



“Goodluck India Limited
Q4 FY26 Earnings Conference Call”

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MANAGEMENT: **MR. M. C. GARG – CHAIRMAN – GOODLUCK INDIA LIMITED**
MR. RAM AGGARWAL – CHIEF EXECUTIVE OFFICER -- GOODLUCK INDIA LIMITED
MR. SANJAY BANSAL – CHIEF FINANCIAL OFFICER – GOODLUCK INDIA LIMITED

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

Moderator: Ladies and gentlemen, good day, and welcome to the Goodluck India Limited Q4 FY26 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 conference is being recorded.

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

Vinay Pandit: Thank you. Ladies and gentlemen, on behalf of Kaptify Consulting Investor Relations team, I welcome you all to the Q4 and FY26 Post Earnings Conference Call of Goodluck India Limited. Today on the call from the management, we have with us Mr. M.C. Garg, Chairman and Managing Director; Mr. Ram Aggarwal, Chief Executive Officer; and Mr. Sanjay Bansal, Chief Financial Officer.

I would now request the management to detail us about the business and performance highlights for the period ended March 2026, the growth plan and vision for the coming year, post which we'll open the floor for Q&A. Over to you, sir.

M.C. Garg: This is M.C. Garg, Chairman, Goodluck India Limited. Good afternoon, everyone, and a very warm welcome to the Q4 and FY26 Earnings Conference Call of Goodluck India Limited. Thank you all for joining us today and for your continued trust and support in our journey. FY26 has been an important and defining year for our company.

Over the past few years, we have been consciously transforming the company from a conventional steel product manufacturer into a diversified engineering solution player and increasing focus on high-value, technology-driven, and application-specific businesses.

Today, our presence spans across multiple supplies and strategic structures, including infrastructure, renewable energy, defense, railways, oil and gas, precision engineering, heavy fabrication, and industrial application. This diversification is helping us build a stronger and more resilient, I'm again emphasizing, more resilient business model with improved earning quality and long-term sustainability.

The global operating environment during the whole year remained very volatile with fluctuation in steel prices, elevated input costs, geopolitical uncertainties and changing demand dynamics across various markets. Despite these external challenges, company demonstrated resilience through disciplined execution, operational agility and a clear strategic direction.

What is particularly satisfying is that our transformation strategy is now becoming increasingly visible in our financial and operational performance. We are steadily moving up the value chain with growing contribution from value-added engineering products and specialized solutions. This strategic shift is improving margin, strengthening return ratios, enhancing the overall quality of our business.

Another important highlight for FY26 has been our continued focus on financial discipline and capital efficiency. We maintain prudent leverage levels while simultaneously investing for future growth opportunities. Stronger internal accruals, disciplined working capital management and better operational efficiencies enabled us to further strengthen the balance sheet during the year.

As we move forward, our priorities remain very clear, increasing contribution from high-margin, value-added engineering businesses such as front fork tubes and conduit pipes, strengthening our position in defense, renewable energy, railways and infrastructure sectors, enhancing operational efficiencies and asset utilization, maintaining disciplined capital allocation and balance sheet strength, expanding our export presence and lower market opportunities.

In spite of headwinds in exports, we are still very strong in that, creating sustainable long-term value for all stakeholders. We believe the structural transformation is underway at Goodluck India, positioning the company strongly for the next phase of growth.

I would like to now invite our CEO to discuss operational performance for the quarter and the full year in greater detail. Thank you.

Ram Aggarwal:

Thank you, sir. Good afternoon, everyone, and thank you for joining us on con call today. Building on the Chairman's perspective regarding the company's strategic transformation, I would like to take you through the operational and financial highlights of Q4 and FY26. During Q4 FY26, company delivered a healthy operational performance despite a challenging industrial environment. Consolidated revenues for the quarter stood at around INR1,097 crores.

More importantly, profitability witnessed strong improvement during the quarter, reflecting the increasing contribution from value-added and engineering-focused business. EBITDA registered a strong year-on-year growth with EBITDA margins expanding to above 10%, a double-digit figure, supported by a better product mix, operational efficiency, and improved realizations in specialized product category. Profit after tax for the quarter increased by 34% year-to-year to more than INR56 crores, demonstrating the improving earnings profile of the company.

For the full financial year FY26, company crossed consolidated revenues of over INR4,100 crores, while delivering strong growth in profitability. EBITDA growth significantly outpaced revenue growth, highlighting the operating leverage inherent in our business model and benefits of our strategic focus on specialized engineering solutions.

As we all know, energy and defense are the two pillars around which global economy is moving. In terms of product, we have already added Defense vertical to be part of new global arms race. The military buildup worldwide reflects transformation of the international order as nations rely on hard power than diplomacy to secure their future. Since World War II, military spending has surged to US\$2.89 trillion. Military spending worldwide is 2.5% of global GDP.

I mean, through all these figures, these all figures only show we 140 crore people need more military power to defend our people. Private participation is likely to scale to 50% in comparison to 30%, as it has been in the last year.

