

**Date: February 20, 2026**

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The Bombay Stock Exchange Ltd.  
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**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 Monday, 16<sup>th</sup> February, 2026 at 12:00 PM IST, to discuss the Q3 & 9 Months FY 2025-26 results 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  
DIRECTOR  
DIN: - 00292437**

**Encl: as above**



“Goodluck India Limited  
Q3 & 9M FY'26 Earnings Conference Call”

February 16, 2026



**MANAGEMENT:** **MR. MAHESH CHANDRA GARG – CHAIRMAN –  
GOODLUCK INDIA LIMITED**  
**MR. RAM AGARWAL – CHIEF EXECUTIVE OFFICER --  
GOODLUCK INDIA LIMITED**  
**MR. SANJAY BANSAL – CHIEF FINANCIAL OFFICER –  
GOODLUCK INDIA LIMITED**

**MODERATOR:** **MR. VINAY PANDIT – KAPTIFY CONSULTING LIMITED**

**Moderator:** Ladies and gentlemen, good day, and welcome to Goodluck India Limited Q3 and 9 Months FY '26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this call is being recorded.

I now hand the conference over to Mr. Vinay Pandit from Kaptify. Thank you, and over to you.

**Vinay Pandit:** Thank you. On behalf of Kaptify Consulting, Investor Relations team, I welcome you all to the earnings conference call of Goodluck India. Today, on the call from the management team, we have with us Mr. M.C. Garg, Chairman; Mr. Ram Agarwal, CEO; and Mr. Sanjay Bansal, CFO. I would now request the management to brief us about the business performance highlights for the period ended December 2025, their growth and vision for the coming year, post which we will get into the Q&A.

I'll now hand over to the management team. Over to you, sir.

**Mahesh Chandra Garg:** Good afternoon, everybody. It's a pleasure to welcome all our investors, analysts, stakeholders to Goodluck Q3 F'26 earnings call. The steel and engineering sector showed signs of strengthening in the later part of the quarter and notable improvements in sentiments, pricing stability and business activity during December. Of course, the whole of the year has been very volatile due to geopolitical tension, which all of us must have witnessed due to the Trump gimmicks, which have been played with -- created havoc with the business. We were part of it.

However, in the month of December, steel market witnessed a notable recovery, setting a strong foundation for momentum into the new calendar year. Prices across most products have strengthened, led by restocking in anticipation of further price hikes and improved buying sentiment across dealer ecosystem. Imposition of 12% safeguard duty on certain trade products has effectively corrected the price imbalance created by cheaper inflows hence provided robust support to domestic producers.

In January 2026 alone, price of hot rolled coil and cold rolled coil improved by almost 4%, reflecting positive impact of the major revival of post-monsoon demand in construction. In budget of 2026 and '27; budget has reaffirmed the government strong commitment for infrastructure-led growth, with public capital expenditure stepped up to around ₹12.2 lakh crore

This diversified thrust—spanning high-speed rail corridors, industrial clusters, urban development and water infrastructure, reduces dependence on any single ministry's capex cycle and ensure steady demand utilization of our expanded precision and hydraulic tube capabilities in the coming years.

We also welcome nearly 15% increase in defense allocation -- to ₹7.85 lakh crore, with capital outlay under the defense forces rising sharply by about 21%. Looking to the situation on our borders and with our neighbors, it is a very positive step, and we must be prepared for any eventuality coming haunting us.

Even domestic procurement readiness backed by INR1.3 lakh crores, earmarked for indigenous industries extend the demand runway for supplier of components forging, precision tube, fabricated structure used in artillery/armored system and aerospace platform. These align perfectly with our advanced capabilities of Goodluck defense and aerospace is steadily building, including our ongoing production ramp up for 155mm artillery shells and secured export orders.

From a global perspective, operating environment remains fixed with geopolitical uncertainties, fluctuating raw material prices, continuing to influence trade flows and create volatility in global benchmark. However, there are structural positive emerging in India, a recently-concluded framework of the interim trade agreement with USA announced in February 2026, reset tariff, improved market access and remove certain duties on key Indian export like aircraft parts, placing Indian industrial engineering product on a more competitive footing.

