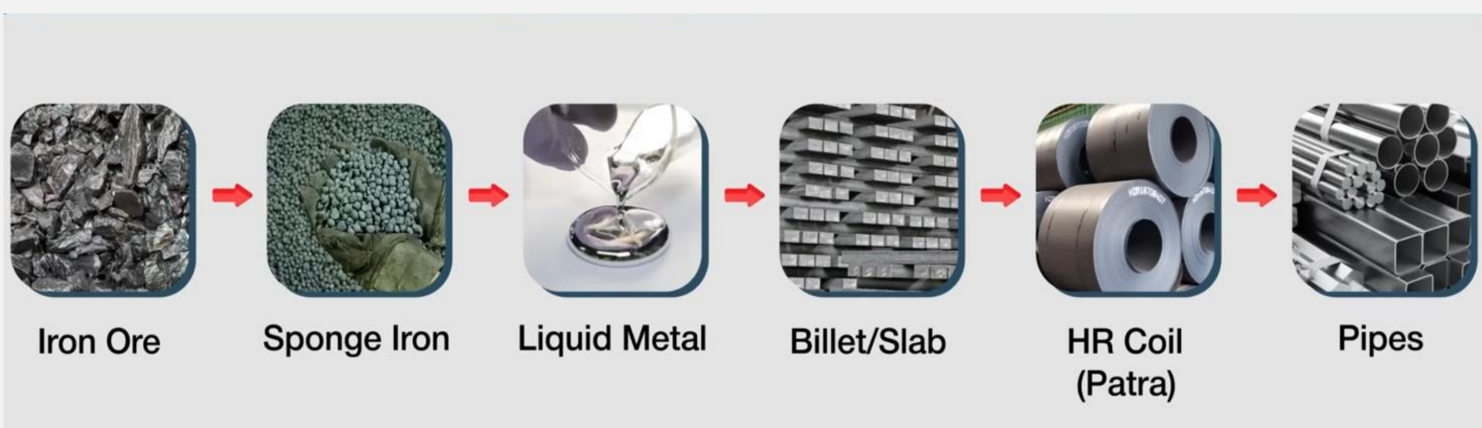
Source: World Steel Association 2025 & Ventura Research

Steel pipes and tubes Industry

Steel pipe, being a key steel downstream product, finds applications primarily in the transport of liquid or gas including oil, gas, and water and in the construction sector. Overall steel pipes and tubes manufacturing industry is highly



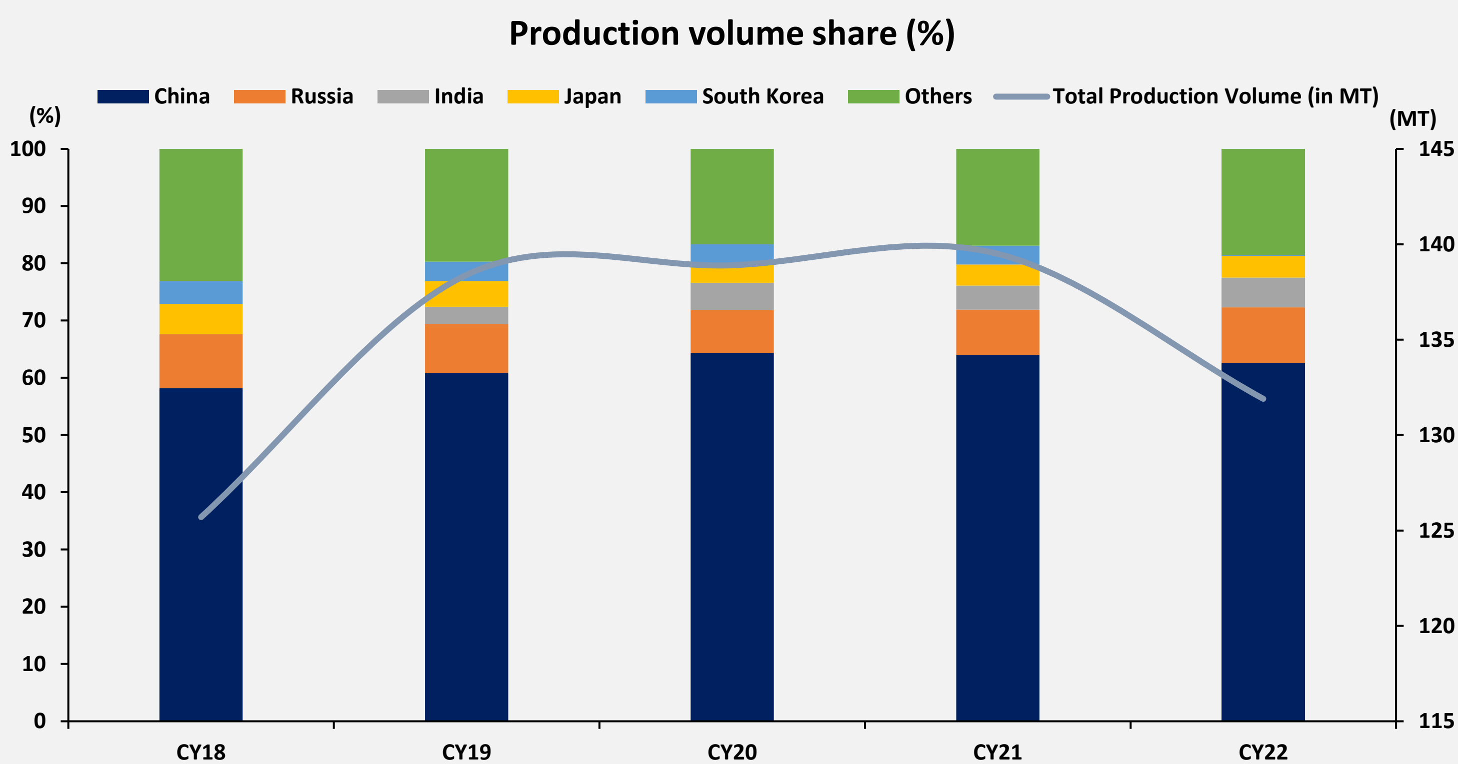
Manufacturing process for welded pipes and tubes