Today, as per Honorable Raksha Mantri of India, uncertainty and sense of insecurity has given birth to ReArm Europe, ReArm Gulf, and latest Replenish U.S. So we at Goodluck are in the right direction to grab this opportunity. Already producing heavy caliber shells to the tune of 150,000 numbers and augmenting the capacity to 4 lakh shells, a part of it to become part of supply chain of aerospace industry, putting up the investment, we want to be ahead of the competition and our teams are globetrotting to grab all those new technologies.

And as I have already said, this is the energy and defense which are defining the world. To secure energy, defense equipments are required as the U.S.-Iran war is showing. On the front of energy, renewable energy, solar energy has been in focus, and we have improved 33% sales to our solar vertical in this year. India is at 500 gigawatts plus. New capacities are adding every year. We hope we will improve our utilization in future in this division.

Construction is the second area where world is concentrating. As destruction is going on and construction is waiting in arms to rebuild further -- to rebuild this. For this, our hydraulic tube, a major part of the construction equipment, is in production, ramping stage, already 50% ramp-up is there. And in coming months, we would like to ramp up it to 60% to 70%.

And the infrastructure, definitely, a dialing of share market as well. It's the area that is the backbone of every transformation. GatiShakti envisaging further high-speed trains, where your company is a major player in terms of this transmission. It is being discussed in newspapers nowadays because the solar energy is being wasted because transmission infrastructure is not available, but your company is there.

Your company has got sufficient export orders as well as domestic orders to fulfill this sector demand. Our forging business is in good shape as oil and gas infrastructure is damaged in this U.S.-Iran war and good supply orders are awaited on urgent basis. Our unit is ready to cope up this demand. Our legacy business is being transformed as per our earlier guideline.

Future is waiting for your company. So diversified product with a moderate capacity is likely to reward your company. Hope your encouragement and support will drive us to the top. With this, I would like to give the mic to Mr. Sanjay Bansal, our CFO.

Sanjay Bansal:

Good afternoon. 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 FY26. Regarding Q4 performance, standalone sales was at INR1,061.46 crores against INR1,104.62 crores during Q4 of previous year.

However, EBITDA for the quarter increased by 11.70%, stood at INR104.19 crores as against INR93.25 crores. The profit after tax, including other comprehensive income was at INR48.53 crores in Q4 of current year as compared to INR42.12 crores in Q4 of previous year. Earnings per share has been at INR16.42 per share in Q4 of current year as against INR13.26 per share during Q4 of previous fiscal.

The performance standalone during financial year '26 was in line with the expectations. Sales increased by 3.4% at INR4,067.71 crores as compared to INR3,935.89 crores during the

previous year 2025. EBITDA was at INR395.80 crores as against INR326.79 crores, registered an increase of 21%.

PAT during FY '26 was at INR173.44 crores as against INR161.74 crores during previous year, registering a growth of about 7%. Earnings per share stood at INR53.82 per share during current fiscal as against -- registering a growth of 8.3% over previous year.

Performance consolidated during financial year '26 was again very good. Total income increased by 4.2% at INR4,100.25 crores as compared to INR3,935.89 crores during previous year. EBITDA was at INR418.49 crores as against INR332.16 crores, registering an increase of about 26%.

PAT during current financial year '26 was at INR182.58 crores, registering a growth of 10.20%. Earnings per share stood at INR56.07 per share during FY '26 as against INR50.66 per share during previous year, registering a growth of 10.70% over previous year. On financial front, our interest cost and other expenses have gone up due to increasing level of activity during financial year '26 as compared to previous year. Thank you very much.

M.C. Garg: Now we are open for questions and answers.

Moderator: Thank you very much. We will now begin the question and answer session. We'll take our first question from the line of Deepak Poddar from Sapphire Capital. Please go ahead.

Deepak Poddar: Sir, just first up, I wanted to understand our execution in FY '26 in defense was close to INR30 crores, INR35 crores. Would that be a right number?

Ram Aggarwal: No, it is INR46 crores.

Deepak Poddar: INR46 crores. Okay. Okay. And what sort of EBITDA we could generate on this INR46 crores in FY '26?

Ram Aggarwal: INR29 crores.

Deepak Poddar: Yes, that is what was confusing. I mean, how could we generate so high EBITDA margin? I mean -- because I think we have mentioned we have around 25%, 30% kind of EBITDA margin in defense, right?

Ram Aggarwal: Basically, this project, we got licensed in October and production got started only in January, February. So what has happened, the depreciation and the interest, it has increased the EBITDA. So the EBITDA margins of 68% or 70%, these are not long sustaining. In the coming years, what the guidance we have given of 30%, 35%, it will prevail. This is the first year and working for us only for 2, 3 months. That is why you are seeing this dissimilarity in the results.

Deepak Poddar: So I mean, is there any cost mismatch? I mean, the revenue has come, the cost has come in earlier quarter, something like that, because of which...

Ram Aggarwal: Depreciation and interest costs had come in the earlier quarter, because plant started in October.