Likewise the successful conclusion India EU trade free trade agreement, opens up a more predictable tariff revision pathway for value-added manufacturing export. The modest depreciation of rupee has played a dual role by enhancing of export competitiveness in the global market. We are an export thrust company. We are already an export of almost more than INR1,000 crores in last three years.

Across our key end markets, demand drivers remain intact led by infrastructure engineering, fast growing energy transition segment including solar, metro, broader urban infrastructure. This together will healthy fiscal support, recovering market sentiment and our focused execution in value-added and defense segments, place Goodluck on a stronger footing to capture emerging opportunities in both domestic and export arenas.

We are trying to ramp up our capabilities in large diameter heavy wall thickness pipes for having a trying to planning sales of 48000 metric ton annually. We are delighted with response of our customer on quality.

Our product has finished hydraulic tube, galvanized conduit pipe and infra for two-wheeler will be added to we are planning to add these product to our product basket. These all the products what I have mentioned are the high value-added item and with a very substantial EBITDA margins.

We are bullish on aerospace and defense and production which started in a third quarter. We have eight months order in hand and two years LOI with us. We are confident that this plan what I have envisaged now will have a bright future for us and we are bullish on defense and aerospace and all our planning.

On behalf of the board and the management, I thank all our shareholders and customers, employees and partners for their continued trust and confidence in our company. I will hand over now to my CEO Mr. Ram Agarwal to brief you further.

**Ram Agarwal:**

Thank you, sir, and good afternoon to everybody on this call. As Mr. Garg has told, our growth led by volume and margin expansion was driven primarily by better product mix, operational efficiencies and higher share of value-added products. Increased depreciation during the period

due to the expansion in auto-tube business which we call LDP business and investments in our defense subsidiary, reflects our growth-oriented capital expenditure strategy.

The commencement of production at Goodluck Defense and Aerospace Limited is a major inflection point. The facility currently has an annual capacity of 1,50,000 shells and it is being augmented to 4 lakh shells per annum. We see strong structural demand driven by the increasing indigenization and defense modernization initiatives in India.

Order visibility for the next financial year remains strong and we expect this segment to meaningfully contribute to the margins going forward. And as we all will agree that energy and defense are the two main areas where global attention is today. Infrastructure is the need of today to achieve this energy and defense goal.

GOI budget allocation shows our intention to align with the goal of world. Your company has perfect alignment with this goal in moving ahead and our defense perspective, it is one of our endeavor to get into this space.

And we see a very strong defense market for our products as in the second line of expansion we are also putting for aerospace, aerospace critical forging parts. So we hope with the current -- with the current expansion of 150,000 to 4 lakh along with the defense and aerospace along with the aerospace parts manufacturing, it will be a game changer for the company.

And order visibility as Mr. Garg has already told we are booked for next one year and LOIs for next two years is available to us. The second sector which we are bullish that is the automobile tubes segment continued to perform steadily with easing US tariffs and improving export sentiment, we anticipate strong order flows.

Our focus remains on expanding OEM relationship, improving realization through value-added products and enhancing operational leverage. Our main aim is to be ahead of the curve. Value addition is our main motto. So whatever product we have started or whatever we want to start, we will be moving ahead with the value addition point of view only.

Strong government led infrastructure investment continues to drive engineering structures and infrastructure segment. Government has given seven bullet trains as we all know that we have participated in the first bullet train from Ahmedabad to Mumbai and we have almost completed the 90% order, the rest will be completed by March.

And this new opening of this seven new bullet trains, it is we expect that we will be in the front line to be benefited by this. And the railway infrastructure what government has put in today even the today newspaper also says, so we are in the front we are in the front row. If there is any opportunity we will catch it, your company will catch it.

Our experience in executing complex time-bound projects including high-speed rail infrastructure positions us well for the participating in other corridors. Our annually capacity utilization remains strong at 92% reflecting demand resilience and efficiency production

planning. With 5 lakh ton installed capacity across six facilities and increasing share of high margin product, we are steadily strengthening profitability.

