GOODLUCK

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Date: May 29, 2025

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The Bombay Stock Exchange Ltd.	**National Stock Exchange of India Ltd.**
Phiroze jeejeebhoy Towers,	**Exchange Plaza, C-1, Block G,**
Dalal Street,	**Bandra Kurla Complex,**
Mumbai	**Bandra (E), Mumbai – 400 051**
Ref: Scrip Code: - 530655	**Scrip Code: - GOODLUCK**

Sub: Earning Call Transcript

Dear Sir/ Madam,

As earlier informed, a Conference Call with the investors and analysts held on Friday, 23rd May, 2025 at 12:00 PM IST, to discuss the Q4 and full year FY 2025 earnings of the Company.

Please find attached herewith the transcript of the aforesaid Earning call.

This is for your information and record.

Thanking You,

For Goodluck India Limited

MAHESH CHANDRA GARG
Digitally signed by MAHESH CHANDRA GARG
Date: 2025.05.29 16:18:51 +05'30'

MAHESH CHANDRA GARG
DIRECTOR

Encl: as above

Goodluck India Limited

Q4 & FY25

POST EARNINGS CONFERENCE CALL

May 23, 2025, 12:00 PM IST

Management Team

Mr Mahesh Chandra Garg - Chairman
Mr Ram Agarwal - CEO
Mr Sanjay Bansal - CFO

Call Coordinator

KAPTIFY®

Strategy & Investor Relations Consulting

Presentation

Vinay Pandit: Ladies and gentlemen, I welcome you all to the Q4 and FY25 Post-Earnings Conference Call of Goodluck India Limited. Today on the call from the management team we have with us, Mr Mahesh Chandra Garg, Chairman; Mr. Ram Agarwal, CEO; and Mr. Sanjay Bansal, CFO.

As a disclaimer, I would like to inform all of you that this call may contain forward-looking statements which may involve risk and uncertainties. Also, a reminder that this call is now being recorded.

I would now request the management to detail us about the business and performance highlights for the period ended 31 March 2025, post which we will open the floor for Q&A. I will now hand over the floor to Mr. Mahesh Chandra Garg, Chairman. Over to you, sir.

Mahesh Chandra Garg: Hello, everyone. Ladies and gentlemen, my pleasure to welcome you all in this conference. The year gone by has been extremely good for the company, the results of which are in your hand. There has been a good progress of the company. We have been able to achieve good growth volumes. Inspite of so many geopolitical tensions, disturbed volatile situation the company has achieved a volume growth of around 17%.

EBITDA, very good improvement in EBITDA margin. We have been able to achieve before time completion of a large diameter pipe mill, which is one of its own kind. Very few plants of that size are available in the world. And I am fortunate, I am happy to tell that there has been a good response from our customers all over the world. And ramping up may take little more time, but it is going in a big way to the bottom line of the company in time to come.

Another plant, which we are putting up, the subsidiary making shells for 155 mm gun is going ahead with -- well ahead of schedule. And very soon, we may start trial commissioning of that plant, awaiting license. That plant, along with the new plant which we commissioned, for precision tube will add the game changer to the company. I can assure you, overall the performance of all the plants, we achieved exceptionally good performance in the last quarter of the last year.

Fourth quarter, we achieved up to 95% utilization of capacity, which was a marked performance in spite of so many headwinds in exports and domestic market. I think I can assure you, company is doing well, will continue to do well. At least next four quarters, what I see, I can give the guidance, company will continue to grow as we have done in the past. Thank you.

Ram Agarwal: Hello. Welcome everyone. This is Ram Agarwal, CEO of Goodluck India. As our results are before you and Garg sir has already highlighted your company's achievements and challenges due to geopolitical conditions before you.

I would like to speak today on our journey to transformation. As management decided in 2005 to enter into newer segments, qualifying the criteria of high entry barriers, double digit EBITDA and product future cycle. We sharpened our skills, took risk, we took risk of entering new areas, we slowed our journey but for a better future. Since 2021, PAT has increased from INR30 crores to INR165 crores in year 2025. Revenue has gone from INR1,572 crores to INR3,935 crores, near 2.6x.

Your company has tried to make a diversified product basket model, which in turn became multi-product, multi-locational market. So whenever need arises, we reshuffle our product basket along with product market. There is very rare possibility that all the markets and all the products go down simultaneously. Today, world is reeling through Trumponics. Markets have become volatile, VIX index showing the same. Your company has a good exposure to US, but at the same time, other markets such as Europe, New Zealand, Australia, Southeast Asian countries are available to us.

So, we have been able to reshuffle our export market and at the same time, we have an exposure of 75% to domestic market. We have increased our sales to the domestic market. Result is before you. Fourth quarter has achieved highest turnover, INR1,100 crore plus. So in short, I can say adaptability is the key to our management efforts.

Sales volume crossed 442,000 metric tons for FY25, making a robust of 15.3% YoY growth for the year. This volume expansion was powered by strong demand across sectors like automobile, Infra and most notably, from our increasing international market footprint. During FY25, we made strategic capacity additions on product lines. Engineering structure capacity now stands at 85,000 metric tons. Precision pipes and automobiles capacity now stands at 170,000 metric tons. CR sheets and pipe capacity now stand at near 2,50,000 metric tons.

Our overall capacity utilization on an average has been 89%, which underscores both demand momentum and operational efficiency. As your company is available in infrastructure automobile, oil and gas, solar and defence sector, all our future promising sectors, if we talk of infra, company is on the verge of completion of first order of 22,000 tons for bullet train and recently developed second design for bullet train and has secured a new order of INR52 crores. In automobiles, as Garg sir has told, we have added long dia pipe of unique combination 219 OD with 15mm dia to be used extensively in construction equipment, such as JCB.

World has very few facilities for same product. As long as this venture reaches its 70%, 80% utilization, we hope to add another capacity expansion in coming years. Oil and gas, the all-weather sector, Trump's darling sector, drill, drill, drill, to getting into contracts with Baker and Hughes, ADNOC, Kuwait Oil Company, and all the other companies which we can name.

Solar, a sector on horizon, is performing best. Your company has developed tracker tubes, transmission tubes, a 5-bolt tube that is being used extensively in trackers industry. As per Mercom, GL is performing best in this sector. Company wishes to increase its footprint in this industry by installing new machines and entering new clients to get required results.

