

Man Industries (India) Limited

What Man Industries (India) Limited does

Man Industries manufactures large-diameter carbon steel line pipes – LSAW, HSAW, and ERW – along with anti-corrosion coating systems. The company supplies critical infrastructure to oil & gas transmission, petrochemicals, water, fertilizers, dredging, and city gas distribution (CGD) projects across 30+ countries.

Incorporated in 1988, Man Industries built two manufacturing complexes in Anjar (Gujarat) and Pithampur (Madhya Pradesh) with a combined installed capacity of 1.20 million MTPA. In May 2026, it closed the acquisition of National Pipe Company (NPC) in Dammam, Saudi Arabia, adding 430,000 tonnes of running capacity – a fully operational LSAW and HSAW plant that is Aramco-approved, API-certified, and debt-free. The combined platform now exceeds 1.6 million tonnes of annual capacity across two countries.

The company's business is export-driven. Exports constitute 80-90% of the order book, with the MENA region as the most active market. Management described FY26 as "the most consequential year in Man Industries history" because the company achieved record margins and closed its first international acquisition simultaneously (Jun 2026 concall).

Business segments

Man Industries reports only one operating segment: steel pipes. "We operate only one segment, which is the steel pipe," management stated in the Aug 2025 concall. The entire business is the manufacture and export of carbon steel line pipes and coating systems.

Within that single segment, the company manages three product lines (LSAW, HSAW, ERW) plus coating services and a stainless steel pipe project under commissioning. The export versus domestic split is the key revenue-mix measure. Exports accounted for 83% of the order book as of Feb 2026, up from ~80% earlier. The ERW product line, added in FY25, contributed nearly 10% of revenues during that fiscal year (FY25 annual report).

Management does not disclose volume breakdowns by product type. The business model shifted during FY26 from FOB/CIF to DDP (Delivered Duty Paid) for a significant portion of orders. By Jun 2026, more than 70% of contracts were executed on DDP terms, where the seller absorbs freight, insurance, and import duties but charges a higher realization (Jun 2026 concall).

Products and business detail

LSAW pipes (Longitudinal Submerged Arc Welded). These are large-diameter pipes for high-pressure oil and gas transmission. They are the highest-value product in the mix. Within exports, LSAW pipes constituted roughly 80% of the order book as of Feb 2026. LSAW is manufactured at the Anjar plant and now also at NPC's Dammam facility. The pipes are used for cross-country pipelines and offshore applications.

HSAW pipes (Helical Submerged Arc Welded, also called spiral welded). These serve oil, gas, and water transmission as well as structural applications. The Indian plants produce HSAW for both export and domestic water projects. NPC's facilities include both LSAW and HSAW mills.

ERW pipes (Electric Resistance Welded). Man Industries entered this product line in FY25 with a focus on global markets. The ERW segment contributed nearly 10% of revenues in FY25, a strong start. ERW pipes serve diversified industrial applications and smaller-diameter oil & gas needs.

Coating systems. The company applies anti-corrosion coatings such as 3LPE and FBE. Coating is a value-added service that improves margins. In Saudi Arabia, Man Industries is investing \$40 million to build a dedicated coating facility in Dammam with annual capacity of 4 million square meters. Management expects coating EBITDA margins of 25-35% (Jun 2026 concall). The coating plant is targeted for commissioning by mid-2027.

Stainless steel pipes (under commissioning). Through its subsidiary Man Stainless Steel Tubes Limited, the company is building a greenfield seamless tube plant in Jammu with 20,000 MTPA capacity. This plant will produce stainless steel mother pipes and seamless pilgered pipes for process industries, energy transition, and hydrogen infrastructure. Commissioning has been delayed multiple times due to flooding in Jammu and geopolitical disruptions; as of Jun 2026, management stated "Jammu is almost completed, which will be complete FY27" (Jun 2026 concall).

The manufacturing process uses German and Japanese machinery. The plants are ISO 9001, ISO 14001, and ISO 45001 certified. Both Indian facilities are strategically located near ports for export – Anjar near Kandla and Mundra, Pithampur with rail connectivity for domestic.

Customers

Man Industries sells to national oil companies, international oil majors, and EPC contractors. The approved vendor list includes GAIL, IOCL, HPCL, BPCL, ONGC, Reliance, Adani, Shell, Kinder Morgan, Kuwait Oil Company, Hyundai Engineering & Construction, QatarEnergy LNG, NPCC-Abu Dhabi, PETROBRAS, and Aramco (through NPC).