Going forward our priorities remain clear, scaling defense operations, increasing share of high margin value-added products, maintaining strict cost discipline, working towards improving the margins. With a diversified business model, expanding presence in sunrise sectors, strong balance sheet and healthy cash profits, we are confident of delivering sustainable growth in the coming quarter.

As you all have known that we have already crossed this solar mission 267 gigawatt we have added till today, 52.7 gigawatt only in this year. So your company is in that sector also, we are supplying the transmission tubes as well as the solar structures for them. And this year we have done almost a very good business and next year we hope we should cross INR600 crores to INR700 crores business in this sunrise sector of the solar structures.

And as far as order booking is concerned for our infrastructure division, we are booked for next 1, 1.5 year and in our automobile division we are having a visibility as we already told we are having visibility quarter wise, so we are having visibilities of next two quarters and the final two quarters they are always good. So from automobile, infrastructure and defense, these are the three areas where your company will be putting more all of the efforts, all of the capital and we hope you all will appreciate this. Thank you.

**Sanjay Bansal:**

Good morning everybody, I Sanjay Bansal CFO on behalf of Goodluck, welcome you all for joining us for the conference on performance of the company in Q3 and 9 months of financial year 2026. Regarding Q3 performance standalone, the sales was increased to INR1031.58 crores as against INR941.98 crores during Q3 of previous year registering a growth of about 10%.

However, sales volume have increased by 8% during Q3 of current fiscal as compared to Q3 of previous year. EBITDA for the quarter stood at 9.7% of sales at INR99.72 crores as against INR82.48 crores during Q3 of previous year.

PAT before exceptional item net of tax stood at INR43.47 crores registering a growth of 8.4% on year-over-year basis. However, PAT in Q2 of current fiscal was INR41.30 crores, there was a growth of 5.25% Q-o-Q basis. The performance of the company in 9 months of current financial year sales has been increased by 6% about. EBITDA margins have improved to INR291.6 crores with 9.7% of sales as against 8.74% during 9 months of previous year.

However PAT margins have increased to INR124.91 crores as against INR119.61 crores during 9 months of previous year. Consolidated sales of 9 months of current financial year has been at INR3011.82 crores and PAT was at INR126.47 crores. The earning per share has been at for standalone at INR12.83 per share in Q3 as against INR11.85 per share during Q3 of previous year.

However, the EPS of the company in 9 months of current fiscal year stood 9 years for standalone was at INR37.40 per share. On financial front our interest cost have marginally gone up due to

increase in current assets as compared to 9 months period of previous year. Salary expenses and other expenses has marginally increased due to increase in turnover of the company.

Thank you very much. Now we are open to Q&A.

**Moderator:** Thank you very much. We will now begin the question and answer session. We'll take our first question from the line of Harsh Vasa from SBICAP Securities. Please go ahead.

**Harsh Vasa:** Yes, thank you, sir, for the opportunity and congratulations on a decent set of results. So my first question was that sir could you provide us the segment-wise break up of volumes for third quarter and 9 months? And the second question is that sir regarding the capex like the new capex which you would be doing for the defense by increasing the capacity of artillery shells from 150,000 to 4 lakh, so what would be the internal accruals stood at mix? Second question was that and sir the revenues will be start flowing from like FY '27 or FY '28 and sir the last question is that what is the capacity utilization of hydraulic tubes in the third quarter?

**Ram Agarwal:** Sir, I request you put the question one by one, then it will be more easy for us to answer, especially for you.

**Harsh Vasa:** Sure, sure, sir. So my first question is, sir, could you provide us the segment-wise break up of volumes for the third quarter and 9 months of all the of all divisions? That is the first question?

**Ram Agarwal:** We will provide you, not an issue. We will we will send you a mail because it's a lengthy part, we will send you.

**Harsh Vasa:** Okay, sir. Sir, the next question is that, sir, you are doing a capex of INR500 crores by increasing the capacity of defense artillery shells from 150,000 to 4 lakh, could you provide what will be the mix of internal accruals to debt financing?