Now definitely a very important sector, that is the defence sector, darling of market, a topic being discussed in every movement corner of India. Ours, a very small contribution to BrahMos Missile, has been highlighted by Honorable RM in one of their releases. Your company is in development phase of many more parts to be used in Indian arsenal. As Garg sir has told, a subsidiary, Goodluck Defence & Aerospace, was established last year to produce 1.5 lakh shells M107, 150 mm dia. I am happy that your company has completed the project in record time and ready to go in trial awaiting some government clearances.

With all the above, your company wishes to enter in a billion-dollar club in next 3-4 years. Plans are afoot and on our drawing board. Near the time, we will share plans with our investors, shareholders, partners. With all the above, your company is concentrating on human resource management by skilling our labour, by polishing the skills of our management executives. We are having regular workshops with management experts with our executives.

Succession plan for second line of executive is being followed. Health and safety, a very important part of our employees, is a primary concern for management. Having regular check-ups of our workforce and plants, regular upgradation of medical facilities for our staff is being followed. Environment, total world is focusing on that. It's also a primary concern for the management. We are trying to make zero-discharge plants. Green energy is replacing fossil fuels. We have established solar plants, up to 30% of our requirement. New discussions are on to establish megawatt-scale plant in Gujarat to feed our requirement.

Social responsibility is one concern where management is working relentlessly. Health, education, animal feeding, these are the areas where we are focusing. Social upliftment of our society are some areas where we are working. Corporate governance, a very necessary tool today, is being followed by our team as per established laws. So I feel your company is on the right track of growth and fulfilling its other responsibilities in social and legal framework.

Your continuous support, as always we have been enjoying, will enlighten our path. Thank you. Now, I would like to hand over the mic to Mr. Sanjay Bansal, CFO.

Sanjay Bansal: Good morning, everyone. At the outset, I Sanjay Bansal, CFO, on behalf of Goodluck, welcome you all for joining us for the conference on performance of the company in Q4 and full year of financial year 2025.

Regarding Q4, performance standalone, the sales was increased to INR1,104.62 crores against the 902.49 crores during Q4 of previous year, registering a growth of 22.40%. However, EBITDA for the quarter stood at the rate of 8.44% of sales, amounting INR93.25 crores as against INR72.72 crores during Q4 of financial year 2024. Profit after tax including other comprehensive income was at INR42.12 crores in Q4 of '25 as compared to INR35.50 crores in Q4 of '24. The earning per share has been at INR13.26 per share in Q4 2025 as against INR11.32 per share during Q4 of previous fiscal.

The performance of standalone during financial year 2025 was in line with the expectations. Sales increased by 11.66% at INR3,935.89 crores as compared to INR3,524.78 crores during the previous year, '24. EBITDA was at INR340.79 crores as against INR292.93 crores, registered an increase in growth of 16.34%. PAT during the financial year '25 was at INR161.74 crores as against INR130.54 crores during previous year, registering a growth of 23.90%.

Earnings per share stood at INR 49.71 per share during financial year '25, registering a growth of 8.25% over the previous year.

The performance consolidated during financial year '25 was again very good. Total income increased by 12.25% at INR3,971.21 crores as compared to INR 3,537.72 crores during the previous year 2024. EBITDA was at INR346.16 crores as against INR295.19 crores, registering an increase of 17.26%. PAT during the FY25 was at INR165.63 crores, registering a growth of 25.23%. Earnings per share stood at INR50.66 per share during financial year as against INR46.41 per share during financial year '24, registering a growth of 9.15% over previous year.

On fiscal front, our interest costs and other expenses have marginally gone up due to increase in level of activity during financial year '25 as compared to previous year. Thank you very much.

Mahesh Chandra Garg: Now we are open for Q&A session.

Moderator: Sure sir. We take the first question from Maitri Shah. Maitri you can go ahead.

Maitri Shah: Yeah, hello. Am I audible?

Moderator: Yes.

Maitri Shah: Yes, congratulations on the good results. I have a few questions, regarding EBITDA margins. So if we exclude the other income increase, our EBITDA margins have gone down. Is there any reason for that?

Ram Agarwal: EBITDA margins for the year they have gone up rather. For the whole year, it has gone to 8.64%, whereas in the last year, it was less. Yes, in Q4, it has gone down marginally.

Maitri Shah: Okay. And the other income, do we expect this similar type of other incomes going forward or will the other income decrease?

Ram Agarwal: Can you repeat the question?

Maitri Shah: So the other incomes have almost more than doubled this year from FY24 to FY25. So do we expect them to stay at the same level or they will go back to the normal level of FY24?

Sanjay Bansal: See, this other income is a part of operational activity. So see this is a part of operating. So, it will happen in the future also.

Maitri Shah: Okay. And any guidance for the top line and margins for the next two years?

Ram Agarwal: For next year, we hope that it should be INR4,500 crore plus. Basically, a growth of 15% to 20%. What we have been emphasizing for the last 1-2 years, we hope the next year will follow the same.

Mahesh Chandra Garg: There is a clear visibility of 15% to 20% growth in this current year.

Maitri Shah: Okay. And any margin guidance do we have?

Mahesh Chandra Garg: Margin likely to be maintained because we are in the niche segment in all our products. So we don't feel any pressure on margin.

Maitri Shah: Okay. And do we have any order book in terms of so that we can get the visibility?

Ram Agarwal: Order book, basically we are in segments. So every segment has a different order book. Like in Infra, we have an order book of almost 1 year. Like in our automobile tubes, there is always a visibility, there is no order book because it's a visibility of at least 1 year. In forging, it is normally 4 to 5 months order book we have. And in the general products, it's a continuous flow of orders. But still, it is maintained at almost 2, 2.5 months order book. So orders are sufficient. It is only our ability to deliver. How much we deliver, we will get more orders.

Maitri Shah: And we have the defence capacity coming in from this year, by probably the second half of the year. So, what sort of revenues can we expect from that capacity?

Ram Agarwal: Look, this will be the first year because first, second quarter will remain in the trial and starting. So we hope almost 40% we should achieve in this year. And from the next financial year, we should achieve the maximum capacity.

Maitri Shah: And what is like the peak revenue at the maximum capacity?

Ram Agarwal: It all depends on the price. But I think it should be between INR270 crore to INR300 crores.

Maitri Shah: And we have talks about the new capacity like a third capacity coming in. So any timelines for that?