Steel pipes and tubes – global production

As of 2022, China is the global leader in the production of steel pipes and tubes, followed by Russia and India. In 2022, China accounted for more than 60% of pipes and tubes produced globally. India's share in global production volume of steel pipes and tubes increased from 3% in 2019 to over 5% in 2022.

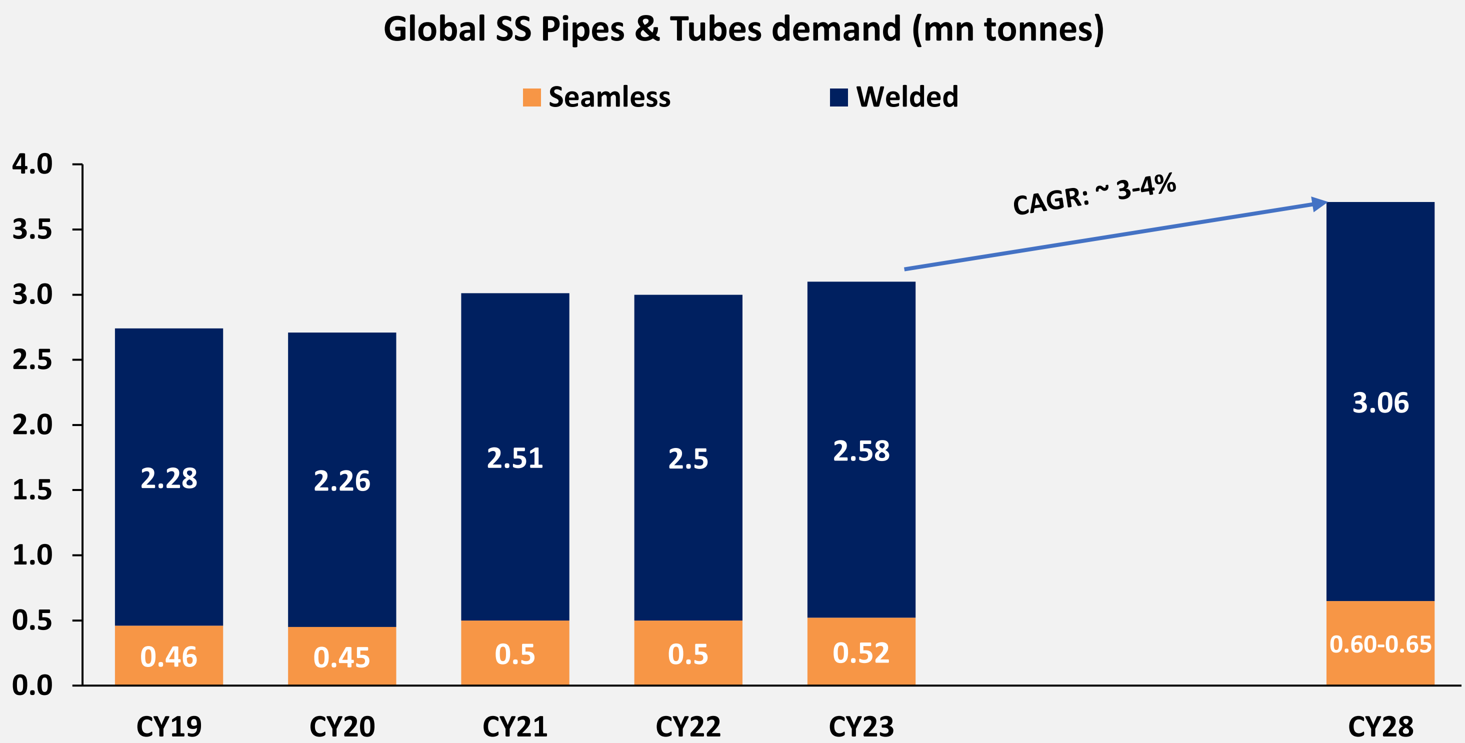
The overall production of steel pipes and tubes (both welded and seamless pipes and tubes) decreased on-year by over 5% in 2022 to approximately 132 million tonnes owing to supply related constraints caused by geopolitical conflicts.