The customer base is concentrated in export markets. The MENA region (GCC countries, Iraq, Kuwait) is the most active, followed by Southeast Asia, CIS countries, Africa, and Asia-Pacific. Domestic Indian customers include state-owned oil and gas companies and water infrastructure agencies.

The buying relationship is project-based, not recurring. Customers issue tenders for specific pipeline projects, and suppliers like Man Industries bid against competitors. Key decision criteria are technical capability to produce API-grade pipes, past execution track record, approvals (Aramco approval is a significant differentiator in Saudi Arabia), delivery reliability, and pricing. Switching costs are high because customers must qualify suppliers through a lengthy approval process, and once a supplier is approved for a project, switching mid-contract is impractical. However, after a project ends, the customer can choose any qualified supplier for the next tender.

Contract structure is typically fixed-price for a defined quantity, with raw material hedging at order booking to insulate margins from steel price volatility. As of FY26, a majority of contracts shifted to DDP terms, meaning Man Industries manages logistics and import duties and charges a higher realization. The company has no direct exposure to the US market (Aug 2025 concall).

The acquisition of NPC brings a two-decade Aramco relationship and a \$120 million order book. "NPC's location in Dammam also gives Man a natural gateway to exports to the UAE, Qatar, Iraq, Kuwait, Bahrain, Oman and beyond" (Jun 2026 concall).

Competitive landscape

The large-diameter pipe industry is global but fragmented. In India, the major listed manufacturers are Welspun Corp Ltd and Jindal SAW Ltd. Both are actively expanding in Saudi Arabia. Welspun is commissioning an LSAW mill of

~350,000 tonnes capacity there; Jindal SAW is adding a spiral mill of ~300,000 tonnes capacity. Other GCC-based pipe manufacturers exist, but Saudi-listed pipe companies trade at EV/EBITDA multiples of 7-10x (Jun 2026 concall).

Man Industries' competitive position rests on several factors. It has 30+ years of manufacturing experience, a track record of supplying to major global clients, and approvals from critical buyers like Aramco (through NPC) and QatarEnergy LNG. The NPC acquisition gives Man an immediate local manufacturing base in Saudi Arabia with existing customer relationships, an advantage over competitors who must build greenfield and then obtain approvals. Management acquired NPC at 1.5x EV/EBITDA, far below replacement cost, which management estimated at INR 1,500+ crores plus 24 months of construction and approval time (Jun 2026 concall).

The key competitive risk is that multiple players are expanding capacity in Saudi Arabia simultaneously – Welspun, Jindal SAW, and Man Industries are all adding pipe mills. However, management believes demand is growing at 6-8% CAGR and that the existing supply-demand gap is significant. "The current numbers and the current people also, who are putting it up, will be operational in 16 to 24 months. I think we should be okay," said management in Aug 2025. The company sees no overcapacity risk for the next 10-12 years given the scale of committed infrastructure projects.

Where Man Industries loses is primarily in pricing-sensitive tenders where competitors with lower cost structures or stronger local government ties may underbid. The company competes on quality, approvals, and ability to execute complex projects, not on being the cheapest.

Industry

Demand drivers. The global pipeline industry is in a multi-year upcycle driven by energy security concerns, energy transition investments, and water infrastructure spending. "The GCC region in particular is undergoing one of the largest pipeline investment cycles in recent years, driven by large scale gas pipeline corridors, expansion of hydrogen-ready infrastructure, desalination and water distribution projects" (Nov 2025 concall). Saudi Arabia's Vision 2030 includes an \$80 billion water infrastructure program, which management called "a massive and largely untapped opportunity" (Jun 2026 concall). India's Jal Jeevan Mission has proposed spending of approximately INR 67,000 crores (Feb 2026 concall).

Domestic Indian oil demand is projected to rise by 3.2% year-on-year (FY25 annual report). India is also building a national gas grid, with pipeline length expanding from ~25,400 km to a target of ~34,000 km.

Market size. Saudi Arabia's LSAW market is approximately 2 million tonnes per annum, and its HSAW market is approximately 1.5-2 million tonnes per annum (Aug 2025 concall). Current supply in Saudi Arabia is about 0.8-0.9 million tonnes for LSAW and similar for HSAW, meaning demand far outstrips existing capacity. This supply gap is why multiple players are adding capacity.