**Ram Agarwal:** Sir, for this augmentation of capacity from 1.5 lakh to 4 lakh, we will be incurring a expense of almost a capital expenditure of almost INR400 crores. Out of that part will be financed through some equity and some bank loans. So for the -- and as far as the internal accruals are concerned that will be the part of the equity at that time.

**Harsh Vasa:** Okay, sir, but any percentage sir how much will be loan like out of INR400 crores, how much will be the loan percentage like 50%, 30% example like?

**Ram Agarwal:** It will be 60%, it will be equity, and 40%, it will be loan.

**Harsh Vasa:** Okay, sir. And sir, this -- the revenues from the incremental defence artillery shells will start flowing from FY '28 or FY '27?

**Ram Agarwal:** Sir, it will take almost a year's time. So you can expect from the first quarter of, say, April '27, it will be started.

**Harsh Vasa:** Okay. And sir, what will be the capacity utilization of hydraulic tubes in this third quarter?

- Ram Agarwal:** What will be the?
- Harsh Vasa:** Total capacity utilization of the hydraulic tubes?
- Ram Agarwal:** Capacity utilization?
- Harsh Vasa:** Of hydraulic tubes.
- Ram Agarwal:** Capacity utilization of hydraulic tubes, it is running around 40% to 45% right now. But in the coming two quarters as the U.S. tariffs has eased, so we hope that in the next two quarters, it should go almost 60% to 65% because what the easiness that Trump has given, it will pervade in the system. It will take some time, two quarters or three quarters, then this will be ramped up to 65%.
- Moderator:** Next question is from the line of Pratik Talvatkar from Smith Institutional Research.
- Pratik Talvatkar:** So, last quarter, you guided for the 15% to 20% revenue growth for FY '26. So now the steel price has started to move up. So are you revising it upwards for the FY '26? And if possible can you provide the guidance for the FY '27 as well? Yes, thanks. That was my first question.
- Ram Agarwal:** Our perception towards the market is that our prediction for the 15% to 20% growth, it remains the same. As in this year, it could not be because the prices were downside. But as you have rightly said, that now the prices have started increasing, and the markets from this December 2nd part, markets have also improved. So, we remain hopeful that we will be achieving 15% to 20% growth for this year, and it will be better in the FY '27.
- Pratik Talvatkar:** Yes. And my second question was about, can you tell me about the EBITDA pattern which was clocked in the Q3 FY '26 and 9-month FY '26, sir?
- Ram Agarwal:** Yes, definitely. It is, for this quarter, it is 8,200 approximately. And for the 9-month, it is 8,200. It remains the same. 8,120 and 8,240. So, it remains in the range of 8,200.
- Pratik Talvatkar:** Yes, okay. Thanks, sir. And my last question was, what is the value-added mix in the Q3 and the 9-month FY '26? And what do you expect in the near future, the mix in the future?
- Ram Agarwal:** Right now, it extends from 56% to 60%. And in the coming year, we hope it should go from 60% to 65%.
- Moderator:** Next question is from the line of Yog Rajani from Omega Portfolio Advisors.
- Yog Rajani:** My question is regarding the Goodluck Defence and Aerospace business. So as I understand, we are increasing our production by around 250,000 shells. By that estimate, we should -- I assume that we are trying to fully utilize the 150,000 shell per annum capacity in the first year. Is that a proper understanding?
- Ram Agarwal:** Yes. By the next quarter, we will be using our almost 90% capacity, say, 150,000 is the installed capacity, and we will be using almost 135,000. And when the augmented capacity is executed, it will be almost 350,000 shells per annum.