The global demand for SS pipes and tubes stood at 3.1 million tonnes (mnt) in CY23, wherein the share of Welded pipes was around 80%-85%. Going ahead, the global demand for SS pipes and tubes is expected to grow at a CAGR of ~3%-4% during the CY23-CY28P period to reach 3.65-3.75 mnt by CY28P.

This growth is expected to be driven by rapid urbanization and industrial growth in emerging countries like India, Indonesia, Malaysia and other dominant consumers in the Middle East. China's focus on improving water transportation and expanding water supply network also presents ample demand prospects as it currently stands as the single largest consumer of SS pipes and tubes globally (~40% of global demand).

Source: World Steel Association 2025, CRISIL, Industry & Ventura Research



Submerged Arc Welded Pipe Market Outlook

The global SAW (Submerged Arc Welded) pipe market size was valued at approximately USD 12 billion in 2023 and is forecasted to reach USD 18.5 billion by 2032, growing at a compound annual growth rate (CAGR) of 5.1% during the forecast period. This steady growth can be attributed to increasing infrastructural investments and the rising demand for oil and gas transmission pipelines across various regions.

The growth of the SAW pipe market is primarily driven by the significant increase in oil and gas exploration and production activities worldwide, which requires robust pipeline infrastructure for efficient transport. The expansion of the energy sector, particularly in emerging economies, is contributing to higher demand for both LSAW (Longitudinal Submerged Arc Welded) and HSAW (Helical Submerged Arc Welded) pipes. Moreover, advancements in welding technology have enhanced the performance and reliability of SAW pipes, making them the preferred choice for high-pressure applications.

Source: CRISIL, Industry & Ventura Research

Macro growth drivers

Infrastructure Devlopment

- GoI's strong focus on infrastructure development across sectors like water (Jal Jeevan Mission, pipelines), and energy (oil & gaspipelines, power plants)
- Smart Cities Mission and the AMRUT program focus on upgrading urban infrastructure

Rapid Urbanization

- Rapid urbanization and the growth of the construction sector (residential, commercial, and industrial)
- India's urban population is projected to reach 675 million by 2035, increasing the need for housing and related infrastructure
- The construction industry in India is projected to grow at a CAGR of over 6% in the coming years

Oil and Gas Sector Expansion

- Investments in oil and gas exploration, transportation, and distribution networks
- Pradhan Mantri Urja Ganga Pipeline and the Northeast Natural Gas Pipeline Grid are expanding the natural gas network
- Major pipeline projects like Mundra-Panipat crude pipeline, expansion of the Salaya-Mathura corridor, etc.
- Saudi Arabia's Vision 2030 aiming for a 50% gas and renewable energy mix by 2030
- Cross-border pipeline projects, such as the Dolphin Gas Project linking Qatar, UAE, and Oman

Investment in water infrastructure projects and waste water management systems

- Aiming to provide tap water to all rural households; upgrading of pipe networks for water, sewage, and gas distribution
- Extension of the Jal Jeevan Mission until 2028 with an outlay of INR 67,000 crore for 2026
- The River Interlinking component under the Department of Water Resources has been allocated INR 3,400 crore.The National Ganga Plan has been allocated INR 3,400 crore.
- South-to-North Water Diversion Project, one of the world's largest water transfer projects, involves thousands of kilometers of large-diameter pipes

Government Policy Support & Initiatives

- Government initiatives and policies that promote domestic manufacturing, infrastructure spending, and industrial growth
- Make in India, Aatmanirbhar Bharat, Production Linked Incentive (PLI) Schemes, National Manufacturing Policy, etc.