- Deepak Poddar:** But you are talking on EBITDA front, right?
- Ram Aggarwal:** October.
- Deepak Poddar:** But we are talking on EBITDA. Depreciation and interest comes post EBITDA.
- Ram Aggarwal:** For the 6 months, depreciation and...
- Sanjay Bansal:** Also material lying at the port...
- Ram Aggarwal:** Our material was also lying at the port. Because due to this war, material could not be moved. It moved only in April. So top line, what you are seeing, if the material would have been transferred from the port to the ship, then it would have been moved. So your mismatch what you are seeing, it would not have been here.
- Deepak Poddar:** Okay. Okay. And, sir, just a clarification, this depreciation and interest you're saying, that comes post EBITDA, right? I mean, it's not clear why you have INR29 crores EBITDA in defense from INR46 crores revenue.
- Ram Aggarwal:** Sir, I have just told you that it is for 6 months. From October to March, this is the depreciation and this is the interest what has been accrued in your EBITDA margins. But in the coming quarters, what you will see, when the sales will be sufficient, so these EBITDA margins will come to, as per our guideline, 30% to 35%.
- Deepak Poddar:** 30% to 35%. Okay, sure. I understood. And what sort of execution we are expecting in FY '27 from defense?
- Ram Aggarwal:** We are expecting almost -- our capacity is 150,000, and we expect almost 75% to 80% execution this year.
- Deepak Poddar:** 75% to 80% execution. So I mean, that would come to around INR250 crores, INR300 crores. Would that be a right number? I mean...
- Ram Aggarwal:** It should.
- Deepak Poddar:** INR250 crores to INR300 crores revenue. Okay.
- Ram Aggarwal:** It can be more, but today, we can give only this guideline.
- Deepak Poddar:** Okay. Understood. And on the steel front, I mean, we are already at close to 90%, 95% kind of a capacity utilization, right, for the steel segment. So what will drive growth there for us? Yes, sir, I was just asking on the steel segment, we are already running at 95% capacity utilization. So what will drive the growth for us in steel segment in FY '27 and further?
- Ram Aggarwal:** We are in the process of adding up the capacity. And in one division, we are adding the GI conduit pipes. And in our Precision Tubes or CDW division, we are adding the fork tubes. So it will increase our capacity. And the balanced capacities in our infrastructure, we are adding some

balancing equipment. So capacity constraint will not be there for increasing the turnover in the coming year or the growth in the coming year. We are in the process.

Deepak Poddar: So we are increasing capacity to how much metric ton from current 5 lakh and by when?

Ram Aggarwal: We are aiming it to increase to 6 lakh. But in this year, how much it will be added up that we will let you know.

Deepak Poddar: Okay. And time line?

Moderator: Deepak, I request you to join back the queue, please, as we have participants waiting for their turn.

Deepak Poddar: Yes. Just the last thing, this time line. So by what time line we are adding to 6 lakh?

Ram Aggarwal: The 2 items which I have just told you, it should take almost 9 to 12 months. By this financial year, it should be added up, these 2 items.

Deepak Poddar: Okay, understood. Sure, that would be from my side. Wish you all the best. Thank you so much.

Moderator: Thank you. The next question is from the line of Disha from Sapphire Capital. Please go ahead.

Disha: Hello? Am I audible sir?

Moderator: Yes please go ahead.

Disha: Thank you so much for the opportunity. A couple of questions, sir. Firstly, I just wanted to get your sense on what do you see the impact of the West Asia war, sir, given the supply chain disruption and the rise in commodity prices? How much of that will be the pass-through? And what sort of export contribution can we expect in FY27?

Ram Aggarwal: Basically, the West Asia crisis, it's a definitely a breaker for every industry, because supply chain is disturbed drastically. And it has no alternates, because for the gas, for the oil, we have no alternate. But fortunately, we are having PNG in all of our plants. So we got disturbed in March. But in April, May, we are having sufficient supply of this PNG.

However, the other products, yes, there is a price increase of all the consumables, and we are trying to pass it on to the customers, but it is always with a time lag. So it may take 3 months, to 1 quarter to 2 quarters to pass all these increases.

But in the meantime, our USP is product shuffling and market reshuffling. So our teams are globetrotting and we are trying to find the new products, find the new markets where we can have more prices, where we can have diversified products. So in that way, we are trying to minimize this impact, but impact is definitely there.

As far as the exports are concerned, exports because of time duration taken in reaching the consignment, it is taking more time. So it may impact some 5%, 10%, but we hope the matter

will not be long for 12 months. It may be solved in the next 15, 20 days. So that impact can be taken care.

Disha: So it will be fair to assume, sir, for the first 2 quarters, we see some margin impact, but with the share of higher value-added products, we can see margins, so what sort of margins can we look at for FY27 as a whole?

Mahesh Garg: Look. There will be no margin impact.

Ram Aggarwal: As far as we are concerned, I have told, we have a USP. Our business model is very resilient. We are doing the reshuffling of products and markets. So margin impact should not be there. We are trying our level best that the margins.

Mahesh Garg: Depreciation of the currency.

Ram Aggarwal: That the margins are not impacted. If it is there, it will not be significant.

Disha: Okay. And sir with this.