Ram Agarwal: Pardon?

Maitri Shah: Any newer capacity that we're going to be adding for maybe this year, maybe by the next year?

Ram Agarwal: The capacity addition will depend on like in LDP, we want to increase the capacity. But once whatever plan we have put up, it should achieve a capacity utilization of 70% to 80%. Only after that, we will go for any expansion.

Maitri Shah: So, any CapEx plan for FY26? Do we have any amount for that?

Ram Agarwal: Right now, two CapEx, defence CapEx is going on. And some maintenance CapEx will also go on. And if some new project comes in between, that we will let you know.

Maitri Shah: Okay. Thank you so much.

Moderator: Thank you, Maitri. We'll take the next question from Tushar Gupta. Tushar, you can unmute and go ahead please.

Tushar Gupta: Hello, am I audible?

Ram Agarwal: Yeah, yeah.

Tushar Gupta: Thank you for the opportunity and congratulations for good set of number. Sir, I want to know, can you please throw some light on CDW vertical? What is the current utilization rate on 50,000 tons of plant? And how do you see it getting ramped up moving ahead?

Mahesh Chandra Garg: Sir, this CDW plant is a precision tube most used in auto sector. And auto sector is growing in India rapidly. Because auto is no more a luxury. It is a necessity of every household. And I don't see any slowdown in auto sector in India and abroad. Still, despite of so much turmoil in the US area, our demand for export products is very strong. So we don't expect any slowdown in precision tube in India, domestically and export.

Tushar Gupta: Okay, sir. So, what is the current utilization rate at 50,000 ton plant?

Ram Agarwal: It is almost 40% right now. And by September, we hope it should be 60% to 80%.

Tushar Gupta: Okay, sir. Sir, one more question I have. Sir, quarter -- actually sir, we have seen good top line growth. Was there any inventory gain during the quarter or if there any quantity change? Can you quantify it?

Sanjay Bansal: See, in this quarter, there is no inventory gain. Rather, there is a marginal down in the price. So there is no inventory gain in that. These all numbers are operational profit.

Mahesh Chandra Garg: Not only inventory gain, there has been an inventory loss. The price throughout the year went down. And the performance of the company must be viewed in respect of raw material prices going down. Had the price remained the same as on 1 April 2025, our top line would have been almost INR4,300 crores.

Tushar Gupta: Thank you. Thank you, sir.

Moderator: Thanks, Tushar. We'll take the next question from the line of Mahek Talati. Mahek, you can unmute please and go ahead.

Mahek Talati: Yeah. Hi. Thank you for the opportunity. Am I audible?

Mahesh Chandra Garg: Yeah yeah.

Mahek Talati: Yes. So, sir, I just wanted to understand. So, currently, we are operating at close to 89% utilization. And we are expecting the LDP plant to achieve 80% utilization from -- in this year itself. So, any major CapEx plan for FY27 volume growth?

Ram Agarwal: Basically, I have told you that right now, we are in the implementation of establishing the defence plant. Maintenance CapEx of capacity increased by debottlenecking. It's a continuous process which goes on throughout the year. So in this year also, we will be doing some bottlenecking, some removal of bottlenecking, and we will be adding some capacity in our infra section, in our CDW section, but it will not be a major CapEx. Major CapEx will depend on the ramping up of the production of our two new plants, of one of the LDP plant and one of the defence plant. So we will be able to give you guidance, I suppose, in H2 only.

Mahek Talati: Okay. So other than this INR4,500 crore curve of revenue expectation, which we are expecting, this is excluding the defence vertical, right?

Ram Agarwal: Defence is not included in that. INR4,500 crores is with the normal growth in the other sectors. Defence, whatever comes, it will be added to it.

Mahek Talati: Okay, understood. Yeah, that's it. Thank you.

Moderator: Thank you, Mahek. We'll take the next question from Yashashwi Bali. Yashashwi, you can go ahead, please.

Yashashwi Bali: Yeah, hi. Thanks for the opportunity. I just want to understand, like, if I see the exports have been going down from the last three years, from 30% to 25%. So is there any particular reason for that? And are we going to focus on domestic front only, or are we going to focus on exports as well, going forward?

Mahesh Chandra Garg: Export as a percentage has gone down, because the domestic sales have gone up. But export as such is being maintained around INR1,000 crore year after year. There has been geopolitical tensions, as you are aware. The year before last, there were a lot of 2-3 problems. The freight went abnormally high. Even there was a slowdown in Europe. But as such, our exports have not gone down. With the last year, we had a marginal growth in exports.

Yashashwi Bali: Okay, thank you. The next question is like on the defence facility, which is coming up, what would be the EBITDA margins for that?

Ram Agarwal: Right now, it is very early to tell, because we are just in the commissioning of the plant. But we hope it should be 20% plus, as per the market intelligence.

Yashashwi Bali: Okay, and the peak revenue is INR270 crore to INR300 crores, right?

Ram Agarwal: Almost, this we anticipate.

Yashashwi Bali: Okay, thank you. That's it from my side.

Moderator: Thank you. We'll take the next question from the line of Rohan Patel. Rohan, you can unmute and ask your question, please. Rohan, you can unmute and ask your question.

Moderator: I think we will go to the next participant.

Moderator: So we'll take the next question from Jainis Chheda. Jainis, you can unmute and go ahead, please.

Jainis Chheda: Hi. So I have a few questions. One is that your long-term vision on the EBITDA front is to clock double digit EBITDA margins. Is that correct?

Sanjay Bansal: Yes.

Jainis Chheda: And for next year, you are saying that the margins will be maintained. So can you --?

Ram Agarwal: Rather, it should increase, but on conservative side, it will be maintained. But we hope with the market going on, we will improve it.

Jainis Chheda: So can you share your path as to how you're looking for the double digit EBITDA margins, if you can share segment-wise, what are the margins and where the growth will come in? That will give us a better confidence in terms of how the margins are going to move over the next two to three years.

Mahesh Chandra Garg: Sir, I can tell you, double digit EBITDA margin, EBITDA margin will come earlier than expected. But looking to the uncertainty in the world market, it is very difficult to commit anything as on date.

Jainis Chheda: I completely understand. But if segmental EBITDA is possible, maybe in the investor presentations going forward, that will help us to look at the picture more clearly.