Source: Company Reports & Ventura Research

Ventura Business Quality Score

Key Criteria	Score	Risk	Comments
Management & Leadership			
Management Quality	8	Low	The management team, led by Dr. Ramesh Chandra Mansukhani (Chairman) and Mr. Nikhil Mansukhani (Managing Director), is highly experienced, with a strong focus on global pipe manufacturing and strategic expansions.
Promoters Holding Pledge	9	Low	Promoter holding stands at 61.04% with no pledge as of FY24, reflecting strong promoter confidence and financial discipline.
Board of Directors Profile	8	Low	The board consists of experienced professionals in business management, finance, oil & gas, and corporate governance, offering effective oversight and strategic direction.
Industry Consideration			
Industry Growth	8	Low	The global steel market, especially in energy infrastructure and oil & gas, continues to grow. Strong demand in the Middle East, Asia, and emerging markets drives demand for large diameter pipes.
Regulatory Environment or Risk	7	Medium	While the industry is governed by stringent global standards and certifications (ISO, API), changes in raw material prices and regulatory hurdles in key markets, such as steel price fluctuations, pose moderate risks.
Entry Barriers / Competition	7	Medium	MAN INDIA enjoys strong B2B relationships and global accreditations, but competition from international players and new entrants in pipe manufacturing, along with the evolving landscape of raw material supply, poses challenges.
Business Prospects			
New Business / Client Potential	9	Low	With its strong presence in global oil & gas and infrastructure projects, it is well-positioned to capture new business, particularly from expanding markets in the Middle East and Asia.
Business Diversification	7	Medium	While the core business remains large diameter pipe manufacturing, the company is diversifying into coating systems and specialized infrastructure projects, increasing the value of its offerings.
Market Share Potential	8	Low	MAN INDIA commands significant market share in India and has global accreditations for large-scale projects. Expanding its global footprint and focus on high-margin exports should fuel growth.
Margin Expansion Potential	7	Medium	Margins are supported by scale benefits but price competition in international markets limit expansion potential. However, value-added products and geographic expansion will contribute positively.
Earnings Growth	7	Medium	MAN INDIA has seen steady growth in earnings driven by global demand. However, earnings are partially vulnerable to steel price cycles and economic fluctuations in key markets like the Middle East.
Valuation and Risk			
Balance Sheet Strength	6	High	MAN INDIA carried INR 456 crore debt, with pressure from elevated working capital (28% of sales) due to delayed shipments and higher receivables. Debt is projected to rise significantly to fund Saudi Arabia and Jammu expansions.
Debt Profile	6	High	The company has increased debt for expansion, with INR 790 crore debt planned for FY26, but it remains manageable for growth.
FCF Generation	8	Low	The company generates steady free cash flows, but higher debt levels from expansion could impact cash generation in the near term.
Dividend Policy	7	Medium	While the company maintains a balanced dividend policy, the rising debt might slightly limit future payouts to support expansion.
Total Score **Ventura Score (%)**	**112** **75%**	**Medium**	**The overall risk profile of the company is good, and we consider it a medium-risk company for investments.**

Management Team

Key Person	Designation	Details
Dr. Ramesh Chandra Mansukhani	Chairman	He has over 50 years of experience in business leadership and corporate governance. He founded Man Industries and has been instrumental in steering the company to its current position as a global leader in the large diameter pipe manufacturing sector. His leadership is characterized by a focus on strategic growth, market expansion, and sustained financial performance.
MR. NIKHIL R. MANSUKHANI	Managing Director	He has over 20 years of experience in business management, strategic decision-making, and corporate finance. As the Managing Director, he focuses on overseeing daily operations, executing business strategies, and ensuring the company's continued growth and expansion, particularly in global markets.
Mr. Sandeep Kumar Garg	Chief Financial Officer	He has over 20 years of experience in financial management and corporate strategy. He assumed the role of CFO in April 2024, succeeding Mr. Ashok Gupta. His expertise includes financial planning, risk management, and corporate finance, playing a pivotal role in supporting the company's financial stability and expansion strategies.
Mr. Rahul Rawat	Company Secretary & Compliance Officer	He has over 10 years of experience in statutory compliance and corporate governance. He is responsible for ensuring the company adheres to legal and regulatory standards and manages shareholder communications.
Mr. Jaspreet Bhatia	Sr. VP - Operations	He has over 15 years of experience in operations and project execution. He is responsible for overseeing production and supply chain management, ensuring efficiency and timely project delivery.
Mr. Gurinder Singh Sethi	Sr. VP - Marketing & Business Development	He has 18 years of experience managing marketing and business development functions, focusing on client acquisition and market share expansion, especially in international markets. Holding an MBA in International Business, he is skilled in strategic partnerships, client relations, and market expansion strategies.
Mr. Hardik Shah	VP - Projects	He brings 12 years of experience in project management, overseeing large-scale projects from planning to execution. With a degree in Civil Engineering and certifications in Project Management, he specializes in project coordination, risk management, and operational efficiency.
Mr. Hardik Desai	JT. VP - Business Development (Technical)	He has 10 years of experience in business development and technical solutions. With a degree in Mechanical Engineering and a background in business development, he excels in technical sales, engineering solutions, and client consultations, ensuring customized product offerings.