Moderator: Disha, I request you to join back the queue, please, as we have participants waiting for their turn.

Disha: Yes. Sure.

Moderator: Thank you. Next question is from the line of Shubham from 3A Financial Services. Please go ahead.

Shubham: Hello am I audible?

Moderator: Yes. Please go ahead.

Shubham: Okay thank you for the opportunity. My first question would be, you had guided of 15% to 20% revenue growth, whereas we have fully achieved around 4% to 5%. Is it mainly due to the impact of the West Asia war? Or do we see any softness in domestic demand as well? And would there be any guidance moving forward for FY27 and FY28?

Ram Aggarwal: Basically, this softness, this 4%, 5% against 15%, one main reason is the HR coil prices. Steel prices have got down from April '25 to April '26. There is a decrease in the steel prices, which has impacted it. Number two, West Asia crisis, it has come in last 1 month. So it has impacted our dispatches.

And as far as our future guidance, we are still hopeful that we will get at least, what we had given earlier, it was 15%, 20%, but seeing the geopolitical conditions, we still hope that we can be at the lower or 14%, 15% growth we still hope that we will get.

Shubham: Okay sir. Thank you. And about the shell realizations, the recent order you got right now, do we expect the shell realizations to be in the same range of this order? And what sort of margins are we going to make in this order?

- Ram Aggarwal:** Actually, due to the current geopolitical factors, we want to avoid giving these prices, because it all depends on the supply and demand. And the geopolitical conditions are very important. Earlier, it was not there. But in terms of shell, the product of shell, it will definitely be impacted. So we will let you know in the coming con calls, or you can always connect to us for taking the updates.
- Shubham:** Okay sir. And.
- Moderator:** Thank you. Shubham, I request you to join back please? Thank you. Next question is from the line of Rahul Mishra from RTL Investments. Please go ahead.
- Rahul Mishra:** Thanks for taking my questions. I'm just following up on what the earlier participant asked. The recent order win that you have of about 20,000 shells is broadly at INR26,100 per shell. Should we broadly work with this number for that 75% to 80% capacity utilization that you spoke about?
- Ram Aggarwal:** Basically, the price is not very important, what you have read in this paper, because demand and supply, they are very dynamic right now. So I cannot give any guidance for what the prices will be in the future, what the prices of this order, I'm not connected. But definitely, my guideline of 30% to 35% EBITDA, it remains intact. I hope we will get this.
- Rahul Mishra:** Understood, sir. And secondly, on this capacity increase to 400,000, is it fair to assume that this will all be online in FY28?
- Ram Aggarwal:** Sir, we hope so that we will be able to do it in your stipulated time period. But definitely, again, today, uncertainty is the main factor. But we hope that as per the guidelines, we will be able to do this.
- Rahul Mishra:** Okay sir. I will come back in the queue.
- Moderator:** Thank you. Next question is from the line of Harsh Vasa from SBI Securities. Please go ahead.
- Harsh Vasa:** Thank you for the opportunity. And congratulations on a good set of numbers, sir. Sir, my question was, sir, what was the existing capacity utilization of the hydraulic tubes plant? And what would be the capacity utilization in this financial year? And the second question was that, sir, could you just elaborate once again on the capacity expansion from 5 lakh to 6 lakh? I couldn't get that.
- Ram Aggarwal:** Okay. Basically, what as per our, in the last year, we have come to 50% capacity utilization of the hydraulic tubes. And in this year, we hope that we will be able to do it to 65% to 70%, number one.
- And your next question is from 5 lakh to 6 lakhs. So 5 lakh to 6 lakhs, I have just told you, their capacity addition in your conduit GI pipes and capacity addition in your front fork tubes, it will be almost 35,000 to 45,000 tons. And the balance capacity addition, it is in plan, but we have not executed so far.
- So in the coming financial year, we will be doing almost 40,000 to 45,000 ton capacity addition.

- Harsh Vasa:** Okay, sir. So you mentioned GI pipes, and what is the second one?
- Ram Aggarwal:** It is front fork tubes in our CDW tube section or Precision tubes section.
- Harsh Vasa:** Okay sir. Thank you sir.
- Moderator:** Thank you. Next question is from the line of Manisha Kesari from ICICI Securities. Please go ahead.
- Manisha Kesari:** Thank you sir for the opportunity. I have a few questions regarding capex and debt.
- Moderator:** Manisha, may I request you to use your handset mode, please. The audio is not very clear.
- Manisha Kesari:** Okay. Now I am audible?
- Moderator:** Yes, please go ahead.
- Manisha Kesari:** Thank you sir. I have questions regarding capex and debt. So the actual capex for the year came out higher at INR340 crores, whereas the guidance was given at INR250 crores. So why such a sharp increase? And also, sir, the debt also came out higher this year. Sir, can you just give us the reason why such a higher capex and debt for the year?
- Ram Aggarwal:** Basically, as far as this investment part is concerned, I hope, you please check your figure, because it is what capex we have done or what is in WIP, it is almost INR232 crores. So you just please check your figure. And as far as your second question, can you please repeat?
- Manisha Kesari:** Sir the debt also came out higher this year, long-term debt, around INR200 crores.
- Ram Aggarwal:** Debt has increased. Our working capital has increased, and there is a very obvious reason. Because we are going under geopolitical turbulence and that has slowed down the total economy because exports have reduced and that total pressure has come on the domestic cycle. So when the domestic, there is a glut. So for that glut, our inventory has increased, our realization has slowed down, and it is beyond our control.
- But now we are trying to, again, reshuffling the market, reshuffling the product. So we are trying to adjust it, and we are trying to reduce it in the coming quarters. Be rest assured, we will do it. We are hopeful we will do it.
- Manisha Kesari:** Okay, sir. Sir, and lastly, sir, what will be the capex guidance for FY27?
- Ram Aggarwal:** Capex guidance for the current year, it is the WIP which is in the mode of execution that will be completed. And other than in our Goodluck Defence and Aerospace, we have a plan to augment our capacity, which has a capital outlay of INR400 crores, but it will be sprawled maybe in this financial year or it may be carried forward to the next financial year also. So we will come out with the right figure in the next quarter, or you can connect to us any time.
- Manisha Kesari:** Okay sir. Thank you so much sir.