Ram Agarwal: In our investor presentation, we have given that what the sector-wise EBITDAs are. But whatever new capacities are coming in, when we are saying from INR4,000 crore to INR4,500 crore, our major emphasis will be on auto tubes and the defence sector. So major contribution will come from there. And in these sectors, in auto tube, normally EBITDA is 12%, 13%. And in defence, as I have said, we don't know. But from the market intelligence, it should be 20% plus.

So if you calculate, you will come to understand that what we are saying, double digit, it can give us.

Jainis Chheda: Understood. Thank you so much, sir. And in terms of our debt, our debt has gone up in the current fiscal. Any plans to repay debt in the next couple of years? And what is the blended cost of debt right now?

Sanjay Bansal: Blended cost of debt is 9.5%. And we are going to, in addition to routine repayments, we are going to repay INR22 crores to the lenders, in addition to INR46 crores normal repayment.

Jainis Chheda: Okay. So roughly it is INR60 odd crores of debt repayment in FY26?

Sanjay Bansal: Yeah. Yeah.

Jainis Chheda: And sir, in defence, because of the tensions, are we seeing a preponement in terms of orders or offtake that is government asking to supply it earlier than the original timeline?

Ram Agarwal: Truly speaking, we have yet to come in the trial stage. So government can ask only when we start. But it seems as you have understood from the news items, government will definitely want that any producer, instead of giving material to outside, government will like to purchase. It's a general newspaper information. So I believe this should be the case.

Jainis Chheda: So we directly supply to the government or do we supply to a private player who does the final packaging and supplies it to the government?

Ram Agarwal: I could not understand your point.

Jainis Chheda: Is government our direct customer?

Ram Agarwal: Yes, government is a customer. In India, government is a customer only. In export market, there are many customers.

Jainis Chheda: Thank you, sir. Thanks. That's all.

Moderator: Thank you, Jainis. We'll take the next question from Rohan Patel. I think you can unmute now and ask the question.

Rohan Patel: Hello. Am I audible, sir?

Ram Agarwal: Yes.

Rohan Patel: Yeah, sir. Thanks for the opportunity and on good set of number. Sir, just for clarity, you mentioned that you are also expecting this year FY26, you will grow at say 15-20% rate. At 89% capacity utilization and with de-bottlenecking our facilities, you are confident that our current facility can do INR4,500 crores of a top line?

Mahesh Chandra Garg: There is absolutely no doubt about it.

Rohan Patel: Okay. And sir, just looking at our trends of division-wise, what do you think that which are the 2 to 3 divisions that will contribute to this 15% to 20% growth? Is it going to come from precision pipes and forging or it's again going to be heavy on CR sheets and engineering?

Mahesh Chandra Garg: It is going to be precision tube, pipe and forging.

Rohan Patel: Okay. So, we aren't seeing -- so can we expect the CR sheets and pipes to stay stable at INR1,400 crores top line?

Mahesh Chandra Garg: Yes. Yes.

Rohan Patel: Okay. So, sir, when we are growing -- and what would be the margin profile for our engineering structure? Because I hope…

Ram Agarwal: Almost 9-10%.

Rohan Patel: Okay. Engineering structure is 9-10%. So, when we are saying that we will be growing from say engineering, precision pipes and forging, so shouldn't we be expecting our margins to be way higher than this year like going to 9.5 to somewhere near to 10%?

Ram Agarwal: We cannot commit. But definitely, as you are hoping, we are also hoping.

Mahesh Chandra Garg: Margins are bound to improve.

Rohan Patel: Okay. And, sir, what we have seen is that after doing sufficient equity raise and for expansion plans and we were expecting our balance sheet to be much lighter on debt side, but we have seen that this year we have added debt to tune of 800 -- Our debt on balance sheet is in tune of INR882 crores. So what's the plan for reducing the debt and debt repayment for next three to four years as our capacity gets ramped up and the cash flow which we will be generating? How much of that we will be using for reducing our debt?

Ram Agarwal: Look, whenever we are increasing the capacity, so with our turnover, whatever increases, there is a certain percentage which we require for the expansion. So suppose we go from INR4,000 crores to INR4,500 crores, so going higher to INR500 odd crores, so we will need a 15% to 20% capital because whatever business we are doing, that business is capital intensive. So money is like a raw material for us. But definitely what we plan, we plan the requirement, additional requirement whatever will come the next year if we have good profits as we hope. So we will be taking lesser money for achieving the increased turnover. In that way, our debts will be pared, our debts will be reduced in the coming years.

Rohan Patel: ~~Okay.~~ Yeah, because the question is that even after growing our EBITDA, growing our sales, if we are paying say INR80 crore, INR85 crores in interest, that does not translate into a healthy profit margin. So if our debt would be less than, that could be reflected in our profit margin because we have historically higher debt levels.

Ram Agarwal: Actually, we are seized of the issue and management is relentlessly working on to reduce the burden of interest on the company. But definitely everywhere there are headwinds, so whatever we propose, it is not executed as you know. But repayment we are doing, so our long-term loans will be reduced and the short-term, as I told, with the increasing profits, we will be needing lesser debt.

Mahesh Chandra Garg: So whatever you define the debt, is a long-term debt, has to be defined as debt. However, the short-term debt is a working capital debt arranged by the stocks and debtors. That is not actually a debt. More and more work we do, more and more working capital is required, it is not a part of the debt actually. A company of our size having a turnover of INR4,000 crores, our debt is only about INR160 crores. And that long-term debt only has to be considered as a debt.

Rohan Patel: ~~Okay,~~ yeah. And sir, next question on our defence subsidiary, like still we are doing the trial runs and we are hoping that this year, if possible, we will definitely get clearance from government. So, a lot of things are in flux in this set of our business. But just one question I have, and if you can explain to me is that, considering that there is a cool down in war scenario globally versus Ukraine and Russia, and there also a capacity build-up in 155 mm artillery shells globally.

So with this cool down and with VA ramping up capacity, domestically also a lot of capacity is coming into. So, what is your outlook regarding that? Do you expect that we will be on trajectory to get more customer approvals, government approvals, and we will be able to take our operations to 80%, 85% utilization in the next 2, 3 years? Do you think that is possible?

Mahesh Chandra Garg: There is absolutely no problem. Plan A, Plan B, Plan C is ready. In case everywhere there is a peace and no use of this shell, bomb shell, still we will be using, making components for ISRO and BrahMos missile for which we are regularly supplying. Our places are designed for this. Convert them to those items. We will be the first to do it. But I don't think world is going to be at peace in future immediately.