India's place in the global supply chain. India has emerged as a major exporter of line pipes, particularly to the Middle East and Southeast Asia. Indian manufacturers benefit from lower labor costs, proximity to Middle Eastern markets via ports on the west coast, and scale. Man Industries is among the largest Indian exporters. The company's export orientation (80-90% of order book) makes it a direct participant in global infrastructure spending cycles.

Import substitution. The Jammu stainless steel plant aims to reduce India's dependence on imported seamless stainless steel pipes for process industries and energy transition applications. India currently imports a significant portion of its high-end stainless steel tubular products.

Regulation. Pipe manufacturers must comply with API quality standards, ISO certifications, and customer-specific approvals. The Bureau of Indian Standards (BIS) has issued quality control orders for stainless steel pipes. Man Industries faces ongoing legal and regulatory matters: a SEBI forensic audit and settlement application sub-judice

before the Bombay High Court, and MCA compounding applications related to alleged non-compliances under the Companies Act (FY25 annual report, secretarial audit report). Management has filed appeals and settlement applications for all outstanding matters.

Cyclicalities. The pipe business is tied to oil & gas capex cycles and government infrastructure spending. When oil prices fall, project capital expenditure can be deferred, impacting order inflow. However, the current cycle is supported by structural spending on water and energy security that is less dependent on oil prices. Management noted that the post-war environment in the Middle East is driving additional demand as countries seek energy self-sufficiency (Jun 2026 concall). The industry also faces periodic disruptions from geopolitical events affecting shipping routes; Man Industries had to reroute some shipments through Fujairah due to the Hormuz situation, with 20-25% of business exposed to that route (Jun 2026 concall).

Growth triggers

- Acquisition of National Pipe Company (NPC) in Saudi Arabia closed May 2026 for \$102 million, adding 430,000 tons of operational LSAW and HSAW capacity with Aramco approval, API certification, a two-decade Aramco relationship, and an existing order book of approximately \$120 million. The deal was struck at 1.5x EV/EBITDA, a fraction of Saudi listed peer multiples of 7x-10x, funded via \$70 million subsidiary-level debt and \$32 million internal accruals, with no direct debt on the standalone balance sheet. (Q4 FY26 concall, May 2026)
- Dammam coating facility – a \$40 million greenfield investment for 4 million square meters annual coating capacity, targeting 25-35% EBITDA margins and commissioning by mid-2027. This makes Man-NPC one of the few players in the GCC offering integrated pipe manufacturing and coating from a single platform, a competitive differentiator for Aramco and SWCC projects. (Q4 FY26 concall, May 2026)
- Jammu stainless steel plant – 20,000 MTPA capacity for stainless steel mother pipes and seamless pilgered pipes, targeting high-end process industries and hydrogen infrastructure. Commissioning expected by FY27. (Q4 FY26 concall, May 2026)
- Merino Shelters real estate monetization – development agreement with Paradise Group; Man Industries holds a 30% share of 4,50,000 sq ft of developed property. Commencement certificate received, revenue expected to begin from Q2 FY27 and flow over 5-7 years, contributing a total top line of INR 800-900 crores at zero cost to the company. (Q4 FY26 concall, May 2026)
- Consolidated revenue guidance of INR 5,000-5,500 crores for FY27 (India ~INR 4,000 crores, KSA ~INR 1,500-2,000 crores), with 30-35% growth in FY28. EBITDA margin guidance of 13-15% sustained by premium Saudi pricing and value-added coating. (Q4 FY26 concall, May 2026)
- Strong bid pipeline of INR 15,000-16,000 crores and stand-alone order book of INR 3,000 crores, providing 6-12 months execution visibility. (Q4 FY26 concall, May 2026)
- Saudi Arabia's \$80 billion water infrastructure program under Vision 2030 is a massive untapped opportunity for large-diameter, high-specification water transmission pipes, within NPC's product capability. (Q4 FY26 concall, May 2026)
- Management upgraded margin guidance twice during FY26 – from 11-12% to 13-14% in February 2026 – and achieved record stand-alone EBITDA margin of 14%, demonstrating operating leverage and execution discipline. (Q3 FY26 concall, Feb 2026; Q4 FY26 concall, May 2026)