- Moderator:** Thank you. Next question is from the line of Vatsal Shah from Anantaya Financial Services. Please go ahead.
- Vatsal Shah:** Hello am I audible?
- Moderator:** Vatsal please use your handset mode.
- Vatsal Shah:** Hello am I audible?
- Moderator:** Yes. Please go ahead.
- Vatsal Shah:** Thank you for the opportunity, ma'am. There are a few questions. The first one is regarding the defence IPO. Like you guys are going to plan the IPO for the next.
- Moderator:** I am sorry you are sounding muffled Vatsal. Can you just repeat the question? You were sounding muffled.
- Vatsal Shah:** Hello?
- Moderator:** Yes, Vatsal, please repeat the question.
- Vatsal Shah:** Yes. You guys are planning for the IPO for the upcoming like FY28 or FY29 in the defense -- your company. So, the IPO that you're going to plan is for OFS or fresh issue? Can you just give me a guidance for that?
- Ram Aggarwal:** Basically, on this issue, I will prefer no comments, because it is on the wheels, and we will let you know when the right time comes.
- Vatsal Shah:** Okay, sir. And the other question is that given the company's ongoing expansion and the finance cost, why does the management expect to reduce the repayment of the debt obligations?
- Mahesh Garg:** Not clear, sir. Not clear. What you want to know?
- Vatsal Shah:** I want to know about the repayment schedule, sir. Like the debt is increasing. So what ways are you planning to reduce the debt? And repay by what time?
- Ram Aggarwal:** FY26, during current financial year, it will be INR54 crores. And again, financial year '28, it would be INR51 crores. So accordingly, debt will be reduced.
- Vatsal Shah:** Actually, I have one more question...
- Moderator:** I request you to join back, please. Next question is from the line of Saurav Raidani from Saurav ENT. Please go ahead.
- Saurav Raidani:** I want to ask you, sir, we have a veteran investor, your investor, Samir Varsad's podcast. He said that you will introduce explosives and fuses in Goodluck defence. And even you have taken some land in Ranchi, sorry, in Jhansi also. So, what is the status of that?

- Ram Aggarwal:** That is in a separate company, Goodluck Astra Limited. And that question is not connected to this con call of Goodluck India. So, you can ask us separately.
- Saurav Raidani:** Okay. But sir, what would the value lock-in for Goodluck Defence. What is your intention for Goodluck Defence if you have created so many subsidiaries in Goodluck Energy? And so, what is the reason for creating so many subsidiaries? Why so?
- Ram Aggarwal:** I will request you to connect with us. We should now concentrate only on this Goodluck India con call. And for all these questions, you can connect to us separately. We will be happy to answer them.
- Saurav Raidani:** Okay. Thank you.
- Moderator:** Next question is from the line of Keshav from RakSan Investors. Please go ahead.
- Keshav:** Yes, sir, on shells, you've mentioned, uncertainty is the reason due to which it's difficult to guide on the utilizations on the expanded 4 lakh capacity. So can you help understand a bit more, because the defense expenditure is going up and the demand seems to be there. So, are we referring to logistical bottlenecks caused by the war or any demand side issues such as the clients' sourcing strategy changing due to the different dynamics of the modern warfare?
- Ram Aggarwal:** You are very correct. Your question is very right. Demand, there is no dearth of demand, because the whole world is experiencing this uncertainty, and fear factor is driving up the -- basically, everybody wants to purchase this, everybody wants to store up this. And I have already told in my speech that there is ReArm Europe, ReArm Gulf, and the latest is Replenish US So, demand is not a concern, but definitely due to the West Asia crisis, movement logistics has become an issue.
- And as far as demand is concerned, it is very, very strong. I don't see any letup in the demand, and that is why we are putting up these 4 lakh shells, because we think whatever order load we have today or whatever inquiries we have, we can only commit to those inquiries only whenever this new plant comes. Otherwise, we cannot supply from this plant. Demand is so much at this time.
- Keshav:** Sure. And sir, secondly, I mean, 2 straight quarters of gross margin improvement. Is there any transitory element? Or is this something that can be sustained going forward? Because you've moved from almost 27%, 28% to almost 33% year-on-year. So, would this sustain going forward? Or do you see something -- some product mix that was different that might change going forward also?
- Mahesh Garg:** There is no worry. Gross margin will be sustained. It is a sustainable margin, what we have given.
- Keshav:** Okay, great sir. I will come back in the queue.
- Moderator:** Next question is from the line of Anirudh Shetty from Solidarity Advisors. Please go ahead.