Rohan Patel: okay okay, get it. And just last one question. And sir, we have seen a good growth after a long time. We have seen a steady and higher growth in our forging division. Like this year also it has grown 19%. So, can you throw a light on, have we got a new customer or what has happened that forging which used to be in range of INR300 crore, INR350 crore, INR400 crores is now doing consistently above INR500 crore, INR600 crores of revenue, and how can we look that going forward?

Ram Agarwal: **Look,** because in the forging, oil and gas is a major sector. And with Trump coming in, there is a drill, drill, drill because he wants oil to be increased in the market. Drilling he wants to increase. So, what product we are making, 50% to 60% material is what goes to the oil and gas. So there is a good demand. Number two, dairy products, chemical products which are in Europe, those factories have a good demand because we are supplying as per drawing material there.

And in general also, in defence however it is very insignificant because we are in the development phase. But definitely there also there is an increment in the parts which are being used in defence. Like some smaller parts in BrahMos missile, like some parts in other missiles and other systems. So, there is a good demand in forging for the precise products, for the quality products. And whatever we make, it's a precise one, it's a niche one and it's a quality product. So demand doesn't bother us. I think demand will not bother us.

Rohan Patel: ~~Okay,~~ Yeah. And just to squeeze in just one last question. In engineering and structure side now, you are also expecting that pie to grow for us. Will it be more focused on metro projects, our girders projects and bridges projects? Or you are expecting this to come from more of renewable side of our solar and tracker tubes and crashing barriers?

Ram Agarwal: Actually, there are two sides to what you are asking in one question. The first answer is, in infrastructure, there is an increased demand of metro, there is an increased demand of RRTS tracks, where government is running Vande Bharat. And there is, government has already approved or they are in DPR stage for seven more bullet trains to come in next five years. So there is an actual demand, there is a continuing demand of bridges in India.

Moreover, government is putting emphasis on thermal plants. So, we are -- our one part of the infrastructure is supplying to thermal boiler structures, which this L&T is doing and other companies are doing. So our emphasis on both the sides, and I think there is no dearth of orders. Rather, we have booked for next one year, but if we want, we can take orders for two years as well. But it will not be a wise step. So, that one thing is there.

The other question you ask for the solar, renewable, we are much, much lower what the world is expecting. We want to go 500 gigawatt, again Reliance was giving 100 gigawatt, Adani, Reliance, everybody is taking, because the fossil fuel has to go down. And India is -- I will not say it is at the bottom, but it is not even at the top. So that sector is very promising. And whatever we are supplying, it is being absorbed. And if we put up some new lines in the coming years, I hope for the next five years, there is no dearth of demand in the solar sector.

Rohan Patel: Ok, yeah. yeah, thanks for answering all my questions patiently. And if more questions, I will get back in queue and best of luck for this year.

Moderator: Thank you, Rohan. We'll take the next question from the chat from Mr. Abhishek Dixit. He's asking other income has rised from INR4 crore in Q3 FY25 to INR8 crore in Q4 FY25. What's the reason behind this?

Sanjay Bansal: There is a multiple income, like one is interest on the deposits. We have done some deposits in the last year. We have earned an interest on that. And secondly, on export sales, we charge some testing and packing on account of packing and testing. We charge some amount from export. That is part of other income.

Moderator: Thank you, sir. We'll take the next question from the line of Bhavya Shah . So he has asked the question, when will the second bullet train order be delivered?

Ram Agarwal: The second bullet train order, it has been cleared and I hope in this financial year, by January, February, that order will be completed.

Moderator: Okay. The second question is, what sort of overall capacity utilization will the firm achieve for FY26?

Ram Agarwal: Right now, we had said that it is 89% overall capacity utilization we are doing. I hope on the same level we will be doing.

Moderator: Okay, sir. And the third question was any CapEx for, I mean, the CapEx estimates for FY26 and FY27 both?

Ram Agarwal: For FY26, I have told the CapEx for debottlenecking. It will be there. Some maintenance CapEx will be there. And in the bigger CapEx cycle, it is a defence CapEx, which is going on. So it will be capitalized in this year. So but any other major CapEx, I have already told, in H2, we will be able to give the guidance on that.

Moderator: Sure, sir. Thank you. We will take the next question from the line of Naitik Mohta. Naitik, then unmute and go ahead, please.

Naitik Mohta: Yeah, good morning, sir. And thank you for the opportunity. Sir my first question is, we have expanded our capacity in FY25 for the fabrication side by almost 25%. So can you give some light, what kind of capacities have we added there?

Ram Agarwal: We have added the capacity in our painted structures because we have a good demand for bridges and this boiler support structure from the industry. So on that side, we have added some machine, we have provided some space. So that is a capacity addition we have done of 25,000 MT approx. And in solar, we have added some machinery to increase our capacity as we are not able to supply as per the market demand.

Naitik Mohta: Okay. Sir, my second question is, the tubes CapEx of 50,000 tons that we have done, as you said previously in the call that the plant is already running at 40% utilization. So could you throw some light, what kind of margins do we expect from this CapEx that we have done?

Ram Agarwal: This side, this product, normally in our precision tube and auto tubes, EBITDA margins are 13%, 14%. In this product, we hope that it should be at least 400 bps point plus, but once it gets stabilized, so by September, I hope what I am saying it will be proved again.

Naitik Mohta: Okay, so sir -- so can this be taken that currently it must be running at double digit margins?

Ram Agarwal: This product is running on the double digit margin, but now the question is it is not going on the capacity utilization, it is only utilizing a capacity of 40%. So despite double digit EBITDA, it is not contributing much, but by September once it is 70%, it will start contributing.

Naitik Mohta: Right, right. Also sir, on the 155 millimetre caliber shells, could you throw some light like what is the price per shell right now, what it has been in the last 3, 4, 5 years, or you know how the market is turning up?

Mahesh Chandra Garg: It is difficult to give any idea of the price. It is a very sensitive information

Naitik Mohta: Okay. All right, sir. Also sir, so I wanted to understand the sensitivity of our business to the rising steel prices. So if steel prices jump up, do we have contracts in place to transfer the price to the customer?

Mahesh Chandra Garg: Most of the time, and most of the products prices are transferred to the customer. In some of the products, the time has increased and so that is difficult. Prices have to be transferred to the customer.