- Yog Rajani:** Okay, that's brilliant. On that, could you just tell us what our expected revenue and margin -- EBITDA margin would be?
- Ram Agarwal:** Expected revenue, right now, between 150,000 capacity, expected revenue is INR300 crores. And with the augmented capacity, the revenue will be almost INR900 crores and the EBITDA margins will be almost 30% right now, and we hope it will go in the range of 30% to 35% in the coming year as well.
- Moderator:** Next question is from the line of Neal from Rockwell.
- Neal:** Also, my question is, so like since we are investing around INR500 crores capex for the artillery shells project, so once it reaches full capacity of manufacturing 4 lakh shells per annum, what can be the revenue potential we can expect from that project?
- Ram Agarwal:** Sir, as I've told, this augmented capacity with the present capacity of 1,50,000, there is one more line that is the aerospace line in there. So combined top line will be INR900 crores to INR1,000 crores.
- Neal:** Okay. And what about the individual top line for the artillery project?
- Ram Agarwal:** Artillery project, it will be almost INR800 crores for the artillery products and INR200 crores for the aerospace products.
- Moderator:** We will take our next question from the line of Darshil Jhaveri from Crown Capital.
- Darshil Jhaveri:** Firstly, congratulations on a good set of results, sir. Sir, just wanted to know, sir, the defence is going to start contributing from Q1, right? But will there be any contribution in Q4, sir, from the artillery space, sir?
- Ram Agarwal:** Yes, it is likely to be. And we hope almost INR60 crores, INR70 crores will be contributed in Q4 as well. But from Q1, it will be contributing fully.
- Darshil Jhaveri:** Okay, okay, okay. INR60 crores, INR40 crores we can expect. So that will also be EBITDA accretive, right? Because the depreciation are already taking in. So our PAT should get very positively impacted because of this, right, sir? Like is that the right understanding? So this INR60 crores, INR40 crores, we'll get 30% EBITDA that you are saying?
- Ram Agarwal:** Yes, your understanding is perfect. The only issue is we are just -- our production is already on. We are just waiting for the final permission for dispatch, which comes from the government of India. So if it comes, so what I have committed you, it will be done.
- Darshil Jhaveri:** Okay, okay, okay. So that's great news, sir. And sir, the Aerospace division that we are talking about, that will come in the financial year FY '28, right? It's not going to contribute currently, right, sir?
- Ram Agarwal:** Yes, you are very correct because it will take from the -- one financial year, it will take to get everything on track for the aerospace and the augmented capacity of shells.

- Darshil Jhaveri:** Okay. Okay, sir. And sir, just wanted to know, right now, we are at nearly 92% capacity utilization. And on that, like we are doing around 10% EBITDA, right? So this is the peak EBITDA we can do, right, because whatever operating leverage we are supposed to have, that's factored in, right? Or like in the our -- like if I separate Goodluck into two divisions, one in Goodluck and Second is Goodluck Defence and Aerospace, so in Goodluck standalone, what is the EBITDA margin we can expect for next year?
- Ram Agarwal:** EBITDA margin because whatever you are seeing, it is from the stand-alone basically. So that EBITDA margins, which we are operating, we expect they will also increase because we are doing continuously product as well as market mixing. We are going for the new markets, we are going for the new product mix. So we hope this margin should also increase, but how much time will tell. And when this defence will add, then there is jump in EBITDA margins will come in the consolidated unit.
- Darshil Jhaveri:** Okay. Okay. Fair enough. And just sir, last question from my end, sir. So overall, like for FY '27, what we are saying is that 15% to 20% growth in our normal thing. And then on that additional defence revenue comes in, right, of INR300 crores, all that 15% to 20% growth is including the defence, sir?
- Ram Agarwal:** It will be included, it will be included.
- Darshil Jhaveri:** Okay. So FY '27, 15% to 20% growth is including defence?
- Ram Agarwal:** Yes, it will be included into that.
- Darshil Jhaveri:** Yes, yes. Okay. So then, sir, in the standalone, are we planning any capex because it's already at 92%. So sir, we are bound to run out of the capacity and already kind of running out of capacity. So the growth from standalone will come only due to value mix, right? So any plans for capex are there, sir?
- Ram Agarwal:** So basically, I have told you we are interested not in the volumes, we are interested in the bottom line. So okay, it has gone to 92%. But our product and market, which are our 2 tools, which we will be using -- which we have been using, and we will be using. So maybe it may be 15%, but the profit side, your EBITDA side, it will increase significantly.
- Darshil Jhaveri:** Okay, okay. Fair enough, sir. And sir, just last question from my end, sir. Sir, we just declared dividend right now, sir. But with such a heavy capex coming in, we are planning to raise debt and some equity, then why are we giving dividend? Like just wanted to know the rationale behind, that's why.
- Ram Agarwal:** You mean to say that we should not give dividend?
- Darshil Jhaveri:** Sir, if the company can earn more than us, then why not, sir? We are already getting tax more on dividend. Company share price increases are more happy than the dividend, sir.
- Ram Agarwal:** Actually, you are very correct. We should think. But our management view is that our shareholders, yes, they are getting the benefit of the improvement, they are getting improvement