- Anirudh Shetty:** Thank you for the opportunity. Two questions from my side. First question is, so for FY27, you gave a rough indication of a top line growth of, say, 14%, 15%. What could the profit growth be as the share of hydraulic pipes and defense goes up, which are higher-margin segments for us?
- Ram Aggarwal:** Basically, the guideline we have given for total turnover. And as far as the share of hydraulic tubes and our defense, it will remain high. What it has been in this financial year, it will be more in the coming financial year.
- Mahesh Garg:** As we have indicated earlier also, our margin, our share of value-added products will keep on increasing. quarter-on-quarter and year after year. How much it will increase, it depends on how the situation pans out.
- Anirudh Shetty:** And my second question was, just to get a sense around the margin of the segments that we are entering into. You mentioned the GI conduit pipes and precision tubes. What is the EBITDA margin that one can expect there on a full-scale basis?
- Mahesh Garg:** Conduit pipe is basically for export to USA. It's a highly profitable item with an EBITDA of around 15%.
- Ram Aggarwal:** And the front fork tube, it will be at the CDW tube and with the EBITDA margin of 15%, 16%, we will continue.
- Anirudh Shetty:** Got it sir. Thank you.
- Moderator:** Next question is from the line of Harshit Sachdeva from Columbus Capital. Please go ahead.
- Harshit Sachdeva:** Sir, congratulations on a decent set of numbers. Sir, what exactly are the products that we will be doing in solar, as you mentioned in your opening remarks?
- Ram Aggarwal:** In the solar, we are making the solar structures, which is the base structure for putting up your panels, and the transmission tube basically for making up the movable panels. So, it is all the structures. We are supporting to put up the panels, whether it's fixed or whether it is swinging. In both the parts, we are giving the material.
- Harshit Sachdeva:** Okay. And sir, what sort of competition are you seeing in this? I mean, is it like a commoditized steel product market? Or is it something high value add? I just want to know from your end?
- Ram Aggarwal:** Sir, to answer this, we have to just see to the India growth. We have 500 gigawatts plus. Last year, we have done almost 51 gigawatts. And this year, again, we are going to add up 41 to 45 gigawatts. So yes, competitor may be there, people may be there, but demand is outpacing the growth in the product. So, we are having no doubts.
- Harshit Sachdeva:** Okay. And sir, so you've started receiving like customer orders or like firm commitments for these products?

- Ram Aggarwal:** Basically, this market, everybody wants a commitment, but we can only commit what we can produce and what we can supply. So, I again say, there is no dearth of demand, it is only the execution which you can do.
- Harshit Sachdeva:** Just one last...
- Moderator:** Harshit, I request you to join back the queue, please, as we have participants waiting. Next question is from the line of Mehul Panjuani from 40 Cents. Please go ahead.
- Mehul Panjuani:** Sir, with the last 2 months, April and May, whatever disruptions we have seen, that has impacted our Q1. But if the West Asia crisis is -- if you consider it, as done now, I mean, I'm not saying that it is done, but just in case it is resolved in the next couple of weeks, so would we have a normal Q1 or we will be still impacted? I mean, how was the first 2 months, April and May?
- Ram Aggarwal:** It is still premature to answer this question, because we all know Trumponomics. So better keep this answer for some future time. But definitely, if it is resolved to the acceptance of everybody, so quarter results will be improved and at least second quarter will be improved. It is for everybody.
- Mehul Panjuani:** Right, sir. And sir, what kind of revenue contribution are we going to see from defense? I may have missed the commentary because I did not join earlier. For FY27, what will be the contribution of defense?
- Ram Aggarwal:** We have already some questionnaires some people had asked, and they are expecting almost INR250 crores to INR300 crores. So, I agree to that view.
- Moderator:** Next question is from the line of Nikhil from Kizuna Wealth. Please go ahead.
- Nikhil:** Sir, my first question is on the lines of you are saying that HRC prices have caused our top line growth. But from the December 2025 till now May, it has rose INR10,000 per ton from INR48,000 to INR58,000. So, I couldn't correlate the assumption that HRC prices going down is impacting our top line growth. That is my first question. And the second question, like how much impact on the EBITDA margins are you expecting in...
- Ram Aggarwal:** Your first question is not clear. Can you repeat it? Your voice is very low.
- Nikhil:** Sir, can you hear me now?
- Ram Aggarwal:** Yes, yes. Now, please.
- Nikhil:** Yes, sir. So, my first question is on the line of HRC prices. You said that HRC prices falling caused our sales growth impact. But when I look at HRC prices from December 2025 till May 2026, the HRC prices have rose from INR48,000 to INR58,000 per ton. So, I couldn't correlate that mismatch.

