

Choice Equity Broking Private Limited

## **Man Industries Limited- Poised for industry leading growth**

### **Initiation Coverage Report**

**Institutional Research**

**29<sup>th</sup> December 2023**

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## Man Industries Limited- Poised for industry leading growth

- Man Industries (India) Ltd. (MAN), was incorporated in 1988 and is the flagship company of the Man Group promoted by the Mansukhani family. Today, the company is one of the largest manufacturer and exporter of large diameter carbon steel line pipes (LSAW, HSAW and ERW), which are used for various high pressure transmission applications for oil & gas industry, petrochemicals, water, dredging & fertilizers, hydro-carbon and CGD Sector. The company has three state-of-the-art manufacturing facilities with 2 facility located in Anjar, Gujarat having 2 LSAW line Pipe units & 2 HSAW Line Pipe units, 1 ERW unit and also for various types of Anti-Corrosion Coating Systems and 1 facility in Pithampur, Madhya Pradesh, having a total installed capacity of over 1.15 Mn + MTPA. The company has a strong global reach and has supplied to marquee domestic and international clients such as GAIL, IOCL, HPCL, BPCL, ONGC, Reliance, Adani, SHELL, Kinder Morgan, Kuwait Oil Company, Hyundai Engineering & Construction Ltd., and many more. MAN is also undertaking capex to further widen its product offerings by entering in to manufacturing of Steel pipes.
- Foraying in to ERW and SS steel segment:** MAN is aggressively expanding its capacity in ERW segment which is high volume segment and preferred steel pipe for the sector like O&G and construction related projects. A/TO in ERW is 3-4 times better than HSAW and LSAW pipes which reduces the working capital cycle for the product. However, margin for the ERW pipes are lower than HSAW and LASW due to competitive scenario and low labor depended and most of the process is automated. ERW plant at Anjar is expected to start commercial production from Q3FY24. **Currently company has order bid book of Rs 14000-15000cr. from the segment from global market like O&G and water transportation. Management expect post ERW commissioning top line on consolidated basis is expected improve in the range of 18-20%. At peak capacity ERW expected to achieve a turnover of Rs.800-1000cr.**
- J&K expansion is a strategic step:** MAN industries is looking to expand its geographical presence and setting up a new plant in Jammu (Kathua) for the Seamless steel pipes (20000TPA) which is expected to start production from Q4FY25. Total Investment capex outlay is around Rs.550cr. Post abrogation of article 370 in J&K, government has plan to increase the economic activities in Kathua- (Kashmir). **To setup the new units state government is providing various subsidy and incentive like incentive of 300% of total capex outlay on plant and machineries through SGST and CGST credit over 10 years and faster land allotment approval in Jammu industrial belt. J&K plant will help to improve the overall margin from current 8% to 9.3% in FY26.**
- Growth in Seawater Desalination Market Driving LSAW and HSAW Pipes Industry:** Water scarcity is now one of the biggest challenges facing the people, the economy and the future of the GCC region. According to the United Nations Children's Fund (UNICEF), 11 of the world's 17 water-scarce countries are in the Middle East and North Africa, namely Qatar, Israel, Lebanon, Iran, Jordan, Libya, Kuwait, Saudi Arabia, United Arab Emirates, Bahrain and Oman. Therefore, desalination technology is widely used in GCC countries to make up for the shortfall in freshwater supply. For example, the Saudi Arabian government launched a national water plan, Qatrah, in 2019. As part of the Qatrah plan, the country aims to invest USD80 billion in new desalination projects over the next decade to further boost water supplies amid growing demand. In the first half of 2022, Saudi Arabia announced 60 new water projects that will increase its desalination capacity from 2.54 million cubic meters per day in 2021 to 7.5 million cubic meters per day by 2027, thereby almost reducing the Production capacity doubled. LSAW and HSAW Pipes products can be used for water supply and transportation, therefore, the growth of the seawater desalination market in the GCC region will be one of the opportunities for the development of the industry.

### View and valuation

- MAN industries is in the cusp of expanding the product portfolio to ERW & SS pipes along with HSAW/LSAW pipes. **Further its upcoming new facility in Jammu, which is high RoCE plant is likely to improve the overall profitability of MAN industries (improvement in margin by 150bps over H1FY24 to FY26 and RoCE expansion from 8.5% in FY23 to 14.8% in FY26).** We initiate coverage on the stock with **OUTPERFORM** rating led by 1) expanding in to ERW pipes and seamless steel pipes (high realization 3-4x of existing product), 2) expanding capacity for Steel Bends & Connectors and 3) healthy revenue/PAT growth at CAGR of 27/40% over FY23-26. We ascribe a rating of **OUTPERFORM** with a **TP of Rs. 390 (13x of FY26 EPS).**

29th Dec 2023

<b>CMP (Rs.)</b>	<b>266.9</b>
<b>Target (Rs.)</b>	<b>390.0</b>
<b>Potential Upside (%)</b>	<b>46.1</b>

28th Dec, 23 Closing Price.

### Company Info

BB Code	MAN:IN EQUITY
ISIN	INE993A01026
Face Value (Rs.)	5.00
52 Week High (Rs.)	289.1
52 Week Low (Rs.)	76.7
Mkt Cap (Rs. bn.)	16.1
Mkt Cap (\$ bn.)	0.19
Shares Outstanding (Mn)	60.1
TTM EPS (Rs.)	19.73

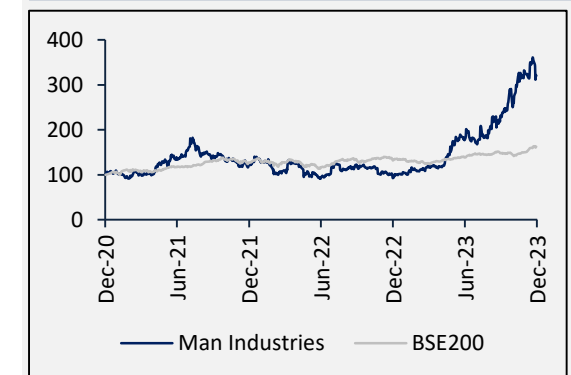
### Shareholding Pattern (%)

	Sep-23	Jun-23	Mar-23
Promoters	49.61	45.68	45.68
FII's	1.61	2.22	1.60
DII's	0.04	0.04	0.23
Public	48.72	52.05	52.48

### Relative Performance (%)

YTD	3Y	2Y	1Y
BSE 200	105	17	-2
MAN IND	127	17	-3

### Rebased Price Performance (%)



## Global pipes and tubes market size opportunity

- IEA in its latest World Energy Outlook 2023, estimated global Oil demand to see a steady growth reaching to 101.5 million barrel/day by 2030, OPEC has a very strong outlook and expects global Oil demand reaching 112 million barrel/day
- According to the IEA, starting from 2025, a huge surge in LNG project is set to start off with addition of 250 billion cubic meters per year liquefaction capacity by 2030, which is equal to almost half of today's global LNG supply. Most of these capacities will come between 2025 and 2027. We can categorize the global demand based on LSAW and HSAW and various other parameter like dimension etc.
- Global market-The global steel pipes & tubes market size was valued at USD 170.72 Bn in 2022 and is expected to grow at a CAGR of 6.3% from 2023 to 2030. Large Diameter Steel Pipes Market Size in 2023- \$ 12.6 bn and is expected to reach \$16.8 bn. (American Cast Iron Pipe Company, and American Piping Products)
- Oil & Gas market which is around USD 73.3 billion in 2023 is expected to dominate the market with a CAGR of 3.4% from 2023-2033. Global large diameter steel pipes market is expected to grow at a 2.9% CAGR from FY 2023- 2033, Market value (2023)- \$ 6.8 Bn.

### LSAW and HSAW pipes are preferred transportation mode for O&G segment

- LSAW and HSAW Pipes products are widely used in petroleum field. Petroleum is a supporting industry in the GCC region. The GCC region accounts for a disproportionate share of global primary energy supply, the largest of which, Saudi Arabia, is the world's number one oil exporter (during the pandemic). LSAW and HSAW Pipes are widely used in oil transportation. Therefore, the demand of the oil market will greatly promote the development of the LSAW and HSAW Pipes industry.

### HSAW PIPES MARKET-

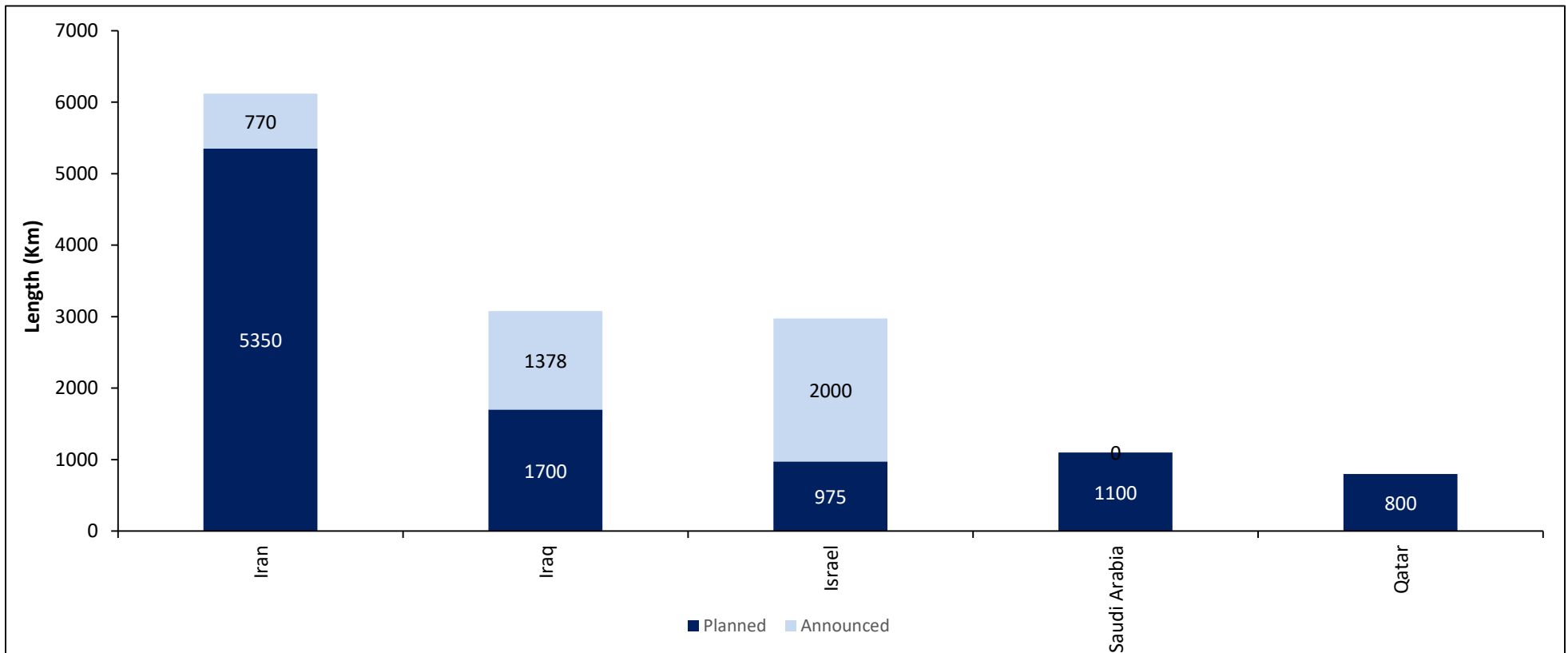
- The global market for Helical Submerged Arc Welded (HSAW) Pipes estimated at US\$5.1 Billion in the year 2020, is projected to reach a revised size of US\$6.3 Billion by 2026, growing at a CAGR of 3.4% over 2020-2026.
- 18-24 Inches segment is projected to grow at a 3.2% CAGR to reach US\$1.6 Billion by 2026 and 24-48 Inches segment is expected to grow at 3.7% CAGR for the next 7-year period (FY 21-FY 28). This segment currently accounts for a 60.8% share of the global HSAW Pipes market.

### LSAW PIPES-

- LSAW pipes segment is expected to account for a CAGR of 3.2% from FY 2023- 2033.

### Middle East Planned and Announced transmission pipeline length by key countries, 2023-2027 (Km)

- MAN industries most of the revenue coming from AMEA region which is expected to witness various large project in the EMA region. Asp per GlobalData estimates Iraq to occupy second place in the Middle East in terms of transmission pipeline length additions, with 3,078 km by 2027. Oil pipelines account for almost entire pipeline length additions in the country. Basra–Aqaba Oil, and Iraq–Turkey II are the major upcoming oil pipelines with a length of 1,700 km and 1,000 km, respectively.
- Iran is expected to dominate the Middle East’s oil and gas trunk/transmission pipeline length additions from upcoming projects between 2023 and 2027, accounting for around 38% of the region’s total planned and announced pipeline additions by 2027 which is around 5340km of which almost all the projects receives the necessary obligation.
- Saudi Arabia** - As per the Saudi Aramco, it expects to award contracts for 14 pipeline projects between 2023 and 2025. As per the Saudi Aramco, it expects to award contracts for 14 pipeline projects between 2023 and 2025. Saudi Aramco raised its upstream spending by about 24% to US\$29 billion and plans further increase in spending to boost its crude oil capacity to 13 million bpd by 2027. Water desalination remains a major focus with the country heavily investing in these projects exceeding US\$14.58 billion.