in our capacity expansion. But at the same time, we should get something. Whatever is possible, we should give in the dividend that's the management views.

**Moderator:** Next question is from the line of Sukhwinder Singh: from BOB Capital Markets.

**Sukhwinder Singh:** Sir, my question is on the input cost. If we look at the last 2 months, the steel prices have moved up. So I just want to understand how this is going to impact in terms of input cost for you and primarily for the 3 segments of this forgings and then auto tubes and CR coils, these 3 segments. And do you have the pass-on ability with a lag? So just I wanted to understand that thing?

**Ram Agarwal:** Your question is very intelligent question, sir. So basically, whenever the prices go up, it definitely impacts our input cost. But as you have said, we are in the value addition sector. So if you go for the automobile tubes, there is a pass-through, but it comes with a time lag. Suppose in the third, fourth quarter, it has increased. So we will have to wait for another 2 quarters to have it, but we will get it.

As far as our infrastructure sector is connected, there it is a complete pass-through because we have a declared price policy. And in terms of defence, raw material contribution is less. So it will not effect much. So in all, if you see, in our conventional business, it may impact something. But in our value addition business, it will not impact us significantly.

**Sukhwinder Singh:** Okay. And second, a question on the defence part. Just to understand more, like you said that the combined revenue from ammunition cells and the defence subsidiary would be about INR900 crores to INR1,000 crores, okay? So separating that INR800 crores for artillery shells and INR200 crores for defence. So I just want to understand this INR200 crores, what is the time line by when you will be achieving that? And what is the EBITDA margin in that INR200 crores part in which you supply parts to the missiles, rockets that I wanted to understand?

**Ram Agarwal:** Okay. Your second question is for the aerospace. For aerospace, it will be done with -- as I have told in April '27, it will be executed. Production will come. As far as EBITDA margins are concerned, they are 28% to 32% -- they are what we expect right now because India is more and more pressing on the air.

And all the -- like this AMCA 125 plane order is there. Our civil part, there is 1,000 planes have to come. So India is spending more and more on the aero capability. So that sector, right now, I said that is 28% to 30%. But in near future, it can improve. It should improve. And the first question I forgot, can you repeat?

**Sukhwinder Singh:** So I just -- yes, I wanted to understand for this only EBITDA margin. So -- but my question is that going forward, with number of suppliers, I think it's more than -- must be more than 2 or 3. Is it the risk that EBITDA margin can come down, say, over 3 to 5 years in aerospace part from 28%, 30%?

**Ram Agarwal:** Sir, this aerospace part, I will not agree with you because India is doing nothing. HAL is having an order line of almost INR9,50,000 crores. ADA is coming with this AMCA, 125 planes. Now Adani is coming. So India is doing nothing in the aerospace sector. Now this is the time when

the demand will increase, a more knitted value chain system, a more knitted vendor system is required where the vendor partners' contribution will increase. In this aerospace sector, now India has put the condition, a minimum 60% value addition should be there.

Even in the coming tenders, I understand, they can say even 100% you have to make in India. So India is no supplier system right now. So a strong supplier network is required. And I hope this is a sector -- this is a sunrise sector, which will -- we are saying INR200 crores. But I'm sure we will have to put another machineries to take it to further height. India needs it. There is no hurry and worry on this.

**Sukhwinder Singh:** Okay. So broadly, as I said, your blended EBITDA margin from 9.9% should go up with these 2 -- primarily EBITDA margin from defence coming at a higher level, right?