And sir, my second question would be on your EBITDA margins. Like how much impact on the EBITDA margins are you expecting due to this commodity price inflation in quarter 1 and quarter 2?

Ram Aggarwal:

Actually, what you are saying, I can only answer that the steel prices have sobered, but our production has not gone down. If you will see, our production numbers have grown by 11%. If you see our sales, it has improved by 5.4%.

As far as selling is concerned, there is no issue. But definitely, due to this West Asia crisis or any other crisis, the movement of the goods, it has impacted. But as far as our long-term guidance is concerned, we are very much hopeful, that the idea we have given, just that idea we will be able to cope up in this financial year.

Nikhil:

Okay, sir. That's really great to hear. My second question would be on the lines of artillery shell production. One or two competitors have come out with a capacity of 5 lakh artillery shells production per annum. And some of other smaller peers are getting the NATO orders ranging from INR100 crores to INR600 crores.

So, I want to understand like how are our orders looking at and from where they are coming from? And the second would be like what kind of orders are we expecting and how the demand and supply dynamics are going on right now, because the capacity is also keeping up with the demand, as per my understanding?

Ram Aggarwal:

So, the answer is only this. Because as far as our, no data is available, no data we can vouch for, but whatever is available in the market data, the demand today is 8 million to 9 million shells, whereas the quantity available or quantity to be started in the next 1 or 2 years, it may be 2 million to 3 million.

So, the basic question is not about 3 million or 9 million, because we cannot vouch for the data. But yes, we can vouch for the data, whatever is being produced and whatever is likely to be produced, that is not matching the demand, because demand is today. And as the world market sees, as the word geopolitics says, these types of conflicts are increasing.

So, demand pattern is more demanding, and it is outpacing the growth, and any plant which has come or which is likely to come. If you go for your home, it will take minimum 2 years. So, putting up the capacity, getting it executed, and supplying to the required party, there is a large gap.

But we are at the right time, with the right capacity to fulfil this demand, and that is why we have only planned for the augmentation of the capacity, and we are very much confident that we will sell our product. We have the orders that we can supply to for up to 2 years. But what is the fun in having capacity after 3 years.

So, capacity has to be right now. And that is why we have decided for this. Demand, there is no doubt of demand. Supply will always be constrained. In next 4, 5 years, my perception is, supply will be constrained. Demand will not be a problem.

- Moderator:** Thank you.
- Moderator:** Thank you. Next question is from the line of Pratik Talvatkar from Smifs Institutional Equities. Please go ahead.
- Pratik Talvatkar:** Sir, [inaudible 00:47:40]
- Moderator:** Pratik, please use your handset mode as there is lot of disturbance on your line.
- Pratik Talvatkar:** Am I audible now?
- Moderator:** Yes. Please go ahead.
- Pratik Talvatkar:** Yes. So, thanks for the opportunity. Sir, I just wanted to ask a question on raw material sourcing. So, what is the situation in the raw material sourcing, as in March and April, there was a shortage of raw material, especially the HRC.
- And that is because the other competitors of the steel pipes have lowered their guidance for steel pipes. So just want to understand the raw material part. Is that come back to normal or the situation still persists? That's one question.
- Mahesh Garg:** It still remains.
- Pratik Talvatkar:** Okay. And my second question on the capex for FY27, sorry, I missed earlier, so what was the capex guidance for FY27, sir?
- Ram Agarwal:** Capex guidance, I have already told you that we have already taken 2 jobs, our 2 projects. One is our conduit GI pipe and one is our front fork tubes. So that is going on. And the new plant and this augmentation of our capacity to 4 lakhs, we are not very much sure that it will be covered in this financial year or it may fall to the next financial year. So, we will let you know the final figures in future. In the coming quarter, we will let you know.
- Pratik Talvatkar:** Thank you so much. And my last question is...
- Moderator:** Pratik, I request you to join back the queue, please, as we are participants waiting for their turn.
- Pratik Talvatkar:** Yes sure.
- Moderator:** Thank you. Next question is from the line of Ishan Goyal, an individual investor. Please go ahead.
- Ishan Goyal:** Hello. Am I audible?
- Moderator:** Yes, please go ahead.
- Ishan Goyal:** So, thank you for the opportunity firstly. We have successfully increased our EBITDA margins from the past year.