Source: Globaldata, CEBPL

## Few of the longest oil pipelines in the world under development

Location	Length	Total Cost	Start year
Niger–Benin Oil Pipeline	1,950 km	US\$7 billion	2024
Tazama Oil Pipeline	1,710 km	954km, USD 400Mn	2020
Paradip Numaligarh Crude Pipeline (PNCPL)	1630 km	Part of Numaligarh Refinery Limited's Integrated Refinery Expansion projectRs. 28,000 crores	2024
East African Crude Oil Pipeline (EACOP)	1,444 km	US\$5 billion	2025
Angola-Zambia Oil Pipeline	1400 km	NA	Proposed
New Mundra–Panipat Oil Pipeline	1,194 km	90.28 billion INR	2024
Basra-Aqaba Oil Pipeline	348 km + 1154 km	US\$4 billion + US\$22 billion	Proposed
Seahorse Pipeline	700 miles		2022
Trans Mountain Oil Pipeline	980 km	CAN\$30.9 billion	2023
AMBO Oil Pipeline	816 km	\$2 million USD	Proposed
Vostok Oil Pipeline	800+300+300 km	70–100 billio USD	2022+2024+proposed
Kirkuk-Baniyas Oil Pipelines	800+800+800	USD\$8bn+....+....	Proposed

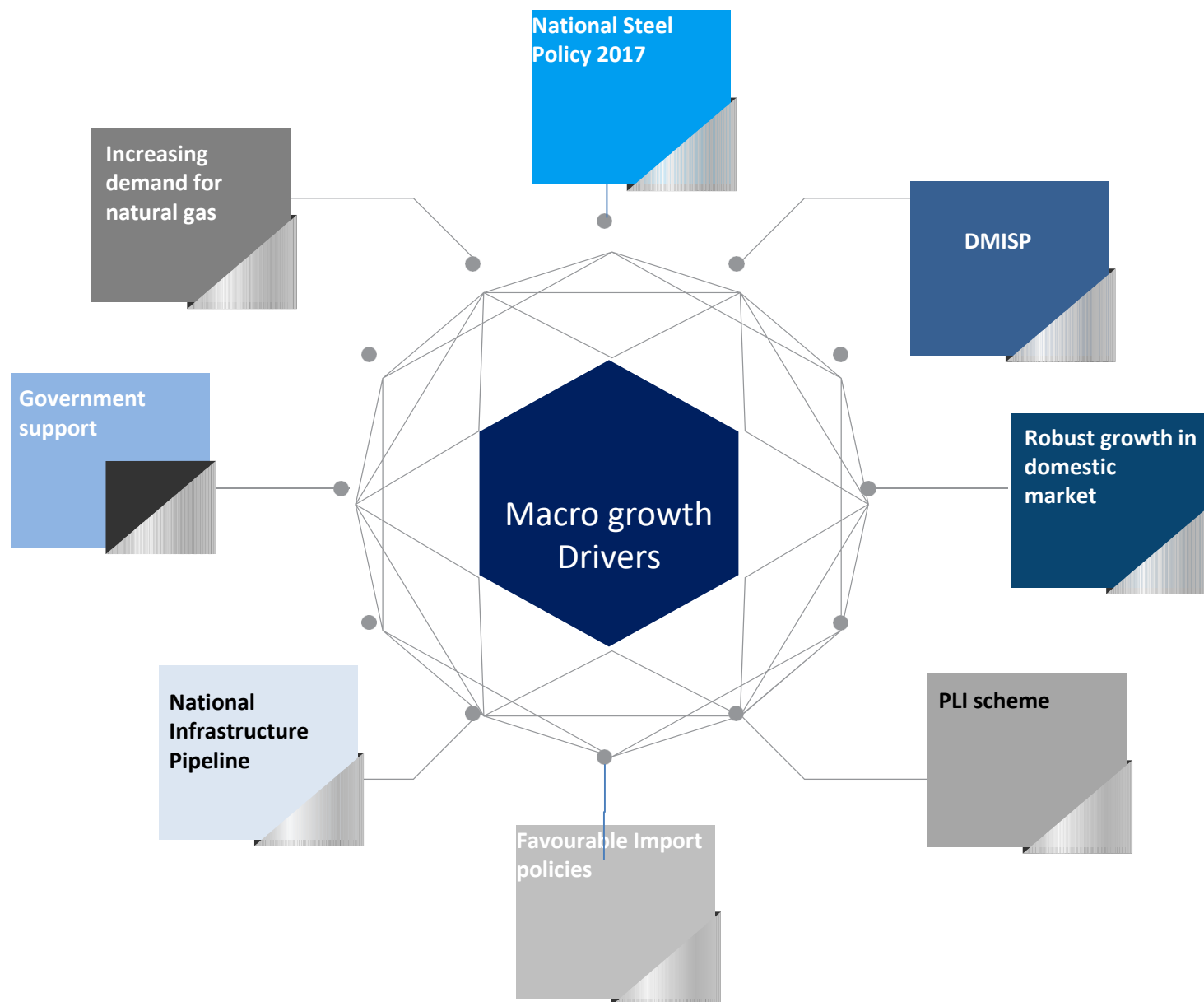
Source: Company, CEBPL, globalenergymonitor.org

Africa and the Middle East are home to 49% of all oil transmission pipelines under construction globally at a cost of US\$25.3 billion, according to new data from Global Energy Monitor.

The 2023 annual survey of data in the Global Oil Infrastructure Tracker shows that these regions together are building 4,400 kilometers (km) of crude oil transmission pipelines at an estimated capital expenditure of US\$14.4 billion. An additional 10,800 km are proposed in these regions at an estimated cost of US\$59.8 billion.

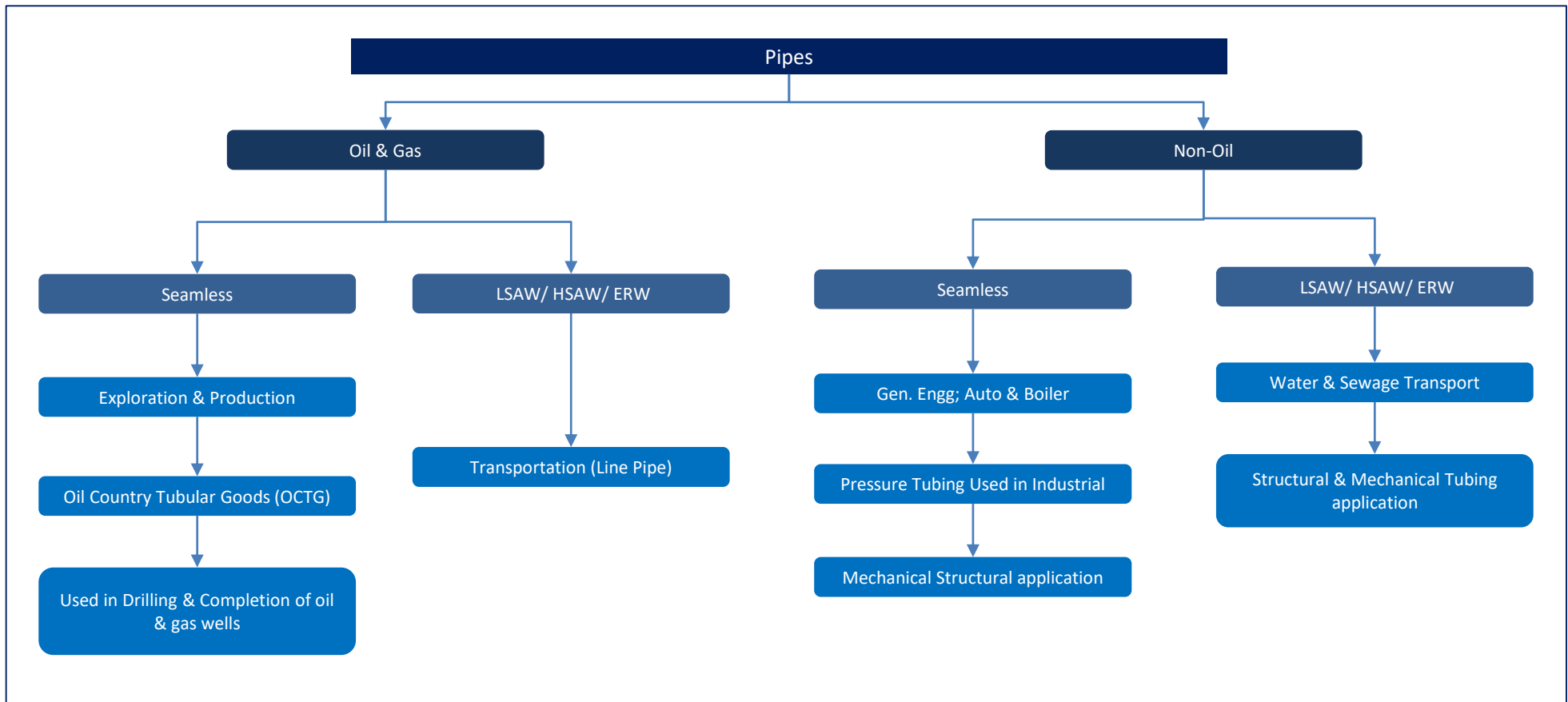
- The total 31,000 km of oil pipelines in development globally represents an increase of nearly 30% from this time last year.
- The leading five countries in terms of in-development pipelines (proposed and under construction) are the United States, India, Iraq, Iran, and Tanzania.
- The top five parent companies developing oil pipelines are state-owned enterprises and private companies, including Iran’s Ministry of Petroleum, the China National Petroleum Corporation, Iraq’s Ministry of Oil, India’s Numaligarh Refinery Limited, and France’s Total Energies.
- The longest pipeline projects under construction are the 1,950-km Niger–Benin Oil Pipeline and the Paradip Numaligarh Crude Pipeline (PNCPL) in India, both slated to start operating in 2024. Canada is home to the third-largest pipeline project under construction, the 980-km Trans Mountain Expansion (TMX), expected to start in 2023 as an expansion to the existing Trans Mountain Oil Pipeline.

## Growth drivers for Steel & Pipe industry in India



## Below is the structure of the Indian steel pipe market

- The rising demand for piping systems used for transferring essential liquids and gases at industrial processing facilities is likely to boost the growth of the Indian pipe fabrication market. The growth can be attributed to the high demand for the product from various end-use industries such as chemical, oil & gas, food & beverage, and energy & power. The piping system is a significant part of any industrial process and activity, wherein pipe fabrication plays a vital role.
- The growing population domestically and globally also drives the production of consumer goods, clothing, electronics, energy, processed food & beverages, and other essential products.
- This is creating pressure on the local and global industrial players to expand the manufacturing output to cater to the growing need. The players are likely to double the industrial output by launching increasing production lines or launching new production facilities. This is anticipated to augment the demand for pipe fabrication.
- The expansion of new oil and gas pipeline projects across India is expected to positively impact the demand for the market in the coming years.
- In the below chart we can categories the Indian Pipe industry in two broad category Stainless steel pipe and carbon steel pipes.



Source: Company, CEBPL

## Domestic market opportunity

## 1. Export &amp; New Sector Opportunities

--> Crude around \$80-90 gives a lot of opportunities in the international market as projects which were on hold due to COVID & lower crude prices are seeing lot of traction.

--> As the world moves towards clean energy new opportunities in the Hydrogen space are opening up and in the near future the infrastructure to transport via line pipes would be developed creating lot of traction in the sector.

## 2. GAS

--> In February 2022, Ministry of Petroleum & Natural Gas, said that India will more than double its exploration area of oil and gas to 0.5 Mn sq. km. by 2025 and to 1 Mn sq. km. by 2030 with a view to increase domestic output.

--> As part of the Gas Grid, India targets increasing the pipeline coverage by ~60% by 34,500 kms by 2024-25.

-->All states are targeted to be connected by a trunk national pipeline network by 2027.

## 3. OIL

--> A strong emphasis has been laid on expansion of city gas distribution (CGD) networks across the country by covering 407 districts with a potential to make gas accessible to over 70% of the population.

--> There is an expected investment of INR 120,000 Crs in over next 10 years.

## 4. WATER

--> Union Budget 2023 has allocated ~INR 70,000 Crs for Jal Jeevan Mission.