Source: Company Reports

Business risk

- **Regulatory Risk:** Changes in global steel regulations, including environmental norms and trade tariffs, could impact costs and margins, particularly for international operations.

- **Revenue Concentration Risk:** A significant portion of revenue is from oil & gas and infrastructure projects, making the company vulnerable to slowdowns in these sectors.

- **Supply Chain and Raw Material Risk:** Steel price fluctuations and disruptions in the supply chain could affect production costs and profitability.

- **Market Volatility Risk:** Business performance is closely tied to global economic cycles and energy market trends. Market corrections could reduce demand for large diameter pipes.

- **Operational Expansion Risk:** Delays in Saudi Arabia and Jammu projects or challenges in client acquisition could slow revenue growth.

- **Project Cycle and Inventory Buildup Risk:** Delays in project timelines (e.g., Taiwan order delay) may lead to inventory buildup, affecting cash flow and working capital. Inventory buildup linked to delayed projects could also strain storage and cost management.

- **Currency and Foreign Exchange Risk:** Currency fluctuations could affect revenue and profitability, especially in regions like the Middle East and Asia.

- **Competition Risk:** Strong competition from domestic and international players requires continuous innovation and competitive pricing to maintain market share.

FY24 Annual Report Takeaways

Board of Directors

Details of Board of Directors

Particular	FY24	FY23
Dr. Ramesh Chandra Mansukhani	Executive Chairman	Executive Chairman
Mr. Nikhil R. Mansukhani	MD	MD
Mrs. Heena Vinay Kalantari	NED	NED
Mr. Pramod Kumar Tandon	ID	ID
Mrs. Renu P. Jalan	ID	ID
Mr. Rabi Bastia	ID	ID

Source: Annual Reports

Auditor's qualifications and significant notes to accounts

The auditor's qualifications for Man Industries (India) Limited typically include an unmodified opinion, indicating that the financial statements present a true and fair view of the company's financial position and performance. There have been no significant qualifications raised by the auditors, meaning no material discrepancies or issues with the company's accounting practices, compliance, or reporting.
The significant notes to accounts include details on accounting policies, where the company follows Indian Accounting Standards (Ind AS) for recognition, measurement, and reporting. Key areas of disclosure include fixed assets and depreciation methods, contingent liabilities related to ongoing legal matters, and related party transactions with subsidiaries and management personnel. The company also outlines its debt obligations, including interest rates and repayment schedules. Additionally, there are disclosures on the valuation of inventory and receivables, treatment of taxation and deferred tax, and leases. The company provides information on its capital work-in-progress and capitalization of interest during the construction of expansion projects like the Jammu and Saudi Arabia plants. The auditor's report also notes any material adjustments made in the financial statements, including asset revaluation or changes in accounting estimates. Overall, the financial statements follow applicable accounting standards, and there are no significant risks affecting the company's financial health or going concerning status.

Contingent liabilities

MAN INDIA has contingent liabilities of INR 5,963 crore, pending arbitration/legal cases of INR 9,520 crore, and material commitments under Letters of Credit of INR 48,175 crore, with management confident of minimal financial impact.

Contingent Liabilities FY24	
Contingent Liability Description	**Amount (INR Lakhs)**
Entry Tax / Sales Tax/VAT liability matters	366.77
Excise duty/Customs duty/ Service tax liability /Goods & Service Tax matters	2,257.47
Income tax matters	2,314.71
Securities & Exchange Board of India	25.00
Arbitration & legal cases pending before the various forum for settlement /recovery of outstanding dues	9,520.21
Letter of Credit issued against which material not received	48,175.09