Naitik Mohta: And sir, this will also be the case for the defence orders as well?

Ram Agarwal: We are not running to production so far. So once we enter into market, then only we will be able to tell.

Naitik Mohta: Okay, sir. Thank you.

Moderator: Thank you. We will take the next question from the line of -- chat of Sourav Gaidani. He is asking, how about expansion and future plans and products that will be developed in Goodluck Aerospace and Defence? And also, is there any planning for another round of fundraisers in Goodluck Defence?

Ram Agarwal: Right now, we have already told that whatever expansion we will be doing in auto and in terms of defence or the aerospace, we will be able to let you know only once this first product, first line is established and it gets some ramping up and it goes to the required capacity utilization. Then it will be, I suppose, it should be done at that time only.

Moderator: Okay, sir. The next question is, even excess capacity is coming for shell. With Rheinmetall coming up with SMPP and Reliance Infra. How do you see Shell market, which are expansion in defence and products?

Ram Agarwal: Sir, there is a -- what Europe was doing before this Ukraine war, Europe was not having any ammunition because they all were covered by NATO and other countries. But now it is open for everybody. And a very familiar question, if in your, in the colony you live, if there is a theft, so what you will do next? There are 20 houses, one house gets ransacked. So balance 19 people, they will get power, electric power wires on their homes. So, this is a fear.

So with fear, Europe is likely to -- Europe is likely to increase its stock. So everywhere, now every country is free. They have to secure themselves against any such kind of wars. So I hope whatever capacities are coming, even they will not be sufficient to fulfil the demand of the fearing people.

Mahesh Chandra Garg: Moreover, you should understand, since time immemorial, communities, societies never have been at peace. They have been fighting against each other. And I do not expect they will ever be at peace. The wars will continue. I wish everybody lives at peace. But that is a wishful thinking.

Moderator: Thank you, sir. We take the next question from the line of Pratik Bhandari. Pratik, you are unmuted and ask a question.

Pratik Bhandari: Yeah. Hi, sir. Thanks for the opportunity. Just a couple of questions from my side. What has been the CapEx amount that we have incurred till date for the defence out of the INR216 crores that we planned?

Sanjay Bansal: Around INR170 crores we have incurred already on this plant. And by the end of June, we will complete all the CapEx.

Pratik Bhandari: Okay. And you also mentioned that you are looking at a top line of INR4,500 crores, but that excludes defence. Now, as per your last call, you mentioned that since defence segment would commence the production by end of quarter 2, right? And it would just have 6 months to do the business. So, what kind of revenues are we looking at from the defence segment for the 6 months of this year?

Ram Agarwal: I told it should be almost 40% of whatever we achieve, whether it is 270. So, 40%, I hope in the H2, we may see.

Pratik Bhandari: All right. And considering that, if I look at your business segment wise and CR sheet and pipes contribute approximately 30%, 35%. So, just wanted to understand what kind of margins are we drawing from this particular segment?

Ram Agarwal: This particular segment normally, because the run of the mill product, many producers are there. So normally, it goes from 3.5% to 4%.

Pratik Bhandari: So is it a reason that we see a drag in our consolidated margins considering that the forgings and the precision pipes are blocking more than around 14%, 15%?

Ram Agarwal: Yes, it is a blended margin because this product we are doing since 1987. And you can say it is a backbone for our infrastructure products. So that is contributing in that way. However, it is of the lesser EBITDA. And that is why we have introduced solar tubes in that, which in turn will increase our EBITDA margin. In coming 2 years, it will take us to 5% to 6%. Because CapEx is not to be done, machines are available. So we will be using zero cost machines to improve our EBITDA from 3.5% to 5.5% in coming 2 years. That is the strategy we are planning. We are executing that.

Pratik Bhandari: So, basically, a margin expansion of 150 to 200 basis points, that is what you are seeing in the CR sheet?

Ram Agarwal: We hope.

Pratik Bhandari: Okay. And you mentioned that you have incurred a CapEx of INR170 odd crores till date in the defence. So is it primarily for the machineries?

Ram Agarwal: Technically for the product, for the total project. It entails all land, all machine, all civil. So it's a project.

Pratik Bhandari: And have you received the machineries at site? And how is the positioning there?

Ram Agarwal: It is already at the site.

Pratik Bhandari: Okay. And you also mentioned that in totality, a debt reduction of INR50 crore to INR60 crores is planned for this particular year, right?

Sanjay Bansal: Yes, yes.

Pratik Bhandari: All right. Thanks so much sir.

Moderator: Thank you, Pratik. So there is a follow-up question from Sourav Gaidani. BrahMos missile will be manufactured from same machine which are in shells? I think he is asking if BrahMos missile will be made in Goodluck Defence.

Mahesh Chandra Garg: We are making only a part of it because it contains thousands of parts. So we are making some of the components of BrahMos missile are being manufactured in our plant. Should the need arise as you raised the question sometime back. So, we said even we can manufacture these parts in our gun shell plant also, if the need arises.

Moderator: So, will it be made in Goodluck Defence and aerospace?

Mahesh Chandra Garg: Yes, yes.

Moderator: All right, sir. So, there is one more question on chat from Soham. So, he is trying to understand the revenue split in FY26. So, he is asking of the 4,500 which we are aiming, of this can we expect INR400 crores to INR450 crores from hydraulic and INR270 crore to INR300 crores from defence?

Ram Agarwal: So basically hydraulics and the other products as well like our infrastructure from our forging, this LDP plant, this all combined will be almost INR4,500 crores. In the defence, whatever we get 40%, that will be added for the next year FY26.

Moderator: All right, sir. There is one more question on chat. What is the number of shells can we make at full capacity?

Ram Agarwal: 1,50,000.

Moderator: So, we will take the next question from the line of Vedant Sardar. Vedant, you can unmute and go ahead please.

Vedant Sardar: Congratulations on a good set of numbers, sir. Am I audible?

Ram Agarwal: Yeah, yeah. A bit you can just speak louder.

Vedant Sardar: Sir, my query was on a margin footprint like from FY21 to FY25, we are in the middle of 7% to 8% and we are targeting a double digit EBITDA margin in the current year. Like we have been growing our revenue in the range of 15% to 20% but our margins are not improving. Like you told 60% to 65%, 60% is from oil and gas and 30%, 35% is with the EBITDA margin of 3%. So what--?