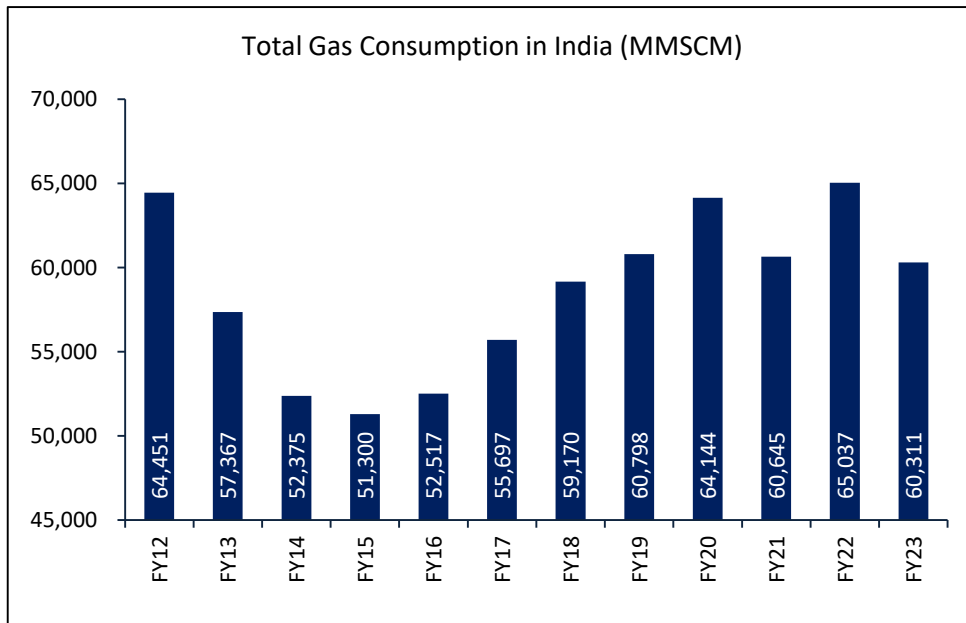
--> Total size of opportunity for large diameter steel pipes in water Infrastructure estimated at INR 1,40,000 Crs in Jal Jeevan Mission and INR 1,12,000 Crs for National River Linking Scheme.

Source: Company, CEBPL

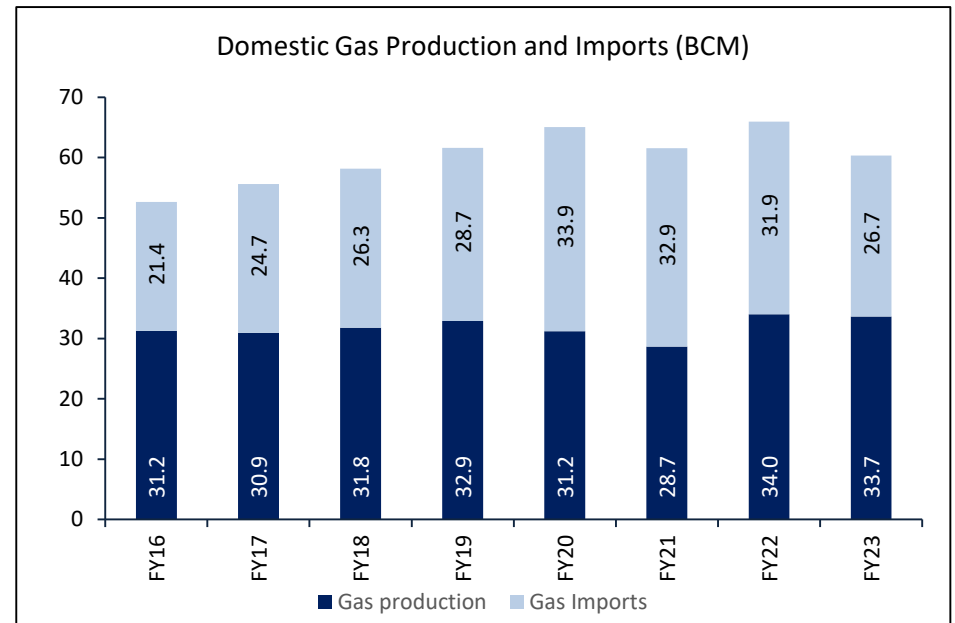


## Gas supply and demand in India

- Demand is not likely to simmer down anytime soon, given strong economic growth and rising urbanization.
- Gas consumption is projected to reach 143.08 BCM by 2040. The Government is planning to invest US\$ 2.86 billion in upstream oil and gas production to double the natural gas production to 60 BCM and drill more than 120 exploration wells by 2022.
- According to the International Energy Agency (IEA), India’s medium-term outlook for natural gas consumption remains solid due to rising infrastructure and supportive environment policies. Industrial consumers are expected to account for 40% of India’s net demand growth. The demand is also expected to be driven by sectors such as residential, transport and energy.
- India’s natural gas imports increased at a CAGR of 3.2% between FY16 and FY23.
- High-Speed Diesel was the most consumed oil product in India and accounted for 38.6% of petroleum product consumption in FY23. It is used primarily for commercial transportation and further, in the industrial and agricultural sectors. India’s consumption of petroleum products stood at 4.44 MBPD in FY23, up from 4.05 MBPD in FY22. India’s oil consumption is forecast to rise from 4.8 MBPD in 2019 to 7.2 MBPD in 2030 and 9.2 MBPD in 2050. Rapid economic growth is leading to greater outputs, which in turn is increasing the demand of oil for production and transportation.
- In regasification capacity addition India is likely to witness LNG regasification capacity additions of 4,870 billion cubic feet (bcf) by 2027. Out of this, 3,239 bcf of capacity is likely to come from the new build terminals, while the remaining will be from the expansion of the existing regasification terminals.



Source: PNGRB, CEBPL



Source: PNGRB, CEBPL

## Water Transportation – New opportunities

- **Water Transportation** – New opportunities The country's per capita availability of water stands at only 1544 m3 which is primarily because the population contributes to 17% of the global population but has only 4% of freshwater resources. As the demand for water increases, a study by GOI suggests that the demand is expected to be twice that of supply by 2030.
- To address this growing demand, the government has come up with the interlinking of rivers project which aims to build 30 river links to connect 37 rivers across the nation through a network of over 3,000 storage dams to form a gigantic South Asian Water Grid. This project is expected to create a huge demand of HSAW pipes and ductile iron pipes. While Jal Jeevan mission announced by GOI aims at providing functional tap connection to every rural household, another major step, AMRUT scheme aims at enhancing sewage treatment capacities and providing assured water supply to the urban household. Both these policy initiatives combined are expected to boost the demand for ERW, DI, and HSAW pipes.

### Budgetary Allocation to the Ministry of Jal Shakti (in Rs crore)

Department	21-22 Actuals	22-23 BE	22-23 RE	23-24 BE	% Change*
Water Resources	17,215	18,968	14,000	20,055	43%
Drinking Water and Sanitation	66,252	67,221	60,029	77,223	29%
Total	83,467	86,189	74,029	97,278	31%

- The Ministry of Jal Shakti has been allocated Rs 97,278 crore in 2023-24. The Department of Water Resources has been allocated Rs 20,055 crore, 43% higher than the revised estimates of the previous year. The Department of Drinking Water and Sanitation has been allocated Rs 77,223 crore, which is a 29% increase over the revised estimates of 2022-23.

### Schemes run by the Department of Drinking Water and Sanitation (in Rs crore)

Major Head	21-22 Actual	22-23 RE	22-23 RE	% change (23-24 BE/22- 23 RE)
JJM	63,126	55,000	70,000	27%
SBM-G	3,099	5,000	7,192	44%
Others	27	29	31	6%
Total	66,252	60,029	77,223	29%

- The Department of Drinking Water and Sanitation aims to ensure that every citizen has access to clean drinking water and sanitation facilities. The Department has been allocated Rs 77,223 crore for 2023-24, a 29% increase over the revised estimates of 2022-23. From 2013-14, budgetary allocation to the department has grown by about 18%. However, a significant increase was seen in 2021-22, when the budgetary allocation was more than three times the revised estimates of the previous year. From 2019-20, the focus of expenditure by the Department shifted from sanitation to drinking water.
- **Major schemes under the Department** The Department implements two major schemes: (i) the Jal Jeevan Mission (JJM), and (ii) the Swachh Bharat Mission - Gramin (SBM-G). JJM aims to provide drinking water through tap connections to every household by 2024. It also promotes grey water (used water) management, water conservation, and rain water harvesting. The Swachh Bharat Mission was launched as a nation-wide campaign to achieve universal sanitation coverage by 2019. 91% of the budgetary allocation for the department in 2023-24 is for the JJM, and 9% for SBM-G.

## Domestic market Opportunities

- As the world moves towards clean energy new opportunities in the Hydrogen space are opening up and in the near future the infrastructure to transport via line pipes would be developed creating lot of traction in the sector

### Water

- Union Budget 2023 has allocated ~INR 70,000 crore for Jal Jeevan Mission.
- Total size of opportunity for large diameter steel pipes in water Infrastructure estimated at INR 1,40,000 crore in Jal Jeevan Mission and INR 1,12,000 crore for National River Linking Scheme

### Gas

- In February 2022, Ministry of Petroleum & Natural Gas, said that India will more than double its exploration area of oil and gas to 0.5 Mn sq. km. by 2025 and to 1 Mn sq. km. by 2030 with a view to increase domestic output.
- As part of the Gas Grid, India targets increasing the pipeline coverage by ~60% by 34,500 kms by 2024-25.
- All states are targeted to be connected by a trunk national pipeline network by 2027.

### Oil

- A strong emphasis has been laid on expansion of city gas distribution (CGD) networks across the country by covering 407 districts with a potential to make gas accessible to over 70% of the population.
- There is an expected investment of INR 120,000 Crs in over the next 10 years.

## Opportunities in Oil & Gas and Water Infrastructure

### Oil & Gas Pipeline

#### Expansion of National Gas grid to 27,000 km from 16,000 km

~ ₹47,800 Cr. Opportunity size for large diameter pipes.

~ ₹63,800 Cr. Additional 10,000 km pipeline

→ Share of natural gas in the energy mix to increase to 15% by 2030 from 6% now, against the average of 23.4% globally.

→ Cost of transportation of gas via pipes is low for transmission from producing wells to processing plants.

### Jal Jeevan Mission

~ ₹1,40,000 Cr. Opportunity size for large diameter pipes.

~ ₹3,50,000 Cr. Total Planned Government Spending

The Har Ghar Jal programme under the Jal Jeevan Mission is envisioned to provide safe and adequate drinking water through individual household tap connections by 2024

### National River Linking

~ ₹1,12,000 Cr. Opportunity size for large diameter pipes.

~ ₹5,60,000 Cr. Total Planned Government Spending

The Indian National River Inter link project is a proposed large scale civil engineering project that aims to effectively manage water resources by linking Indian rivers by a network of reservoirs and canals

Opportunity Summarize



**National Gas grid**  
~Rs. 47,800 Crores

+

**Jal Jeevan Mission**  
~Rs. 1,40,000 Crores

+

**National River Linking**  
~Rs. 1,12,000 Crores

Approx. Rs. 3,00,000 Cr. opportunity for large diameter pipes

We are well placed to tap this opportunity

I

*Strong track record of executing projects in India*

II

*Total capacity of 1 million MTPA*

III

*Current utilization of 45% only i.e no additional capex required for additional production*

Source: Company, CEBPL

## Consolidated segment wise demand for natural gas from 2012-13 to 2029-30

- The supply of natural gas is likely to increase in future with the help of increase in domestic gas production and imported LNG. However, the expected increase in domestic production at present is significantly lower than earlier projections due to a steady reduction in gas output from the KG D6 field. The capacity of RLNG terminals in India is expected to increase from 17.3 MMTPA in 2012-13 to 83 MMTPA in 2029-30 assuming all the existing and planned terminals in India would materialize.
- Natural gas availability through non-conventional sources like Shale Gas and Gas Hydrates has not been considered in gas supply projections in the absence of clarity on key variables like data as most of India remains unexplored/underexplored, regulatory policy and lack of domestic infrastructure.