MAN INDIA's quarterly and annual performance

Fig in INR Cr (unless specified)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26	FY26E	FY27E	FY28E
Revenue from operations	490.4	1,018.0	833.0	810.7	3,142.2	748.7	806.2	731.9	1,218.5	3,505.4	742.1	3,672.0	5,085.8	5,899.2
YoY Growth (%)	*(3.9)*	*118.9*	*26.6*	*35.6*	*40.8*	*52.7*	*(20.8)*	*(12.1)*	*50.3*	*11.6*	*(0.9)*	*4.8*	*38.5*	*16.0*
Raw Material Cost	330.4	810.7	631.3	640.0	2,403.5	622.3	615.4	522.4	974.7	2,734.8	590.3	2,846.5	3,917.0	4,543.5
RM Cost to Sales (%)	*67.4*	*79.6*	*75.8*	*78.9*	*76.5*	*83.1*	*76.3*	*71.4*	*80.0*	*78.0*	*79.5*	*77.5*	*77.0*	*77.0*
Employee Cost	15.0	19.0	16.8	18.1	57.8	20.3	19.7	16.4	20.8	77.1	19.7	78.3	94.1	109.1
Employee Cost to Sales (%)	*3.1*	*1.9*	*2.0*	*2.2*	*1.8*	*2.7*	*2.4*	*2.2*	*1.7*	*2.2*	*2.7*	*2.1*	*1.9*	*1.8*
Other Expenses	98.3	118.8	120.2	94.3	439.7	68.3	107.4	114.4	101.9	392.1	83.0	435.0	604.0	686.6
Other Expenses to Sales (%)	*20.0*	*11.7*	*14.4*	*11.6*	*14.0*	*9.1*	*13.3*	*15.6*	*8.4*	*11.2*	*11.2*	*11.8*	*11.9*	*11.6*
EBITDA	46.9	69.6	64.7	58.4	241.2	37.8	63.7	78.7	121.2	301.4	49.1	312.2	470.7	560.0
EBITDA Margin (%)	*9.6*	*6.8*	*7.8*	*7.2*	*7.7*	*5.0*	*7.9*	*10.8*	*9.9*	*8.6*	*6.6*	*8.5*	*9.3*	*9.5*
Net Profit	11.2	39.0	30.6	24.1	105.1	19.1	31.9	34.1	68.2	153.2	27.6	152.1	208.3	286.3
Net Margin (%)	*2.3*	*3.8*	*3.7*	*3.0*	*3.3*	*2.5*	*4.0*	*4.7*	*5.6*	*4.4*	*3.7*	*4.1*	*4.1*	*4.9*
Adjusted EPS	1.5	5.2	4.1	3.2	14.0	2.5	4.2	4.5	9.1	20.4	3.7	20.3	27.8	38.2
P/E (X)					*27.6*					*18.9*		*19.1*	*13.9*	*10.1*
Adjusted BVPS					187.3					214.3		234.6	262.3	294.8
P/BV (X)					*2.1*					*1.8*		*1.6*	*1.5*	*1.3*
Enterprise Value					2,728.1					2,953.3		3,607.7	3,550.2	3,419.7
EV/EBITDA (X)					*11.3*					*9.8*		*11.6*	*7.5*	*6.1*
Net Worth					1,404.9					1,607.3		1,759.3	1,967.6	2,211.0
Return on Equity (%)					*7.5*					*9.5*		*8.6*	*10.6*	*12.9*
Capital Employed					1,713.3					2,063.2		3,005.3	3,202.7	3,363.5
Return on Capital Employed (%)					*7.7*					*9.3*		*6.3*	*9.1*	*10.5*
Invested Capital					1,230.5					1,658.1		2,464.6	2,615.3	2,728.2
Return on Invested Capital (%)					*14.6*					*15.4*		*10.3*	*14.8*	*17.3*
Cash Flow from Operations					257.5					68.0		376.6	294.8	211.7
Cash Flow from Investing					(263.7)					(41.3)		(904.6)	(61.7)	134.8
Cash Flow from Financing					157.9					29.6		662.4	(196.9)	(304.6)
Net Cash Flow					151.6					56.3		134.4	36.2	41.9
Free Cash Flow					201.1					(11.8)		(364.6)	383.2	286.7
FCF to Revenue (%)					*6.4*					*(0.3)*		*(9.9)*	*7.5*	*4.9*
FCF to EBITDA (%)					*83.4*					*(3.9)*		*(116.8)*	*81.4*	*51.2*
FCF to Net Profit (%)					*191.2*					*(7.7)*		*(239.8)*	*184.0*	*100.2*
FCF to Net Worth (%)					*14.3*					*(0.7)*		*(20.7)*	*19.5*	*13.0*
Total Debt					308.5					456.0		1,246.0	1,235.1	1,152.5
Net Debt					(174.4)					50.8		705.2	647.7	517.2
Net Debt to Equity (X)					*(0.1)*					*0.0*		*0.4*	*0.3*	*0.2*
Net Debt to EBITDA (X)					*(0.7)*					*0.2*		*2.3*	*1.4*	*0.9*
Interest Coverage Ratio (X)					*2.1*					*2.6*		*2.0*	*2.1*	*2.6*

Source: Company Reports & Ventura Research

Now you can Listen to our research on Man Industries (India) Ltd.