**Ram Agarwal:** Yes, yes, yes.

**Sukhwinder Singh:** Okay. And one last question. The investment in defence last year was about INR39 crores. So until 9 months, any incremental investment has been put up in defence?

**Ram Agarwal:** No. I suppose you have to correct the data because we are -- please correct it because we have put almost INR300 crores in this defence division. So just maybe in a month over here and there, there may be some data correction.

**Moderator:** Next question is from the line of Charchit Maloo from HNI.

**Charchit Maloo:** So my question is regarding the defence business. So what was the revenue contribution from the shell business in this quarter like Q3 of '26?

**Ram Agarwal:** Please repeat your question. It is not clear...

**Moderator:** Charchit, can you use your handset and repeat the question, please?

**Charchit Maloo:** Sir, I was asking what was the revenue that we have clocked from the shell business in Q3 of '26?

**Ram Agarwal:** In Q3, it is not significant because only production has started. It has not started selling. So the contribution will come in this Q4, and the Q1 full contribution will come in the Q1 of next financial year. This year, it is insignificant, in this quarter.

**Charchit Maloo:** Okay. So like earlier, I think we had a target of INR100 crores from the shell business. So are we in line with that for FY '26?

**Ram Agarwal:** We are very much in the line, but the issue is because it needs some permission to dispatch. So we are waiting for the dispatch permission. And as I have already told that even it comes delayed, so we will be doing almost INR60 crores this financial year.

**Charchit Maloo:** Okay. I have just a bookkeeping question. So our other operating expenses increased by like -- from 14% to 16%, so what was that specifically?

**Sanjay Bansal:** You see expenses -- overall expenses, there is no increase. But if you go in further details, some expenses increased, some expenses decreased. So overall percentage of expenses is same, 94.4% and earlier, it was 94.5%.

**Moderator:** Next question is from the line of Miraj Shah from Chemnine LLP.

**Miraj Shah:** Sir, I had questions regarding the shell business only. Apologies if this question was asked before I recently just joined the call. Sir, I wanted to understand the industry size over here, particularly for India and globally. So I just wanted to understand what is the requirement for 155 mm shells in India, and the same for globally as well. That is my first question?

**Ram Agarwal:** Sir, as you know, this 155 mm shell, this is the one version. All the world demand has converted to 155 mm in last 1, 1.5 years. Since the inception of this Israel-Gaza war or this Russia-Ukraine war because otherwise earlier more versions were there 92 mm, 125 mm, 132 mm, but now it was a pressure on the country that you have to put more of the guns, more types of the shell. So it just converts to 155 mm.

Now as far as demand is concerned, we don't have any data. But as from the internet, you can also study, it shows that the world is -- right now, world is having a capacity of almost 3 million to 3.5 million, and that capacity is not today. It will come in next 3 years. It is a combined capacity, which will be 3.5 million.

But if you see the world demand today, it is almost 7.5 million to 8 million, reason being, there is an initiative ReArm Europe, because Europe has given a budget allocation of EUR815 billion because NATO, US has virtually withdrawn. So all the 27 countries have to ramp up their production facilities. They don't have -- they have nothing.

Whatever they had in the stock that has been consumed in these two wars. And many other -- more wars are going in India -- India, across Africa or many other small countries. So stock is not available. And moreover, the most important thing is demand is outstripping the production.

So the way -- if you can see the gradient, the gradient by which production will increase, that is much, much lesser than with the gradient if the demand will increase. So there is clearly a gap of this arms and ammunition, particularly 155 mm. So I see no dulls of demand in the next 4, 5 years.

**Miraj Shah:** Understood. For the next 4, 5 years, you see a lot of demand. Okay. My next question, sir, since you have mentioned that the demand is increasing over here, if you can just explain how the pricing is currently moving at the moment?

Because if I'm not wrong, the pricing is determined with the international players globally, the pricing is determined. So what is the current pricing for this? And also in India, which other players have received the approval like you -- the license approval like you?