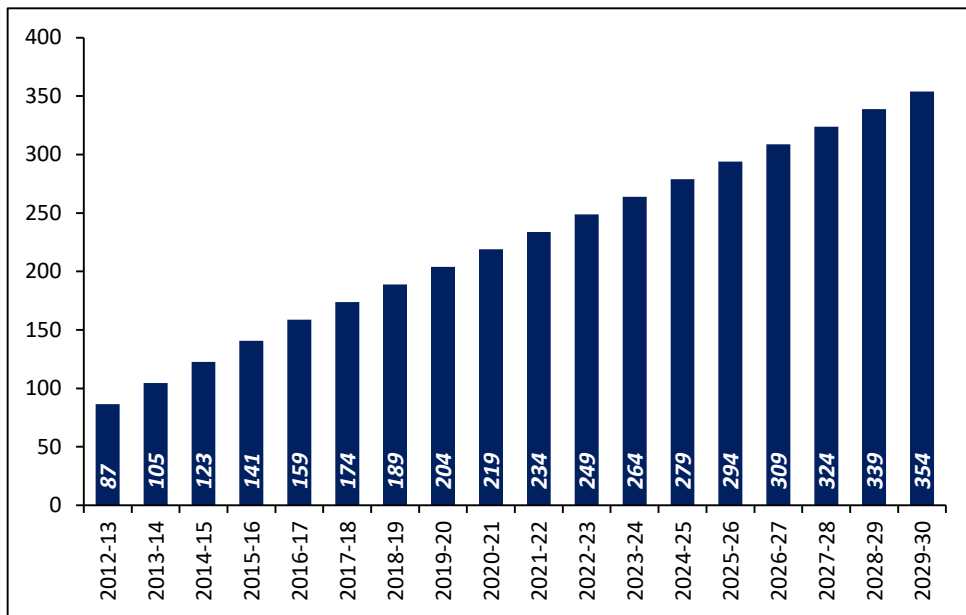
MMSCMD	2012-13	2016-17	2021-22	2026-27	2029-30
Power	86.50	158.88	238.88	308.88	353.88
Fertilizer	59.86	96.85	107.85	110.05	110.05
City Gas	15.30	22.32	46.25	67.96	85.61
Industrial	20.00	27.00	37.00	52.06	63.91
Petchem/Refineries/Internal Cons.	54.0	65.01	81.99	103.41	118.85
Sponge Iron/Steel	7.00	8.00	10.00	12.19	13.73
<b>Total Realistic Demand</b>	<b>242.66</b>	<b>378.06</b>	<b>516.97</b>	<b>654.55</b>	<b>746.03</b>

## Gas demand: 2012-13 to 2029-30

MMSCMD	F13	F14	F15	F16	F17	F18	F19	F20	F21	F22	F23	F24	F25	F26	F27	F28	F29	F30
Power	86.5	104.6	122.7	140.8	158.9	173.9	188.9	203.9	218.9	233.9	248.9	263.9	278.9	293.9	308.9	323.9	338.9	353.9
Fertilizer	59.9	60.0	60.4	72.1	96.9	103.5	105.7	105.7	105.7	107.9	110.1	110.1	110.1	110.1	110.1	110.1	110.1	110.1
City Gas	15.3	16.2	17.2	18.2	22.3	26.6	31.2	35.9	41.0	46.3	50.0	54.0	58.3	62.9	68.0	73.4	79.3	85.6
Industrial	20.0	20.0	22.0	25.0	27.0	28.0	32.0	35.0	37.0	37.0	39.6	42.4	45.4	48.6	52.1	55.8	59.7	63.9
Petchem/Refineries	54.0	56.6	59.3	62.1	65.0	68.1	71.3	74.7	78.3	82.0	85.9	90.0	94.2	98.7	103.4	108.3	113.5	118.9
SpongeIron/Steel	7.0	8.0	8.0	8.0	8.0	9.0	9.0	10.0	10.0	10.0	10.4	10.8	11.3	11.7	12.2	12.7	13.2	13.7
<b>Total Demand</b>	<b>242.7</b>	<b>265.3</b>	<b>289.5</b>	<b>326.2</b>	<b>378.1</b>	<b>409.1</b>	<b>438.0</b>	<b>465.2</b>	<b>490.8</b>	<b>517.0</b>	<b>544.8</b>	<b>571.1</b>	<b>598.1</b>	<b>625.9</b>	<b>654.6</b>	<b>684.1</b>	<b>714.5</b>	<b>746.0</b>

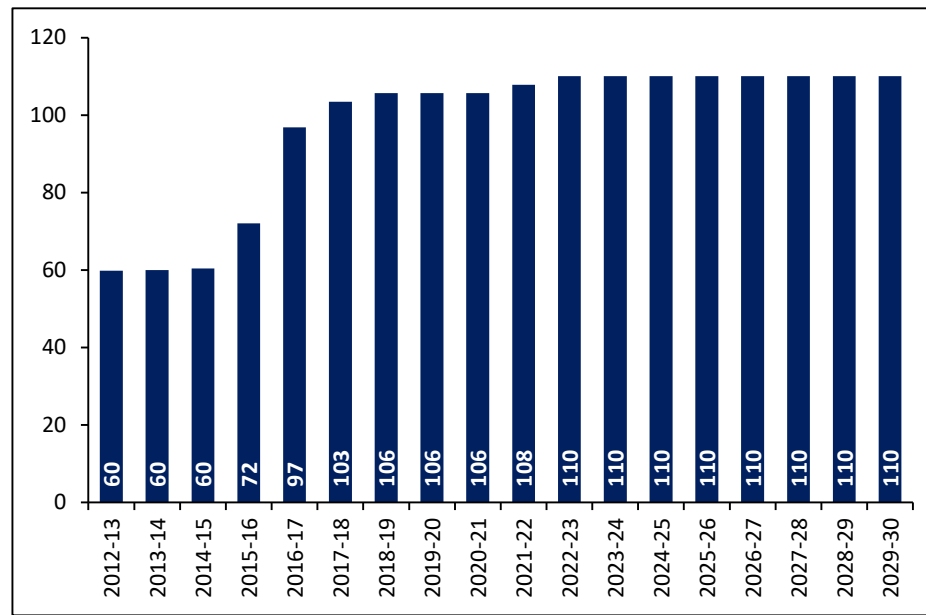
Source: PNGRB, CEBPL

**Power Sector Gas Demand from 2012-13 to 2029-30 (MMSCMD)**



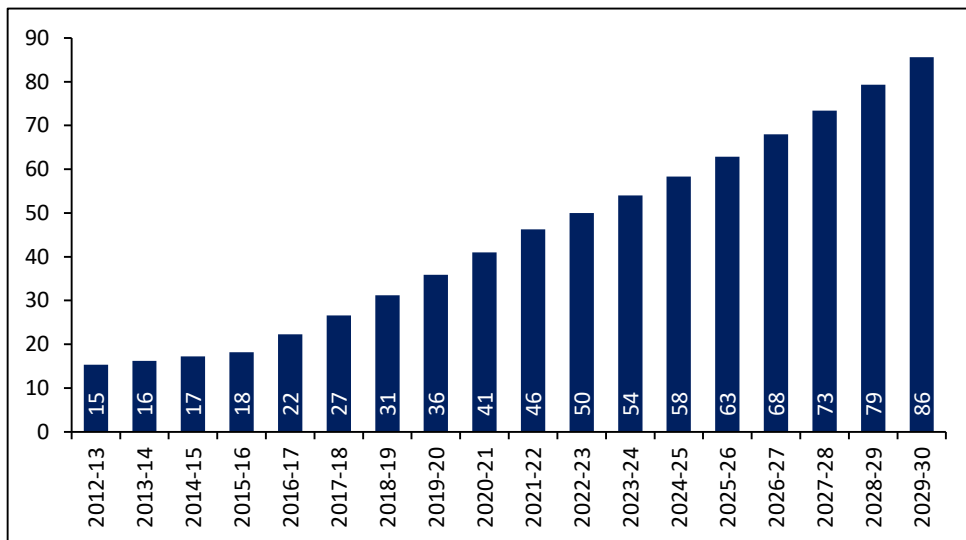
Source: PNGRB, CEBPL

**Fertilizer Sector Gas Demand from 2012-13 to 2029-30 (MMSCMD)**



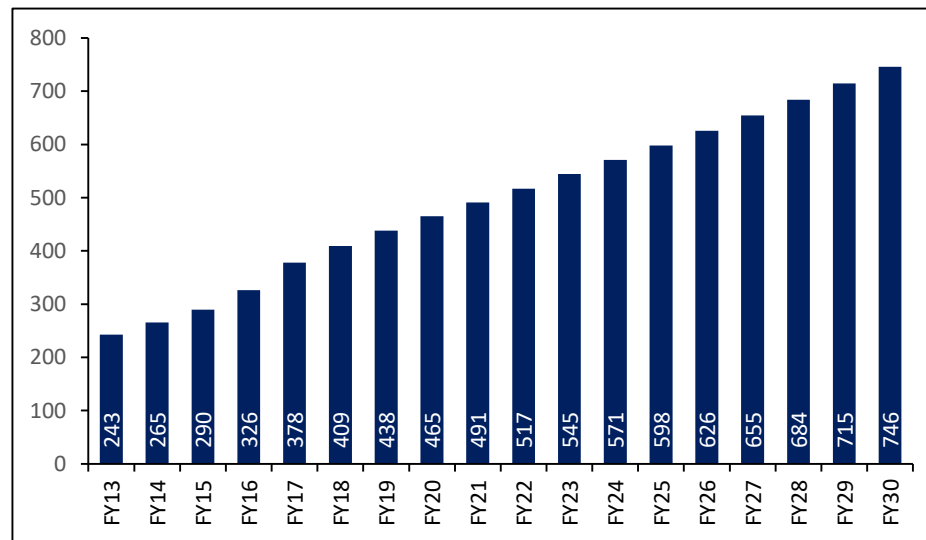
Source: PNGRB, CEBPL

**Gas demand from CGD sector: 2012-13 to 2029-30 (MMSCMD)**



Source: PNGRB, CEBPL

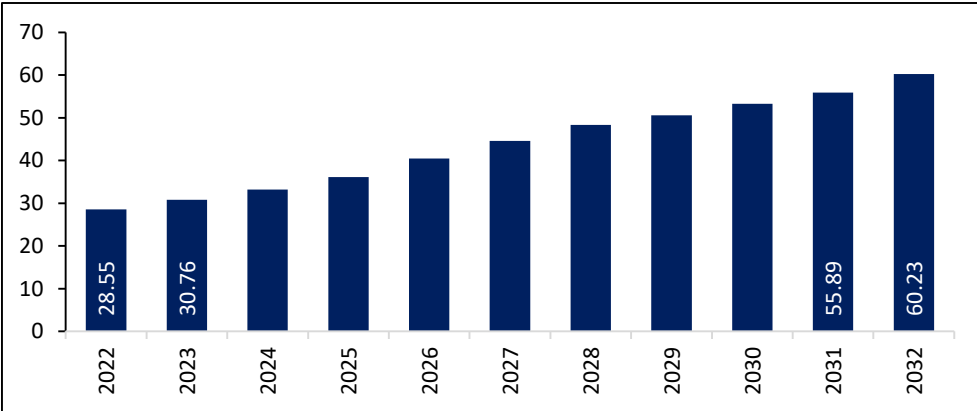
**Consolidated GAS demand growth trajectory (MMSCMD)**



Source: PNGRB, CEBPL

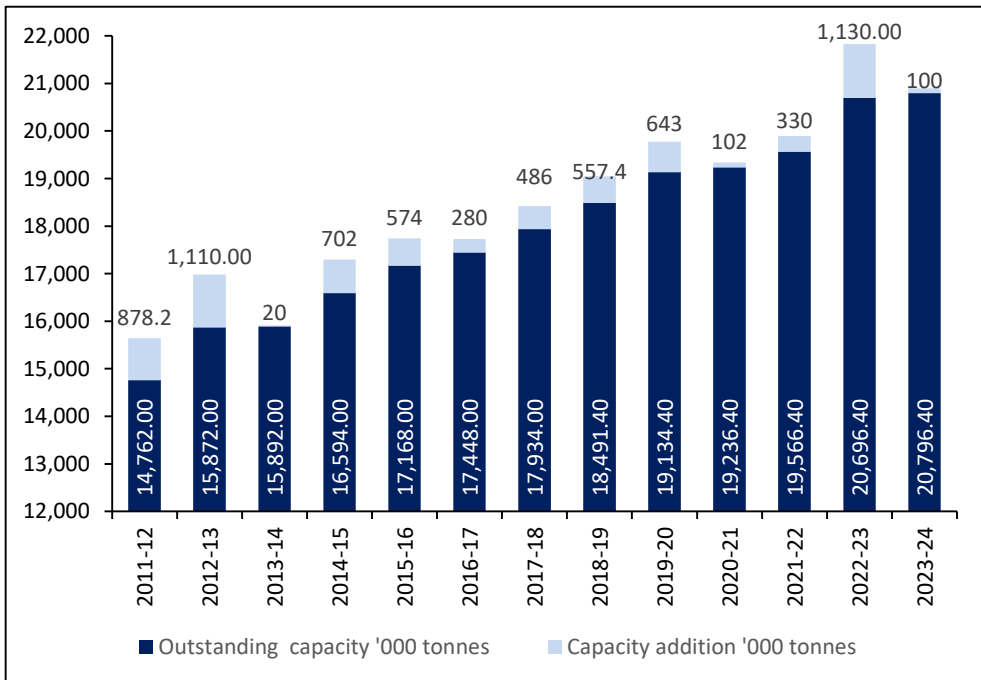
### India Pipe Fabrication Market Size, 2022 to 2032 (USD MILLIONS)

- The India pipe fabrication market was estimated at USD 28.55 million in 2022 and it is expected to surpass around USD 60.23 million by 2032, poised to grow at a CAGR of 7.75% from 2023 to 2032.