Key risks

- **Geopolitical disruption to shipping routes.** Roughly 20-25% of Man Industries' business passes through the Strait of Hormuz. The ongoing conflict forced rerouting of shipments to Fujairah, where clients accepted delivery. Management mitigated this partially by client acceptance at alternate ports, but a sustained closure could cause shipment delays, inventory build-up, and order execution slippage. (Q4 FY26 concall, May 2026)
- **Forex fluctuations on unhedged capex liabilities.** The company incurred a INR 25 crore forex mark-to-market loss in Q4 FY26 on capex supplier payables at the Jammu subsidiary. These were long-lead (18-24 month) capital equipment LCs opened in a subsidiary where hedging is not permitted. A sustained rupee depreciation against the dollar could produce recurring currency losses on the consolidated P&L until the equipment is capitalized and the plant starts generating revenue. (Q4 FY26 concall, May 2026)
- **Steel price volatility impacting revenue and order book value.** Revenue is reported in rupees, but most contracts are priced in dollars. Steel prices fell by roughly 25% during FY26, which compressed reported revenue growth even as volume grew. While raw material purchases are hedged at order booking, a further sustained decline could make the company's revenue targets harder to achieve on a rupee basis, even if volume targets are met. (Q4 FY26 concall, May 2026)
- **Competition and potential overcapacity in Saudi Arabia.** Welspun Corp is building a 350,000 tonne LSAW mill in Saudi Arabia, and Jindal SAW is adding a ~300,000 tonne spiral mill. Management believes demand in the KSA pipe market is growing at 6-8% CAGR and that current capacity additions leave no overcapacity for 10-12 years (Aug 2025 concall). But if multiple mills come online simultaneously or if Aramco demand slows, pricing and margins in Saudi could compress. (Q1 FY26 concall, Aug 2025)
- **Project commissioning delays.** The Jammu plant was originally targeted for FY26, then April 2026, then Q2 FY27, and finally FY27 completion – delayed by flooding and the Israel-Iran war which disrupted the local labour force and equipment movement. The Saudi greenfield pipe plant was scrapped entirely in favour of the NPC acquisition. Further timeline slippages on the coating facility or Jammu would delay revenue and EBITDA contributions from those high-margin projects. (Q3 FY26 concall, Feb 2026; Q4 FY26 concall, May 2026)
- **Legal and regulatory overhang.** Pending SEBI matters (forensic audit, settlement application sub-judice before the Bombay High Court) and MCA compounding applications regarding Section 206(5) notices remain unresolved. The company has appealed/filed settlement applications, but any adverse outcome could result in penalties or reputational damage. (Annual Report FY25; Q2 FY26 concall, Nov 2025)

Walk the talk

Man Industries has a history of setting ambitious targets and then adjusting them as circumstances evolve. The trend is instructive: management is aggressive in its forward commentary but generally delivers on upgraded guidance after resetting expectations.

Revenue and margin guidance for FY26. In the Q2 FY26 concall (November 2025), management reiterated its 20% revenue growth guidance for FY26 and maintained EBITDA margin guidance of 11-12%. By the Q3 FY26 concall (February 2026), they had upgraded margin guidance to 13-14%, and by the year-end (Q4 FY26 concall, May 2026), the stand-alone EBITDA margin came in at 14% – the highest ever. Revenue grew ~11% on a stand-alone basis to INR 3,508 crores, but core pipe business like-for-like grew 36% in Q4 after adjusting for the real estate sale in Q4 FY25. Management explained the gap as steel price deflation compressing revenue. The outcome was mixed: margin guidance was handily exceeded, but revenue growth fell short of the 20% target.

"FY26, in my view, has been the most consequential year in Man Industries history... we achieved our highest ever standalone and consolidated EBITDA and PAT margins simultaneously." – MD, Q4 FY26 concall (May 2026)

Saudi greenfield pipe plant. In the Q1 FY26 concall (August 2025), the company announced it was establishing a 300,000 tonne LSAW pipe facility in Dammam, Saudi Arabia, targeted for commissioning by Q3/Q4 FY26. By Q3 FY26 (February 2026), the deadline had slipped to Q1 FY27. In the Q4 FY26 concall (May 2026), management announced the acquisition of NPC instead, entirely scrapping the greenfield pipe mill. The land and permits were redirected to the coating facility.

"Because we acquired NPC and we got the opportunity, we have continued to just put the coating facility over there and not the pipe." – MD, Q4 FY26 concall (May 2026)

Jammu stainless steel plant. The timeline for the Jammu plant slipped three times over the course of FY26. The Q1 FY26 concall (August 2025) targeted FY26 commissioning. By Q2 FY26 (November 2025), the date was moved to April 1, 2026. By Q3 FY26 (February 2026), it was pushed to Q2 FY27, citing flooding in Jammu and the war in West Asia disrupting manpower. In the Q4 FY26 concall (May 2026), management said the plant was almost completed and would be online during FY27.