Ram Agarwal: You have not just gone through what we have said, 60% oil and gas is only a part of forging, forging which contributes only INR500 crores to INR600 crores in the business. So that is 60% of the forging business, not the total overall INR4,000 forgings.

Vedant Sardar: Okay, so what would be driving like from 8% to the double digit EBITDA margins?

Ram Agarwal: I have already told that whatever we will be expanding, we will be expanding in infrastructure, in automobiles, in our defence sector and forgings. So, they are all products. They all are 10% plus. So, when we add up these, so there will be definitely a blended margin. This year also we are almost 8.64%. So I cannot say that this year we will get 10% but I hope we are in the right direction and we will achieve maybe not in one year, in two years, we will get to a double digit margin. We hope so.

Vedant Sardar: Thank you so much.

Moderator: Thank you Vedant. We will take the next question from the chat from Arpita Jaina. With mark clients like BMW, Audi, L&T and DRDO, how strong are these relationships in terms of recurring revenue or long-term contracts?

Ram Agarwal: Basically, we are working with L&T for last 8 to 10 years. So our -- as far as we are connected to our customers. So, it has been in our culture that who so our customers we are attached we normally service as long as possible. In export the customers we had in 1992, in 2025, we are having the same customers. Yes, they have increased but the old customers have not gone. So our relationship with our customer is the backbone of our company.

Moderator: Thank you, sir. We will take the next question from the line of Mit Masalia. Meet, you can unmute and ask your question.

Mit Masalia: Hello, am I audible?

Ram Agarwal: Yeah.

Mit Masalia: Yeah. Sir, congratulations on a good set of numbers. I had already asked my question on the chat box. My line was disconnected. So, were they asked or shall I repeat my question?

Ram Agarwal: If you have any queries, whatever questions you have asked, we have already replied. If you have any additional question, you please ask.

Mit Masalia: Yeah. Yeah. So, my question was currently our net block is approximately INR1,000 crores. So, is it possible that say over the next 3 to 4 years, we do turnover in the range of INR7,000 crores to INR8,000 crores with 10% EBITDA margins, 5% PAT margins and without doing any equity dilution, which we have done in the past and ROC upwards of 20%?

Mahesh Chandra Garg: No. Sir, we have already given our guidance. That in next 3 to 4 years, we have to reach INR7,000 to INR8,000 crores of turnover.

Mit Masalia: Yeah.

Mahesh Chandra Garg: Of course, I cannot guarantee -- EBITDA 10% will come. But other conditions, I cannot say. The guidance to this extent, management is committed. The blueprints are on the drawing board and things are being planned accordingly. But we are moving conservatively. Each step we take and then we progress. We have EBITDA basket which assures me that we are going to achieve the target in next 3 to 4 years.

Mit Masalia: Yeah. And sir, just for just a humble suggestion to give EBITDA margins excluding the other income. Because if we exclude the other income, then the margins come approx 7.9%. And if we include the other income, then it comes at 8.64%.

Mahesh Chandra Garg: Sir, this is a misnomer. Other income is insignificant. As our volume will rise, other income will not rise to that extent. It will become irrelevant. It will totally become irrelevant. Now I tell you, suppose government interest equalization scheme, government on export introduces, other income will rise. It should have risen further. But government, suppose government is under pressure, interest equalization scheme is introduced. And not only this, government gives some RODDP. Rates are bound to increase with the record. Other income will rise. Their percentage will rise. And it's a totally part of the operational income. It is totally part of our working income. So it should not be separate. But any other income, we can separate out anytime.

Mit Masalia: Okay. Okay, sir. Thank you. And just the last question, what will be our target ROCE, say from 14%, 15% to 20% upwards? Is that our target?

Ram Agarwal: This year also, we have achieved 20% plus. And we have a target to go further. It should be 22% plus. Why not? But yes, this year we have achieved 20.8%.

Mit Masalia: ROCE?

Ram Agarwal: Yeah.

Mit Masalia: Yeah. Thank you. Thank you so much, sir.

Moderator: Thank you, Mit. We'll take the question from the chat from Rohan Vora. He's asking, what is the outlook on working capital and operating cash flow going forward?

Sanjay Bansal: Our operating cash flow in this year is INR158.25 crores compared to last year, minus INR45.92 crore. So we are generating cash in the operation. And second question is--?

Ram Agarwal: Can you repeat the second question again?

Moderator: Sir, he had asked for the outlook on working capital and operating cash flow.

Sanjay Bansal: Sir, as I said, our operating cash flow is INR158.25 crores in this year. So we are generating cash from operation in this year. And on working capital outflow, it is, as Garg sir said earlier, that working capital is a part of our operation. And in this period, our working capital cycle is around 104 days.

Ram Agarwal: . Definitely it will go up by about INR60 crores, INR70 crores because we will be increasing our turnover from INR4,000 crores to INR4,600 crores. So it will be added by another INR60 crores INR70 crores we hope so.

Moderator: Thank you. We'll take the next question from Chirag Mehta. Chirag, you can unmute and go ahead, please.

Chirag Mehta: Yes, sir. Congratulations on a great set of numbers. Now, this is in addition to the previous participant's question regarding any further fundraise in the defence subsidiary or the IPO. So can you throw some light on that? Then I have a couple of more questions to add, but then later on I'll tell you.

Ram Agarwal: Actually, how the business goes forward, how these capacities get commissioned and they are ramped up, that will only decide whether we will need funds or not. At this juncture, I don't foresee any capital from the market or otherwise.

Chirag Mehta: Okay. But sir, do you have any plans like drawing plans about the IPO of the subsidiary or in the future or any timelines?

Ram Agarwal: Sir, it will be -- it will come, but let the plant commission first. Then only we can give a guideline, sir.

Chirag Mehta: Okay. And sir, regarding this aerospace and defence sector which you are planning to scale it up in the defence subsidiary. So is there any research development going in the other product apart from the one which you are -- you are existingly doing it or like -- what I am trying to understand is that how big this subsidiary can contribute to the overall revenue of the group. That is what I wanted to have an idea on.

Ram Agarwal: This subsidiary, if this subsidiary can go up like anything, suppose it is INR300 crores, I hope it should go to INR1,000 crores. But right now, it is premature that I can tell anything about that because after commissioning of this plant only, we will let you know. Okay.

Chirag Mehta: And sir, like if I missed out, sorry for that. But what are the actual products which you are looking for in this subsidiary apart from this artillery?