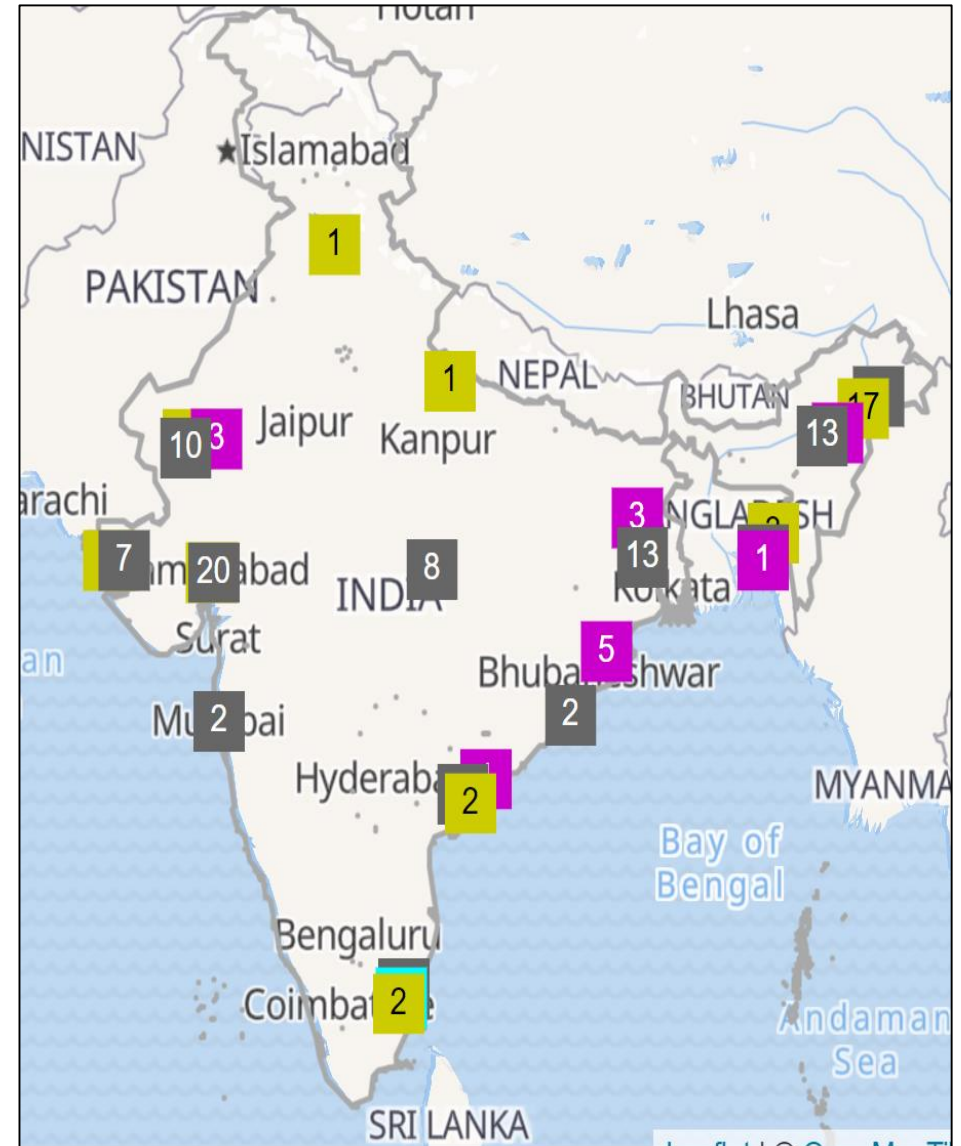


Source: visionresearchreports, company, CEBPL

### Investments : Steel Pipes & Tubes Industry



### Oil & Gas projects across India

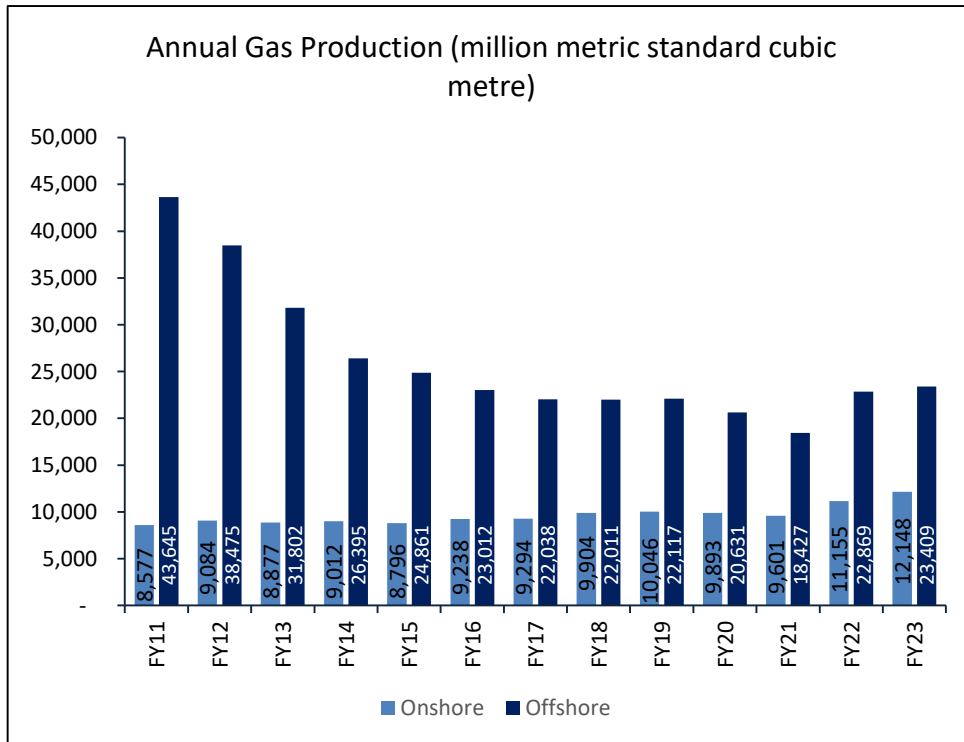


Source: CMIE, company, CEBPL

Under Construction Common Carrier Natural Gas Pipelines- As on 31.03.2023

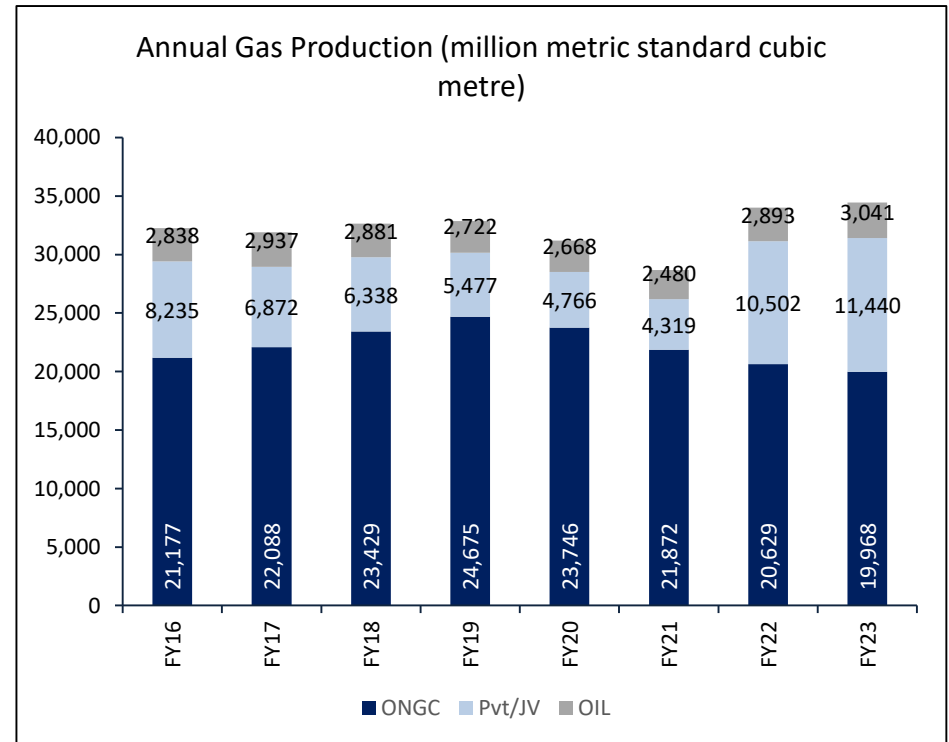
Sl.no	PL Unique ID	Name of Natural Gas Pipelines	Name of Authorized Entity	Date of Authorization	Authorized Length (KM)	Authorized Capacity (MMSCMD)	Target date of Completion*	States from which Pipeline passes
1	19.30.NGPL	INOLE to Pashamylaram	APCPL	14.12.2012	14.60	1.50	NA	Telangana
2	19.40.NGPL	PLL Re-gasification Terminal, Dahej to SUGEN Power Plant	TPL	20.03.2020	90.00	6.50	NA	Gujarat
3	19.42.NGPL	PLL to OPaL, Dahej	OPaL	20.03.2020	17.00	3.32	NA	Gujarat
<b>Total</b>					<b>121.6</b>			

Upstream segment: crude oil and gas production



Source: Company, CEBPL

Upstream segment: crude oil and gas production



Source: Company, CEBPL



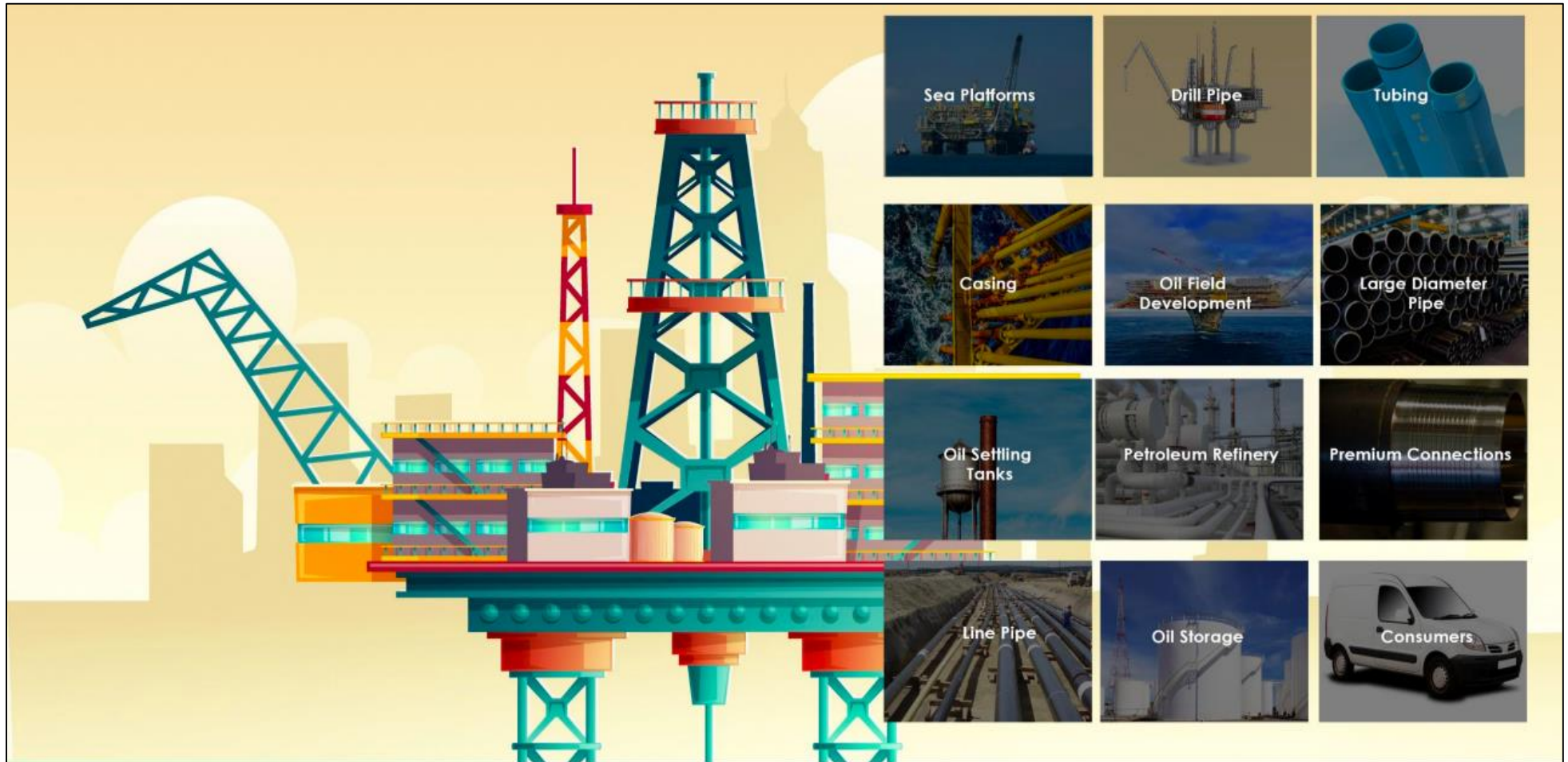
## Under Construction Sub-Transmission Pipelines (STPL) As on 31.03.2023