"Jammu is almost completed, which will be complete FY27." – MD, Q4 FY26 concall (May 2026)

FY27 revenue guidance. In the Q2 FY26 concall (November 2025), management mentioned a revenue target of roughly INR 7,000 crores for FY27. By Q3 FY26 (February 2026), the number had been trimmed to a 30-35% growth range on the FY26 consolidated base of INR 3,592 crores (implying INR 4,670-4,849 crores). In the Q4 FY26 concall (May 2026), the formal guidance was set at INR 5,000-5,500 crores, citing steel price decline and a conservative approach. The 30-35% growth number for FY28 was also stated.

"We are issuing a consolidated revenue guidance between INR5,000 crores to INR5,500 crores for FY27." – MD, Q4 FY26 concall (May 2026)

Merino Shelters real estate. In Q1 FY26 (August 2025), management expected INR 70-80 crores of real estate revenue in FY26. The launch was delayed, and by Q4 FY26 (May 2026), management said the commencement certificate had just been received, with first revenues expected from Q2 FY27. The profile of the cash flow – INR 800-900 crores top line over 7 years at zero cost – remained intact, but the timing shifted by one year.

"the commencement certificate is already received for Merino Shelters... expected to be an incremental earnings driver beginning from Q2 FY27." – MD, Q4 FY26 concall (May 2026)

Scenarios

Bull case

The NPC acquisition proves transformative beyond what management has guided. The Aramco relationship deepens, and NPC's utilization ramps to 85%+ within 12 months as the company captures a disproportionate share of the \$80 billion Saudi water infrastructure program plus oil and gas pipeline awards. The Dammam coating facility commissions on schedule in mid-2027 and quickly hits 25-35% EBITDA margins, becoming a high-return annuity

business. Jammu stainless steel plant finds ready demand from India's green hydrogen and process industry expansion, running at 60%+ utilization in year two. Merino Shelters generates INR 80-100 crores of tax-free cash flow annually, which is used to prepay subsidiary debt. Stand-alone Indian operations sustain 14%+ EBITDA margins. The combination of three high-margin growth engines – NPC + coating + Jammu – pushes consolidated EBITDA margins sustainably above 15% by FY28, well ahead of the conservative 13-15% guidance. The stock rerates as the market recognises a globally scaled, high-margin pipe platform.

Base case

NPC integration proceeds smoothly. Management's FY27 guidance of INR 5,000-5,500 crores consolidated revenue and 13-15% EBITDA margins is achieved, with India contributing ~INR 4,000 crores and KSA ~INR 1,500-2,000 crores. The coating facility is commissioned by mid-2027 and adds ~\$40 million in revenue with 25% EBITDA margins in its first full year. Jammu plant starts commercial production in late FY27 and reaches 35-40% utilization in FY28. Merino Shelters contributes INR 70-80 crores of profit annually from FY28 onwards. FY28 consolidated revenue grows 25-30% to INR 6,500-7,000 crores. The Hormuz issue is resolved within a few months, preventing material shipment disruption. The company maintains its net cash positive position on a stand-alone basis and manages subsidiary debt comfortably from NPC's cash flows. Margins remain within guided range, and the company delivers on its 30-35% growth trajectory for FY28.

Bear case

The Hormuz situation escalates or persists longer than expected, causing 20-25% of shipments to be delayed by multiple quarters. Clients invoke force majeure clauses or seek penalties. NPC's order book conversion to revenue is slower than anticipated because key Aramco approvals take longer to transfer from the old management. The Dammam coating facility faces construction delays, pushing commissioning to FY28. Jammu plant commissioning slips further due to residual equipment delivery issues or labour shortages, delaying the 18%+ margin stainless steel revenue stream. Steel prices continue to fall, compressing the stand-alone order book value from INR 3,000 crores. Competition in Saudi Arabia intensifies as Welspun and Jindal SAW bring their new capacity online by late FY28, putting pressure on NPC's 15-18% EBITDA margins. The SEBI or MCA matters result in an adverse order, creating regulatory uncertainty and impacting customer confidence. Consolidated revenue struggles to reach INR 4,500 crores, and EBITDA margins compress to 11-12%. The company reverts to a single-digit growth business with a leveraged KSA subsidiary.