Ram Agarwal: Right now, we will be using it for the artillery. As Garg sir, has said, suppose there is a situation at some point of time that this machine is -- this machine can be used for other forging products also.

Chirag Mehta: Okay. And sir, do we have orders or like negotiated orders or something like for the artillery or like, like what I am trying to understand is that the moment we start the production, do we have the scale for the uplift of the equipment or the sale orders are fixed with us or something like that?

Mahesh Chandra Garg: Sir, I am sorry to tell you, as on today, not less than 3 customers every day visit our plant and they wants full capacity for years.

Chirag Mehta: So, visibility of the revenue, there is no looking back about it, right? You do not see anything.

Mahesh Chandra Garg: Suddenly demand coming down, I do not see any problems.

Chirag Mehta: Okay. And like, sir, what is the maximum utilization which we will be able to achieve and what will be the timeline in that defence subsidiary?

Mahesh Chandra Garg: Sir, it is in the future, I am awaiting trial production to start any day subject to the license which is awaited any day, which is awaiting any day, any day, any hours, you can call.

Chirag Mehta: Okay. Okay. Okay. That is all, sir. Thanks a lot and good luck to you and us as well. Thank you.

Moderator: Thank you, Chirag. We will take a follow-up question from Rohan Patel. Rohan, you can unmute and hold it, please.

Rohan Patel: Yeah, yeah. Thanks for the follow-up opportunity. Sir, just last two questions. Sir, when we say we are currently utilizing our large diameter pipes facility at 40% rate, like are we supplying the samples and doing the cold runs or we have started the sales and we are looking to that way?

Mahesh Chandra Garg: We have started manufacturing the diameter pipes. These -- there are very few plants of our range throughout the world. These pipes will replace seamless pipes and particularly these pipes will be used in construction equipments like tower crates and these parts are mostly used seamless and our pipe will be actually 30% cheaper than that. We will be making ready to use pipes while we are installing the honing machine, ready to use as components.

Rohan Patel: Okay. So we are ready with the facility, we are ready with the cold run also. Now it's just about we ramping up. We have customer approval in place, we have the order book in place that you -- yeah, okay. And sir, in defence, when you say that you aspire to do 40% capacity utilization in this year, the defence subsidiary part, so where does that confidence come from? Do you have certain approvals from customers? Have you cracked customers over here and it's just government clearance which is just a constraint and once that comes in, we are ready to go. Like we have all the customers ready.

Mahesh Chandra Garg: Are you asking about defence or something else?

Rohan Patel: Yeah, yeah, yeah. Defence, 155 mm shells.

Mahesh Chandra Garg: Defence approval will come through the proper channel. The government agencies are there to approve.

Rohan Patel: But on client side, have we figured out the client side?

Mahesh Chandra Garg: No, it's from the client side.

Rohan Patel: Yeah, we are ready from the client.

Mahesh Chandra Garg: Client will get the approval from the firing range.

Rohan Patel: Okay. And can you just throw some light on whether that would be, what would be the mix of domestic and export over here?

Ram Agarwal: It is premature to tell. Let the plant get commission, we will come out with details.

Rohan Patel: Okay, yeah, sure, sure, sure.

Mahesh Chandra Garg: Today, there is a competition, exports want total quantity for themselves, domestic want total quantity for themselves. I don't know whom to give.

Rohan Patel: Okay, get it. Thank you.

Moderator: Thank you, Rohan. Since this was the last question for the day, I would now invite the management to give their closing comments.

Mehul Panjuani: Hello, sir. Hello. Yeah, I have one question. Actually, my line got disconnected. Can I ask the question if you don't mind?

Moderator: Yeah, please.

Mehul Panjuani: Thank you so much, sir. Sir, my question is that since we are getting into the defence, which is a new product line or new segment, and also the bullet train is also I would say that kind of new segment. Is that correct understanding?

Ram Agarwal: Yes, yes, definitely.

Mehul Panjuani: Okay, so my next question is that since you mentioned that defence, we are not yet into the production mode because --- have we received a confirmed order? I may be asking a wrong question maybe but just trying to ask you.

Ram Agarwal: To be very frank, I have told many times, this is not a question of getting orders. Once it gets commissioned, there is no dearth of demand. So as soon as we get trial, demand is there. Don't worry for that.

Mehul Panjuani: Sir, but is there a probability of the trial not being successful?

Mahesh Chandra Garg: There is no chance.

Mehul Panjuani: Okay, okay. Thank you so much. And one last question. So considering that both these segments are new, how much would they add to the FY26 top line in percentage terms?

Mahesh Chandra Garg: Well, I would answer you the question otherwise. We are engineers of IIT. We are committed to certain standards of performance and we are very innovative. Failure is not an option for us. We have to succeed. We have succeeded and we will succeed. Does it answer your question, sir?

Mehul Panjuani: Sorry, sir, you said you guys are all from IIT. Is that what you said?

Mahesh Chandra Garg: Yes, yes.

Mehul Panjuani: Okay, sir, I respect the IIT. I mean, it's the gold standard. So I'll take your word. Thank you so much and all the best.

Mahesh Chandra Garg: Don't worry.

Moderator: Sir, Mr. Harsh Shah has a question. He's unable to raise hand. Harsh, can you go ahead?

Harsh Shah: Hello, sir. Hi. Thanks for taking my question. I wanted to ask was regarding our expansion strategy, like in the future for any expansion that we do, do we plan to fund it through internal accruals or are we open for further dilution?

Mahesh Chandra Garg: **Sir,** Well, first criteria is to do through internal accruals. Dilution of equity is the last option

Harsh Shah: Okay, sir. Okay. So as we are growing, then the internal accruals will also grow. So it will make us in a better position to fund any further expansion.

Mahesh Chandra Garg: Yes, it should grow and it should grow reasonably well to enable us to do expansion.

Rohan Patel: Right. Okay. Okay, sir. Thanks.

Moderator: Thank you. Thank you, Harsh. Sir that is the last question for the day. I would now invite the management to give their closing comments.

Ram Agarwal: We thank you everybody who attended this concall and we hope our investors, our shareholders will keep on supporting us as they have been doing always. Thank you.

Moderator: Thank you, sir. Thank you to all the participants for joining on the call and to the management team. This brings us to the end of today's conference call. You may all disconnect now. Thank you.