Sl.no	Unique GA ID	Geographical Area/ CGD Networks	Authorized CGD Entity	STPL Length (KM)	Transmission PL from Tap-off taken	Transmission PL Entity
1	3.01	Jalandhar	JMEPL	4.00	DBNPL	GAIL
2	5.03	East Godavari District (EAAA)	GGPL	51.3	KG basin Network	GAIL
3	5.04	West Godavari District	GGPL	53.4	KG basin Network	GAIL
4	9.09	Barwala & Ranpur Talukas	ATGL	0.65	HPGGG	GSPL
5	9.25	Udupi District	ATGL	3.1	KKMBPL	GAIL
6	9.29	Ramanagara District	MNGL	4.7	DBPL	GAIL
7	9.45	Balasore, Bhadrak & Mayurbhanj Districts	ATGL	0.1	JHBDPL	GAIL
8	9.51	Puducherry District	ECNGDPL	8.00	ETBPNMTPL	IOCL
9	9.64	Cuddalore, Nagapattinam & Tiruvarur Districts	ATGL	0.2	ETBPNMTPL	IOCL
10	10.31	Jhansi (EAAA) District, Bhind, Jalaun, Lalitpur and Datia Districts	ATGL	0.6	HVJ	GAIL
11	9.71	Medak, Siddipet & Sangareddy Districts	TGPL	2	EWPL	PIL
12	9.21	Bilaspur, Hamirpur & Una Districts	BPCL	4.7	GAIL	GAIL
13	9.26	Ballari & Gadag Districts	BPCL	0.1	GAIL	GAIL
14	9.48	Jagatsinghpur & Kendrapara Districts	BPCL	1.8	GAIL	GAIL
15	10.13	Chatra & Palamu Districts	BPCL	0.85	GAIL	GAIL
16	9.42	Sindhudurg District	MNGL	11.5	DBPL	GAIL
<b>TOTAL</b>				<b>147</b>		

Source: Company, CEBPL

## Company Section

## Varied Applications in Oil and Gas Steel Industry



Source: Company, CEBPL

- Large diameter pipes cater to varied applications in Oil and Gas industry, which are used to carry in-plant fuel/gas in refineries and other processes under high pressure and temperature environment and are for the construction of trunk pipeline systems for long distance transportations of natural gas ,crude oil and petroleum products.

## Product Summary

- Man Industries (India) Ltd. has three plants: two plant in Anjar, Kutch District of Gujarat and other in Pithampur, Madhya Pradesh spread over a total of 180 acres.
- The combined manufacturing capacity of both plants is 1.15 Mn TPA of LSAW and HSAW Pipes with strong control quality.
- The state-of-the-art facilities are ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018 Certified and equipped with well-crafted manufacturing process leading to high quality production and ability to match diverse customer specifications with multiple stages of stringent selection and approval procedures certified by various customers on quality assurance.

	Seamless	LSAW	HSAW	ERW
Size	0.5" to 14" diameter	16" to 56" diameter	18" to 130" diameter	0.5" to 18" diameter
Key Raw Material	Stainless Steel Billets	Steel Plates	HR Coils	HR Coils
Usage	Used in high anti corrosion and high pressure applications	Used in high pressure applications	Used in low pressure applications	Used in low pressure applications
Application	Oil & Gas exploration, production, refinery, petrochemicals, power, fertilizers, engineering, auto & boilers	Oil & Gas transmission, water supply	Oil & Gas transmission, water supply	Oil & Gas, structural, irrigation, water sewage, water distribution, airports, malls, metros, fabrication, windmills, solar plants
Key Players	Jindal Saw, Maharashtra Seamless, Ratnamani	Jindal saw, Welspun Corp, Man Industries	Jindal saw, Welspun Corp, Man Industries	APL Apollo, Surya Roshni, Tata Pipes, Jindal Pipes

Source: Company, CEBPL

## Longitudinal Submerged Arc Welded (LSAW)

- Man Industries produces Longitudinal Submerged Arc Welded (LSAW) Line Pipes in various sizes and specifications to meet global demand for high-pressure pipeline owners and operators. The pipes are manufactured in diameters ranging from 16" to 56" and cater to clients from various sectors like Oil, Gas, Petrochemicals, Fertilizers, and Dredging.
- Man Industries' manufacturing facilities have valid API Monogram licenses and various customized approvals from clients worldwide. The company uses state-of-the-art facilities, including CNC controlled automatic forming technology, 3 Roll Bender, high-speed welding stations, productive expanders, and NDT and laboratory facilities. These facilities, supported by trained and experienced manpower, have earned Man Industries numerous National and International approvals from Oil and Gas Majors worldwide.



## Helically Submerged Arc Welded (HSAW)

- Man Industries (I) Ltd. is investing in the expansion of its Helically Submerged Arc Welded (HSAW) Line Pipe manufacturing facilities in Anjar. The facility, equipped with NDT and laboratory facilities, caters to the high pressure/critical application segment worldwide. The company has commissioned new production lines in 2007 and 2008.
- HSAW Line Pipes are in high demand in conventional sectors like Oil & Gas transportation, Water Supply, Sewerage, Agriculture, and Construction, as well as for high pressure applications in onshore installations. Man Industries offers high-quality HSAW Pipes conforming to global quality standards.



Source: Company, CEBPL

## Coating Pipes

- The oil and gas industry often presents an array of unique challenges and when it comes to coatings, there's absolutely no room for compromise. MAN Industries offer a wide range of external coating solutions to fulfil customers need from anti-corrosion protection and negative buoyancy requirement and internal coating solution to provide flow efficiency and corrosion protection for natural gas, water and production pipelines.
- We offer external coatings and internal linings that reliably and durably protect steel pipes against corrosion and mechanical impact in difficult terrain, harsh environments and extremely aggressive media.



Source: Company, CEBPL

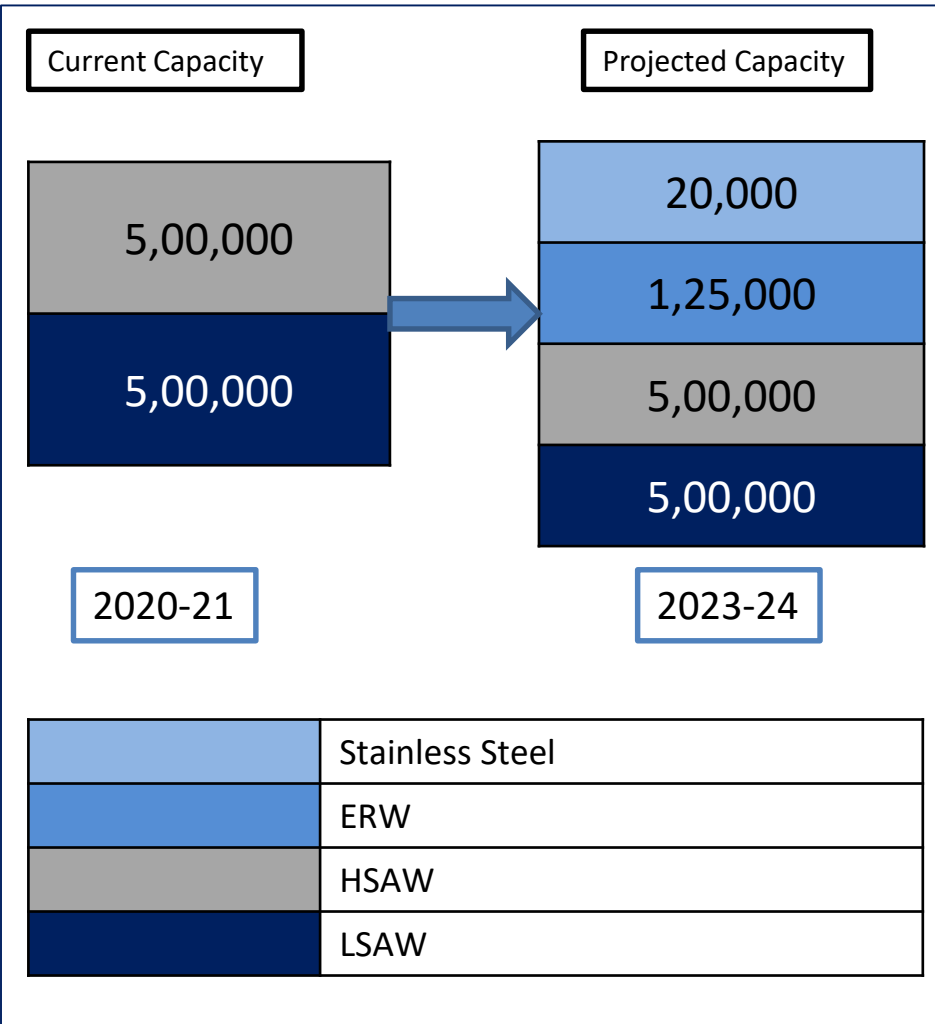
## Electric resistance welded (ERW)

- Man Industries is a leading manufacturer of High Frequency Welded (ERW) pipes, catering to the growing global demand for pipe lines. The company has established a new unit for manufacturing ERW steel pipes, available in various sizes, diameters, lengths, and wall thicknesses.
- These pipes are manufactured in strict conformity to API and client specifications from sectors like oil, gas, fertilizers, and water supply. All Man Industries' Line Pipe Manufacturing facilities process valid licenses to use API Monogram and have customized approvals from reputable clients worldwide.



Upcoming Projects

▪ **Foraying in to ERW and SS steel segment:** MAN is aggressively expanding its capacity in ERW segment which is high volume segment and preferred steel pipe for the sector like O&G and construction related projects. A/TO in ERW is 3-4 times better than HSAW and LSAW pipes which reduces the working capital cycle for the product. However, margin for the ERW pipes are lower than HSAW and LASW due to competitive scenario and low labor depended and most of the process is automated. ERW plant at Anjar is expected to start commercial production from Q4FY24. Currently company has order book of Rs. 1800 cr from the segment from global market is approximately 80%. Management expect post ERW commissioning top line on consolidated basis is expected improve in the range of 18-20%. At peak capacity ERW expected to achieve a turnover of Rs.800-1000cr.



**ERW**  
 I) 1,25,000 MTPA  
 II) 6" to 18" Diameter size (API Grade)  
 III) Projects Cost Appx. INR 170 Cr.  
 IV) Completed in Q4FY23 production to start from Q3FY24

**Stainless Steel (Seamless Pipe)**  
 I) 20,000 MTPA  
 II) 0.5" to 5" Diameter size (API Grade)  
 III) Projects Cost Appx. INR 550 Cr.  
 IV) Completed in Q3/Q4 FY25

**Steel Bends & Connectors**  
 I) 5,000-6,000 bends P.A  
 II) 018" to 48" Normal Bore  
 III) Approx. INR 75 Cr  
 IV) Commissioned Q2-FY24

Source: Company, CEBPL

- **J&K expansion is a strategic step:** MAN industries is looking to expand its geographical presence and setting up a new plant in Jammu (Kathua) Seamless steel pipes (20000TPA) which is expected to start production from Q4FY25. Total Investment capex outlay for the project is around Rs.550cr. Post abrogation of article 370 in J&K, government has plan to increase the economic activity in Kathua- (Kashmir). To setup the new units state government is providing tax incentive like 100% SGST& CGST rebate till 3x on the total capex outlay and faster land allotment approval in Jammu industrial belt.