MAN INDIA's consolidated financial & projections

Fig in INR Cr (unless specified)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Income Statement						
Revenue	2,231.3	3,142.2	3,505.4	3,672.0	5,085.8	5,899.2
YoY Growth (%)	*4.3*	*40.8*	*11.6*	*4.8*	*38.5*	*16.0*
Raw Material Cost	1,773.0	2,403.5	2,734.8	2,846.5	3,917.0	4,543.5
RM Cost to Sales (%)	*79.5*	*76.5*	*78.0*	*77.5*	*77.0*	*77.0*
Employee Cost	49.6	57.8	77.1	78.3	94.1	109.1
Employee Cost to Sales (%)	*2.2*	*1.8*	*2.2*	*2.1*	*1.9*	*1.8*
Other Expenses	284.2	439.7	392.1	435.0	604.0	686.6
Other Exp to Sales (%)	*12.7*	*14.0*	*11.2*	*11.8*	*11.9*	*11.6*
EBITDA	124.6	241.2	301.4	312.2	470.7	560.0
Margin (%)	*5.6*	*7.7*	*8.6*	*8.5*	*9.3*	*9.5*
YoY Growth (%)	*(31.0)*	*93.5*	*25.0*	*3.6*	*50.8*	*19.0*
Depreciation & Amortization	45.5	61.1	45.3	58.1	82.6	86.8
EBIT	79.1	180.1	256.2	254.1	388.1	473.2
Margin (%)	*3.5*	*5.7*	*7.3*	*6.9*	*7.6*	*8.0*
YoY Growth (%)	*(41.5)*	*127.6*	*42.3*	*(0.8)*	*52.8*	*21.9*
Other Income	51.4	52.1	51.8	76.8	76.3	88.5
Interest	41.0	87.8	99.6	127.6	186.1	179.1
Fin Charges Coverage (X)	1.9	2.1	2.6	2.0	2.1	2.6
Exceptional Item	0.0	0.0	0.0	0.0	0.0	0.0
PBT	89.5	144.3	208.4	203.2	278.3	382.6
Margin (%)	*4.0*	*4.6*	*5.9*	*5.5*	*5.5*	*6.5*
YoY Growth (%)	*(33.7)*	*61.3*	*44.4*	*(2.5)*	*37.0*	*37.5*
Tax Expense	22.4	39.2	55.2	51.2	70.1	96.3
Tax Rate (%)	*25.1*	*27.1*	*26.5*	*25.2*	*25.2*	*25.2*
PAT	67.0	105.1	153.2	152.1	208.3	286.3
Margin (%)	*3.0*	*3.3*	*4.4*	*4.1*	*4.1*	*4.9*
YoY Growth (%)	*(34.0)*	*56.8*	*45.7*	*(0.7)*	*37.0*	*37.5*
Min Int/Sh of Assoc	0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Net Profit	67.0	105.1	153.2	152.1	208.3	286.3
Margin (%)	*3.0*	*3.3*	*4.4*	*4.1*	*4.1*	*4.9*
YoY Growth (%)	*(34.0)*	*56.8*	*45.7*	*(0.7)*	*37.0*	*37.5*
Balance Sheet						
Share Capital	30.1	32.4	32.4	32.4	32.4	32.4
Total Reserves	1,102.2	1,372.5	1,574.9	1,727.0	1,935.2	2,178.6
Shareholders Fund	1,132.3	1,404.9	1,607.3	1,759.3	1,967.6	2,211.0
Long Term Borrowings	129.6	136.3	138.5	928.5	878.5	828.5
Deferred Tax Assets / Liabilities	24.3	25.8	27.6	27.6	27.6	27.6
Other Long Term Liabilities	4.9	17.7	19.3	20.2	27.9	32.4
Long Term Trade Payables	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Provisions	2.3	0.5	1.6	1.7	2.0	2.3
Total Liabilities	1,293.4	1,585.2	1,794.2	2,737.2	2,903.6	3,101.7
Net Block	551.1	603.6	623.2	1,401.8	1,370.1	1,342.2
Capital Work in Progress	14.4	30.5	133.4	200.0	200.0	0.0
Intangible assets under develop	0.0	0.0	0.0	0.0	0.0	0.0
Non Current Investments	0.0	0.0	1.4	1.5	1.9	2.1
Long Term Loans & Advances	126.4	167.5	0.0	0.0	0.0	0.0
Other Non Current Assets	9.4	14.6	270.6	296.3	410.4	476.0
Net Current Assets	592.1	768.9	765.6	837.6	921.3	1,281.4
Total Assets	1,293.4	1,585.2	1,794.2	2,737.2	2,903.6	3,101.7