**Mahesh Chandra Garg:** Sir, I can explain to you. The pricing will be decided by demand. At present, demand is outstripping the supply. And there is no reason for us to doubt even many players coming into

the field will be able to fulfill the demand. As per my information, India needs 48 lakh per year these 155 mm gun. Nobody can supply in India. Even many players, 10 players coming will not be able to fulfill the demand. So rate will be decided by the supply constraint.

**Miraj Shah:** Right. But sir, you would have signed some contracts right now or you would have -- you might have some visibility what the pricing currently is going on?

**Ram Agarwal:** Sir, basically, what you are talking, it is a price concept. The price concept, as Garg sir has said, it is always decided by demand and supply. But in this case, because demand is outstripping the supply, so price will be decided by only the pricing needs.

So suppose as India is now bounded by all the 3, and they all are not at good relations with India. So if such happens, so there will be an exotic demand. There will be unprecedented demand. So price will be decided at that time. Moreover, there are more versions coming on the shell.

We are already investing. Our R&D team is involved for the advanced version of this because this is the basic version, you know I know. But market is moving ahead with more versions, and those more versions will attract more price. So don't worry about the prices. We are on the right track on the technology as well as the market.

**Miraj Shah:** Understood. Okay. At least, sir, if you can just help me with what are the margins going forward, what do we expect the margins to be going forward for the shell part? Is it 30% or more than that or lower than that?

**Mahesh Chandra Garg:** Sir, putting a figure of 30% is imaginary. It can be more. It can be even more than 30%.

**Miraj Shah:** Got it. Okay. Thanks a lot. That's it from my side. Thank you so much.

**Moderator:** Next question is from the line of Keshav from Raksan Investors. Please go ahead.

**Keshav:** Sir, in the shells and aerospace business, would the customer only be Government of India, or would we be selling to other customers as well?

**Ram Agarwal:** It is a total world. It is a global demand. It is not only Government of India. The total world as to -- total world is looking for it.

**Keshav:** And sir, so when the business goes to a full scale of INR900 crores to INR1,000 crores, how much working capital do we foresee we'll require to fund that business?

**Ram Agarwal:** We expect almost INR200 crores, INR250 crores working capital will be required at that time when we reach the peak.

**Keshav:** Okay. All right, sir. That's all from my side. Thank you.

**Moderator:** Next question is from the line of Harsh Vasa from SBI Cap Securities.

- Harsh Vasa:** Thank you for the follow-up question. I just had one question. Sir, what was the capex which we incurred during 9 months FY'26? And what will be the capex for the remaining 3 months that is 4Q FY'26 and capex for FY'27 and FY'28?
- Sanjay Bansal:** Total capex already done till 31st December was INR186 crores. And in fourth quarter, we expect about INR30 crores capex.
- Harsh Vasa:** Okay. And sir, FY'27 and FY'28, any ballpark figure?
- Ram Agarwal:** Sir, '27, '28 is still in working, because the natural maintenance capex, it will go as per the schedule. However, as for new plants to introduce our capacity augmentation in defense, it is still in the working stage. We will let you know.
- Harsh Vasa:** Thank you.
- Moderator:** We'll take our next question from the line of Sanyam Shah from Solidarity Investment Managers. Please go ahead.
- Sanyam Shah:** Yes. Sir, within the CR sheets and pipe segment, which is our conventional business, how much revenue is today contributed by solar tracker tubes? And how much was this 2 years back? Can you just give a ballpark range?
- Ram Agarwal:** Right now, this year, it should remain almost INR400 crores. And as you are talking over the last 2 years, it was almost INR250 crores. And in the coming years, we hope it should be INR650 crores -- INR600 crores to INR650 crores for the next financial year, transmission tube and the solar structures. Am I clear?
- Moderator:** Yes sir. His line is disconnected. As there are no further questions, I now hand over the conference to the management for closing comments. Over to you, sir.
- Ram Agarwal:** Thank you for all the people who participated in this con call. We express our gratitude for our shareholders, for our viewers, for our listeners. Thank you.
- Moderator:** Thank you. On behalf of Goodluck India Limited, we conclude this conference. Thank you for joining us, and you may now disconnect your lines.