Sl No	Particulars	Incentives
1	<b>Capital Investment Incentive</b> <b>Eligible Investment:</b> 1. Manufacturing - Investment in Plant & Machinery 2. Service Sector - Construction of Bldg & Other Durable physical assets	<b>Incentive available in zones</b> <b>Zone A</b> Incentive - 30% Maximum incentive Rs.5cr <b>Zone B</b> Incentive -50% Maximum incentive Rs.7.5cr Maximum amount of investment that can be done Rs.50cr
2	<b>Capital Interest Subvention</b> <b>Eligible Investment:</b> 1. Manufacturing - Investment in Plant & Machinery 2. Service Sector - Construction of Bldg & Other Durable physical assets	Interest rate 6% Maximum Tenure 7 Years Maximum Loan Amount (Rs. 500.Cr.)
3	<b>GST Linked Incentive</b> <b>Eligible Investment:</b> 1. Manufacturing - Investment in Plant & Machinery 2. Service Sector - Construction of Bldg & Other Durable physical assets	Incentive on eligible value of investment in Plant & Machinery -300% Tenure of Investment / Incentive- 10 Years Maximum incentive in a FY1/10
4	Working Capital Interest Incentive	Interest rate 5 % Maximum Tenure 5 Years Maximum Incentive Rs. 1Cr

Source: Company, CEBPL

## Management Details

Name and Designation	Brief description
Dr. Ramesh C. Mansukhani (Chairman)	<p>He is the First Generation Entrepreneur and a visionary leader with over four decades of industrial experience. Since inception of the Man Group, he has been the core strength behind the progress of the group. He has set up successful business not only in India but also in United Kingdom and United Arab Emirates.</p> <p>He is also actively involved in the social welfare activities. He holds PhD in International Economics and Finance from France, Post Graduation in Management from United Kingdom, Masters degree in Economics and Bachelors in Law from Vikram University, Ujjain(MP). He has dedicated 50 years of his life to manufacturing, and has been the driving force behind several new manufacturing facilities involving diverse technologies that have raised Man Group.</p>
Mr. Nikhil Mansukhani (Managing Director)	<p>He is associated with Man Industries Ltd. After completing education from the University of London, Bachelor of Engineering (Engineering with Business Management) from King's College, UK since 2011. With his youthful energy and entrepreneur zeal, Mr. Nikhil Mansukhani has revitalized line pipe business with over 9+ years of experience in steel pipes industry. He spearheads business development designing and liasioning. He manages day to day affairs of the company</p>

Source: Company, CEBPL



## Key Milestones..

Year	Brief description
1975	Started with Plastic Extrusion/ PVC Polymer products.
1988	Company incorporated by Mansukhani family. Aluminium Extrusion Plant started.
1994	Entered into MoU with Haeusler of Switzerland for its first SAW pipe plant at Pithampur.
1996	Established LSAW pipe plant with capacity of 50,000 TPA at Pithampur
1999	HSAW pipe plant with capacity of 70,000 TPA; increased LSAW capacity to 3,00,000 TPA.
2001	Coating plant for PE and CTE coating with capacity of 2 mn and 1.6 mn sq. mtr. respectively.
2005	New USD 39 mn pipe & coating complex with 6,00,000 TPA LSAW & 50,000 TPA HSAW capacity. A PE Coating plant with capacity 2 mn sqm was also started.
2006	GDR of USD 35 mn issued and listed at Dubai Stock Exchange. 7 MW windmills installed in Gujarat for Captive consumption.
2007	Company bagged a prestigious order of approx. USD 225 mn from USA. Two new production lines of 200, 000 MT each for HSAW. FCCB of USD 50 mn issued and listed at Singapore Stock Exchange.
2008	Launched Man Infraprojects Ltd. to enter Real Estate, Hospitality and Infrastructure Sector.
2009	Company bagged three big orders aggregating INR 3000 crores from the clients based in Middle East and India.
2010	Company bagged order worth 1200 Crores from Domestic and International Markets.
2011	Company bagged EEPC'S Star performer award for its outstanding contribution to engineering exports. Also, Company has been honored by GAIL ( India ) Ltd with the prestigious "Excellent Performance Award ".
2012	Company entered in strategic relationship with Kobe Steel Ltd of Japan
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.
2017	Successfully commissioned Concrete weight Coating(CWC) plant for offshore pipe projects having capacity of 1,25,000 cubic meters p.a.
2018	Started third plant of External 3 LPE/FBE and Internal Liquid Epoxy coating having capacity of 2 Mn square meter per annum.
2019	First Indian company to export 80- inch diameter 18 mtr long pipe with 24 mm thickness for a prestigious water sector project.
2023	Started with ERW pipe manufacturing unit with an installed capacity of 1,25,000 TPA at Anjar, Gujarat

Source: Company, CEBPL

## Shareholding Pattern(%)

	Sep-20	Mar-21	Sep-21	Mar-22	Sep-22	Mar-23	Jun-23	Sep-23
Promoters -	42.43%	42.62%	42.62%	44.70%	45.68%	45.68%	45.68%	49.61%
Rameshchandra Mansukhani	24.09	24.09	24.09	23.24	22.89	22.89	22.89	18.73
Man Finance Private Limited	5.49	5.68	5.68	9.05	10.61	10.61	10.61	10.61
Heena Vinay Kalantri	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.09
Nikhil Mansukhani	6.28	6.28	6.28	6.06	5.97	5.97	5.97	5.97
Man Global Limited	3.23	3.23	3.23	3.12	3.07	3.07	3.07	3.07
Deepadevi Rameshchandra Mansukhani	3.16	3.16	3.16	3.05	3.00	3.00	3.00	3.00
Rameshchandra Mansukhani (HUF)	0.13	0.13	0.13	0.12	0.12	0.12	0.12	0.12
Jagdishchandra Jhamaklal Mansukhani	0.04	0.04	0.04	0.04	0.02	0.02	0.02	0.02
FIIs -	4.29%	5.54%	1.69%	1.84%	1.83%	1.60%	2.22%	1.61%
India Max Investment Fund Limited	2.81	3.99	1.60	1.68	1.60	1.13	1.13	1.13
Grovsnor Investment Fund Ltd	1.47	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Morgan Stanley Asia (Singapore) Pte. - Odi	0.0	1.23	0.0	0.0	0.0	0.0	0.0	0.0
DIIIs -	0.21%	0.21%	0.19%	0.19%	0.19%	0.23%	0.04%	0.04%
Public -	53.07%	51.63%	55.49%	53.27%	52.28%	52.48%	52.05%	48.72%
Heena Vinay Kalantri	4.14	4.14	4.14	3.99	3.93	3.93	3.93	0.0
Vikas Vijaykumar Khemani	0.0	0.0	2.70	2.61	3.23	3.23	3.23	2.72
Vijaykumar Mangturam Khemani	1.76	1.76	0.0	0.0	0.0	0.0	0.0	0.0
The Court Receiver High Court Bombay(Com Arb Pet N	1.70	1.70	1.70	1.64	1.61	1.61	1.61	1.61
Aniruddha Narayan Malpani	0.0	0.0	1.06	1.02	0.0	0.0	0.0	0.0
Hiten Dilip Bhatia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.37
Ashok Kumar Lodha Huf	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.16
Pledge								
Overall Pledge (% of overall capital)	17.54	4.61	14.24	13.8	13.53	13.53	13.53	13.53
Promoters (% of promoter's overall holding)	41.4	10.82	33.4	30.87	29.61	29.61	29.61	27.26

**Note: Promoter has subscribed a 25,00,000 Preferential warrant at the rate of Rs.183.5/ shares, this will lead to increase in no of share from 60.1mn to 62.6mn share post allotment**

Source: Company, CEBPL

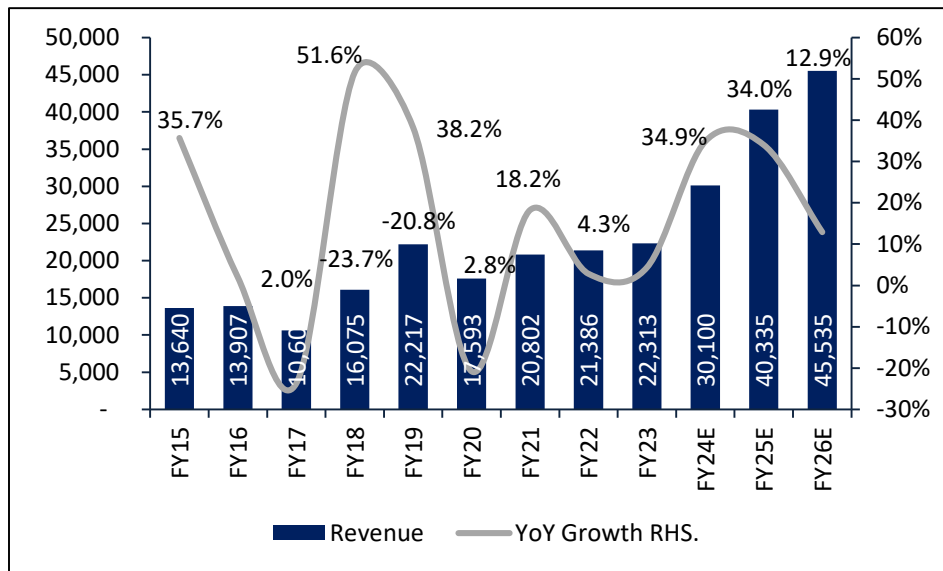
## Peers Comparison

Name	MCAP Rs mn	Revenue Rs.mn				EBIDTA margin (%)				PAT Rs.mn				RoE (%)				PE (X)			
		FY23	FY24E	FY25E	FY26E	FY23	FY24E	FY25E	FY26E	FY23	FY24E	FY25E	FY26E	FY23	FY24E	FY25E	FY26E	FY23	FY24E	FY25E	FY26E
Man Industries	16,045	22,313	30,100	40,335	45,535	5.6	7.8	8.1	9.3	680.0	1,034	1,286	1,880	6.8	9.3	10.4	13.3	23.6	15.5	12.5	8.5
Jindal Saw	1,30,716	1,78,678	2,13,109	2,01,980	2,12,847	9.3	13.0	13.1	11.5	6,324	13,999	13,187	12,204	8.3	14.4	11.8	11.3	20.7	9.3	9.9	10.7
Welspun Corp.	1,42,255	97,581	1,46,438	1,67,718	1,89,843	5.0	9.5	9.6	10.3	2,067	8,334	9,896	12,569	5	17	17	17	68.8	17.1	14.4	11.3
APL Apollo	4,28,340	1,61,660	1,97,203	2,52,806	3,05,379	6.3	7.0	7.5	7.7	6,419	8,862	12,732	16,518	23	26	30	29	66.7	48.3	33.6	25.9
Surya Roshni	70,846	79,967	88,384	1,00,172	1,14,122	7.7	7.7	8.0	8.3	3,355	4,111	4,859	5,809	20	19	20	20	21.1	17.2	14.6	12.2

Source: Company, Bloomberg, CEBPL, \*notes-Man Industries is as per our estimates, rest companies taken from Bloomberg, Market cap as on 28<sup>th</sup> Dec 2023

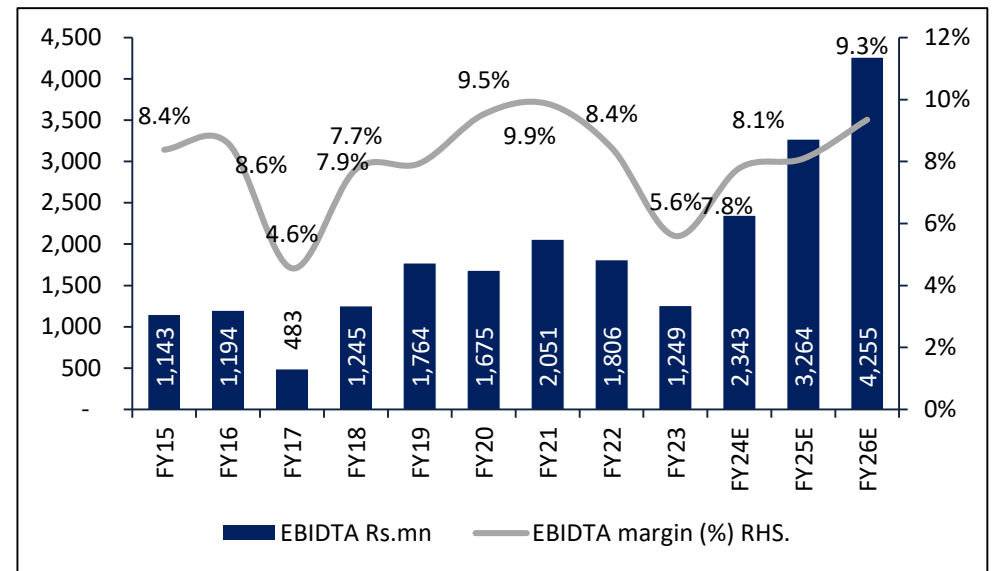
Story in Charts (Consolidate)