Fig in INR Cr (unless specified	FY23	FY24	FY25	FY26E	FY27E	FY28E
Per share data & Yields						
Adjusted EPS (INR)	8.9	14.0	20.4	20.3	27.8	38.2
Adjusted Cash EPS (INR)	15.0	22.2	26.5	28.0	38.8	49.8
Adjusted BVPS (INR)	151.0	187.3	214.3	234.6	262.3	294.8
Adjusted CFO per share (INR)	(16.0)	34.3	9.1	50.2	39.3	28.2
CFO Yield (%)	(4.1)	8.9	2.3	13.0	10.2	7.3
Adjusted FCF per share (INR)	(39.6)	26.8	(1.6)	(48.6)	51.1	38.2
FCF Yield (%)	(10.2)	6.9	(0.4)	(12.6)	13.2	9.9
Solvency Ratio (X)						
Total Debt to Equity	0.3	0.2	0.3	0.7	0.6	0.5
Net Debt to Equity	0.1	(0.1)	0.0	0.4	0.3	0.2
Net Debt to EBITDA	1.0	(0.7)	0.2	2.3	1.4	0.9
Return Ratios (%)						
Return on Equity	5.9	7.5	9.5	8.6	10.6	12.9
Return on Capital Employed	4.2	7.7	9.3	6.3	9.1	10.5
Return on Invested Capital	6.3	14.6	15.4	10.3	14.8	17.3
Working Capital Ratios						
Payable Days (Nos)	56	58	125	100	102	80
Inventory Days (Nos)	67	75	132	100	90	80
Receivable Days (Nos)	81	41	93	90	85	80
Net Working Capital Days (No	92	58	100	90	73	80
Net Working Capital to Sales (	25.1	15.8	27.5	24.7	20.0	21.9
Valuation (X)						
P/E	43.3	27.6	18.9	19.1	13.9	10.1
P/BV	2.6	2.1	1.8	1.6	1.5	1.3
EV/EBITDA	24.3	11.3	9.8	11.6	7.5	6.1
EV/Sales	1.4	0.9	0.8	1.0	0.7	0.6
Cash Flow Statement						
PBT	89.5	144.3	208.4	203.2	278.3	382.6
Adjustments	265.6	89.5	380.8	165.9	198.3	201.2
Change in Working Capital	(452.9)	62.8	(466.0)	58.6	(111.7)	(275.8)
Less: Tax Paid	(22.4)	(39.2)	(55.2)	(51.2)	(70.1)	(96.3)
Cash Flow from Operations	(120.3)	257.5	68.0	376.6	294.8	211.7
Net Capital Expenditure	(207.2)	(120.4)	(154.3)	(836.7)	(50.9)	(59.0)
Change in Investments	71.7	(143.3)	113.0	(67.9)	(10.9)	193.8
Cash Flow from Investing	(135.5)	(263.7)	(41.3)	(904.6)	(61.7)	134.8
Change in Borrowings	259.0	67.2	129.3	790.0	(10.8)	(82.6)
Less: Finance Cost	(41.0)	(87.8)	(99.6)	(127.6)	(186.1)	(179.1)
Proceeds from Equity	4.5	190.5	0.0	0.0	0.0	0.0
Buyback of Shares	0.0	0.0	0.0	0.0	0.0	0.0
Dividend Paid	(11.8)	(12.0)	0.0	0.0	0.0	(42.9)
Cash flow from Financing	210.7	157.9	29.6	662.4	(196.9)	(304.6)
Net Cash Flow	(45.1)	151.6	56.3	134.4	36.2	41.9
Forex Effect	0.0	0.0	0.0	0.0	0.0	0.0
Opening Balance of Cash	81.9	37.0	188.6	379.2	513.5	549.8
Closing Balance of Cash	36.8	188.6	379.2	513.5	549.8	591.7

Source: Company Reports & Ventura Research

Rating Methodology

We rate stocks on the 2 years absolute return basis.

Rating	Criteria	Definition
BUY	>= 20%	Target price is equal to or more than 20% of CMP
HOLD	>= 0% to < 20%	Target price is more than CMP but less than 20% of CMP
SELL	<= 0% (negative return)	Target price is less than CMP
NOT RATED	No recommendation	No target

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