Revenue (Rs.mn)-New ERW and SS plant to outperform the industry growth



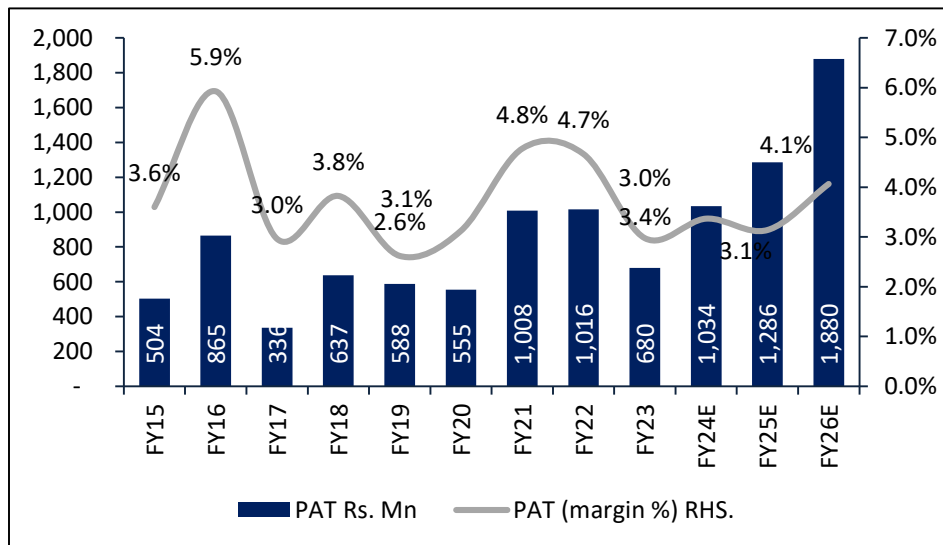
Source: Company, CEBPL

EBITDA (Rs.mn) & Margin (%) - Margin inching towards double digit trajectory



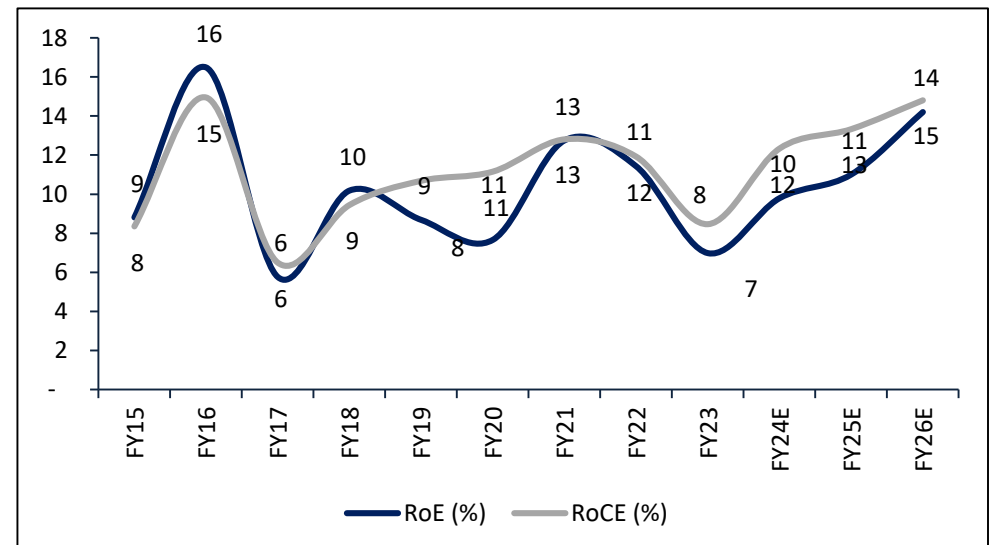
Source: Company, CEBPL

APAT (Rs.mn) & Margin (%)



Source: Company, CEBPL

ROE (%) and ROCE (%)



Source: Company, CEBPL

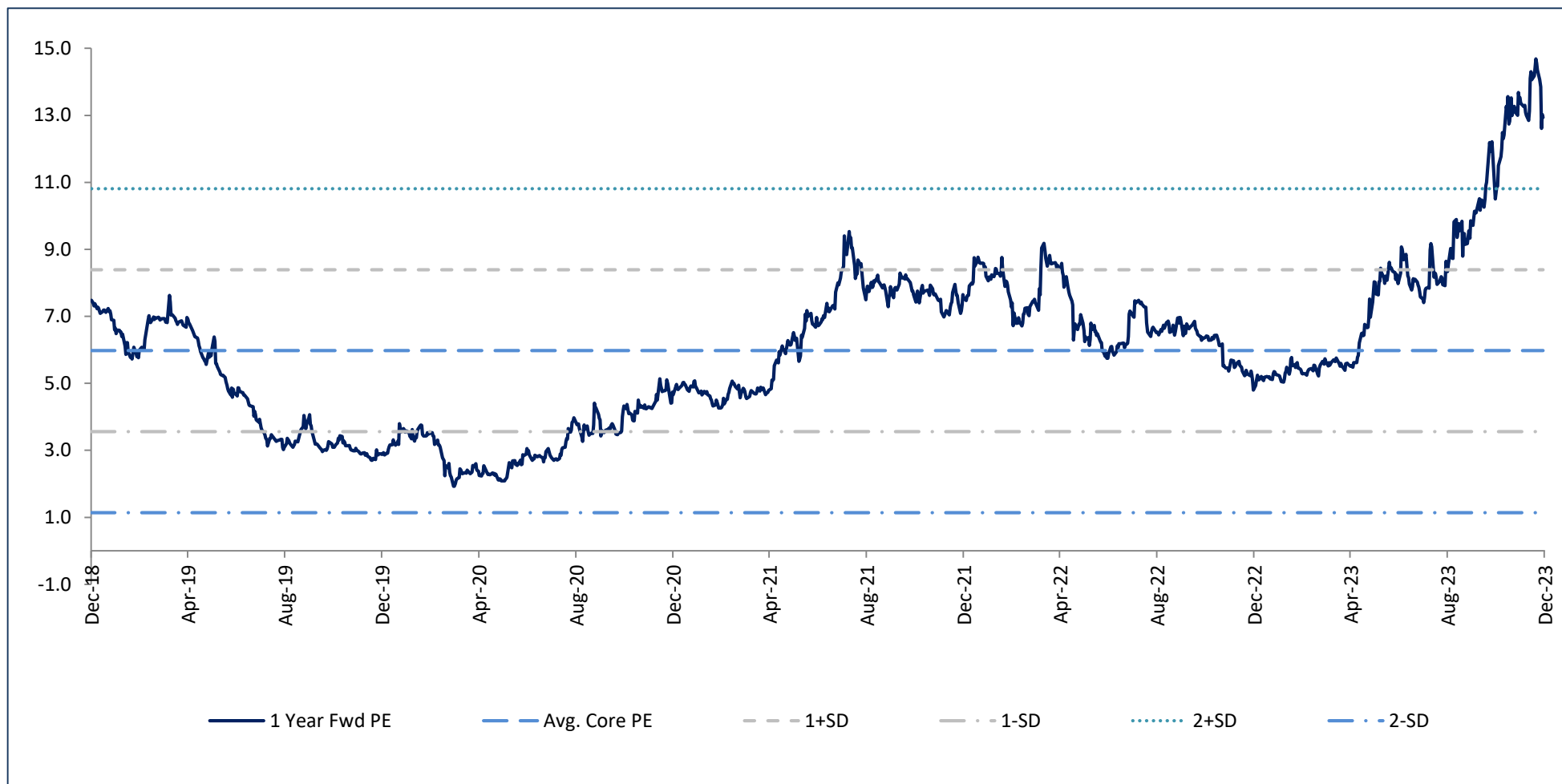
Financials (INR mn)	FY21	FY22	FY23	FY24E	FY25E	FY26E
<b>Income Statement</b>						
Revenue	20,802	21,386	22,313	30,100	40,335	45,535
Gross profit	6,575	5,553	4,584	6,790	9,203	10,172
<b>EBITDA</b>	<b>2,051</b>	<b>1,806</b>	<b>1,249</b>	<b>2,343</b>	<b>3,264</b>	<b>4,255</b>
Depreciation	464	454	453	702	1,000	1,035
EBIT	1,587	1,352	795	1,641	2,264	3,221
Interest expense	528	373	410	815	1,177	1,438
Other Income	308	371	519	571	628	691
EO Items	-	-	-	-	-	-
Reported PAT	1,008	1,016	680	1,034	1,286	1,880
<b>Adjusted PAT</b>	<b>1,008</b>	<b>1,016</b>	<b>680</b>	<b>1,034</b>	<b>1,286</b>	<b>1,880</b>
EPS	16.8	16.9	11.3	16.5	20.5	30.0
NOPAT	1,171	1,017	598	1,214	1,698	2,448
<b>Balance Sheet</b>						
<b>Net worth</b>	<b>8,349</b>	<b>9,422</b>	<b>10,042</b>	<b>11,057</b>	<b>12,312</b>	<b>14,154</b>
Deferred tax	255	227	242	242	242	242
Total debt	2,793	483	2,786	3,107	6,537	6,537
Other liabilities & provisions	134	84	72	54	60	66
<b>Total Net Worth &amp; liabilities</b>	<b>11,530</b>	<b>10,215</b>	<b>13,141</b>	<b>14,460</b>	<b>19,150</b>	<b>20,998</b>
Net Fixed Assets	3,367	3,183	4,890	5,938	9,188	8,654
Capital Work in progress	10	199	144	150	151	152
Investments	1,029	1,023	1,026	1,125	1,238	1,362
Cash & bank balance	1,022	2,401	1,701	1,540	914	993
Loans & Advances & other assets	1,377	1,607	1,823	2,850	3,851	4,413
Net Current Assets	5,746	4,204	5,258	4,396	4,722	6,418
<b>Total Assets</b>	<b>11,530</b>	<b>10,215</b>	<b>13,141</b>	<b>14,460</b>	<b>19,150</b>	<b>20,998</b>
Capital Employed	11,142	9,905	12,827	14,164	18,849	20,691
Invested Capital	10,120	7,503	11,126	12,624	17,935	19,698
Net Debt	1,771	(1,918)	1,084	1,567	5,623	5,544
<b>Cash Flows</b>						
Cash flows from Operations	(599)	4,509	(1,187)	2,680	1,883	2,045
Capex	(122)	(459)	(2,106)	(1,756)	(4,251)	(501)
FCF	(721)	4,050	(3,293)	925	(2,368)	1,544
Cash flows from Investing	37	(1,184)	(1,358)	(1,855)	(4,364)	(625)
Cash flows from Financing	(631)	(2,672)	2,092	(525)	2,222	(1,476)

Source: Company, CEBPL

Financial Ratios	FY21	FY22	FY23	FY24E	FY25E	FY26E
<b>Margin ratios (%)</b>						
EBITDA Margins (%)	9.9	8.4	5.6	7.8	8.1	9.3
PAT Margins (%)	4.8	4.7	3.0	3.4	3.2	4.1
<b>Performance Ratios (%)</b>						
OCF/EBITDA (x)	(0.3)	2.5	(1.0)	1.1	0.6	0.5
OCF/IC	(5.9)	60.1	(10.7)	21.2	10.5	10.4
RoE	12.1	10.8	6.8	9.3	10.4	13.3
ROCE	14.2	13.6	6.2	11.6	12.0	15.6
<b>Turnover Ratios (days)</b>						
Inventory	58	54	20	20	28	30
Debtors	115	93	81	90	92	91
Payables	91	129	56	80	90	80
Cash Conversion Cycle	83	31	58	35	34	43
<b>Financial Stability ratios (x)</b>						
Net debt to Equity	0.2	(0.2)	0.1	0.1	0.5	0.4
Net debt to EBITDA	0.9	(1.1)	0.9	0.7	1.7	1.3
Interest Cover	3.0	3.6	1.9	2.0	1.9	2.2
<b>Valuation metrics</b>						
Fully diluted shares (Mn)	60	60	60	63	63	63
Price (Rs)	266.0	266.0	266.0	267.0	267.0	267.0
Market Cap (Rs. Mn)	15,987	15,987	15,987	16,714	16,714	16,714
PE(x)	16	16	24	16.2	13.0	8.9
EV (Rs.mn)	17,759	14,069	17,072	18,282	22,338	22,258
EV/EBITDA (x)	9	8	14	8	7	5
Book value (Rs/share)	139	157	167	177	197	226
Price to BV (x)	1.9	1.7	1.6	1.5	1.4	1.2
EV/OCF (x)	30	3	14	7	12	11

Source: Company, CEBPL

PE Band (1yr fwd)



Source: Company, CEBPL

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<b>ADD</b>	The security is expected to generate greater than 5% to less than 15% returns over the next 12 months
<b>NEUTRAL</b>	The security expected to show downside or upside returns by 5% over the next 12 months
<b>REDUCE</b>	The security expected to show less than -5% to greater than -15% over the next 12 months
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