- Moderator:** Ishan you are sounding muffled.
- Ishan Goyal:** Hello.
- Moderator:** Yes, Ishan can you repeat.
- Ishan Goyal:** Am I audible now.
- Moderator:** Yes.
- Ishan Goyal:** So, first of all thank you for the opportunity. We have successfully increased our EBITDA margins from the previous year. We are focusing more on the value-added products. So, do we keep improving our EBITDA margins for the full year or what the guidance is for the future years?
- Ram Aggarwal:** So, we are always on improving the EBITDA margins in future, and we are very much confident that we will do it. Whatever will be the conditions, we will put up our efforts to improve it further.
- Ishan Goyal:** Can you quantify just in numbers? Like we have closed about 10.2%. So, would that be better to expect that 12% to 15% further?
- Ram Aggarwal:** Basically, this is what you can expect. But as far as in these uncertain conditions, we cannot define any number. I can only say there will be significant improvement. We will try for a significant improvement in our EBITDA margin numbers.
- Ishan Goyal:** Okay, sir thank you. And another question was about -- can you give about the numbers for order book segment-wise, if possible, and if not, then overall order book, what we have currently?
- Maresh Garg:** Our order book is healthy; I can say that.
- Ishan Goyal:** In a can someone tell me the amount?
- Moderator:** Ishan, can you please rejoin the queue.
- Management:** In all segments, including household.
- Ishan Goyal:** Sorry, I was not listening.
- Management:** Our order book is healthy; I can tell you that.
- Ishan Goyal:** Okay sir. Thank you.
- Moderator:** Thank you. Next question is from the line of Harsh Vasa from SBI Securities. Please go ahead.
- Harsh Vasa:** Thank you for the follow-up question. Sir, can I have FY26 and 4Q FY26 segment-wise capacity utilization?

- Ram Aggarwal:** So, for this year, capacity utilization has been 94%. And in the coming year, with the added capacity, it will come down definitely, because the new capacities are coming. But I cannot give the exact number right now. Let the production come, and we will let you know.
- Harsh Vasa:** Sir, that was helpful, but I just wanted segment-wise, is that possible?
- Ram Aggarwal:** Pardon, not clear. I'm not clear what you are asking.
- Harsh Vasa:** So, I'm saying like the capacity utilization segment-wise, segment?
- Ram Aggarwal:** Segment wise is, in our legacy business -- you can connect with our IR team. They can give you the exact numbers. I'm not having the exact numbers right now. Overall, I have told it is 94%, but my team will let you know the exact numbers.
- Harsh Vasa:** Okay, sir. Thank you.
- Moderator:** Thank you. Next question is from the line of Shashank Kanodia from ICICI Securities. Please go ahead.
- Shashank Kanodia:** Good Afternoon Sir, just wanted to check, you have been guiding for INR500 crores of capex for second phase of defense vertical, right? So, have you front-loaded any capex spend anything in this fiscal year itself?
- Ram Aggarwal:** So, this is not INR500 crores, this is INR400 crores, and we have yet to start it. We have not started so far.
- Shashank Kanodia:** Because sir, we have been guiding for INR250 crores of capex at the consol level, and your cash flow shows INR350 crores of capex spend for this fiscal year. So, the numbers are not reconciling to that extent.
- Ram Aggarwal:** Very small capex what is going on. For the machining purpose, we have done some capex, because it is helping us in our current capacity utilization also, but the major capex is yet to come.
- Shashank Kanodia:** Okay. And second, sir, is there any metal movement from stand-alone to defense vertical? Because the reason I'm asking is, if I do a straight math of consol minus stand-alone, this should give me a defense vertical revenue, right? And this is something like INR33 crores, where we were guiding for INR46 crores. So, can you help us reconcile?
- Ram Aggarwal:** I will ask my team to connect to you, because you are asking for numbers. So, they will be better equipped to...
- Shashank Kanodia:** Basically, from stand-alone, is there any material movement to defense vertical?
- Ram Aggarwal:** No. there's no any material movement from -- is there any movement?
- Sanjay Bansal:** Yes, there is sir.

- Ram Agarwal:** For what? Just a moment. We will let you know. I'm not much clear what you are asking because it is a number.
- Shashank Kanodia:** Yes, sir, there are 3, 4 things that are still ambiguous to the analyst community. First is your EBITDA margin, which is there for the defense vertical for this quarter, your capex spend. So, I would really request the team to come back to us for this?
- Ram Aggarwal:** For the EBITDA margins, I have already told that the coming year, EBITDA margins will be in the range as per our guidance of 30%, 35%. This year it has been exorbitant, the year which has gone, FY25-'26, it has been exorbitant because plant started in October, but production came from only 2, 3 months. So that is why...
- Shashank Kanodia:** Sir, if your ramp-up cost is there, then the margins will be less. And then unless you get any benefit or something, then why can your margins increase, sir?
- Ram Agarwal:** Sir, why will the margin increase? The margin will ultimately depend on the sale price, sir. This product...If you want details. My team will connect to you, because these numbers, I hope, on this platform we should not discuss. My team will discuss with you.
- Shashank Kanodia:** Sure, sir. Thank you.
- Moderator:** Thank you. Next question is from the line of Prateek Bhandari from Aart Ventures. Please go ahead.
- Prateek Bhandari:** Hi, sir. Thanks for the opportunity. Two questions from my end. What is the net debt position as on March '26? And you mentioned that for the conduit GI pipes that you will be exporting to U.S., we're targeting the margins in the range of 30%. Can you specify some more details about it? Is it 30%, or is it in the range of 25%-30%, and how is it?
- Ram Aggarwal:** I will clarify. Basically, what you want to know, for the conduit pipe, the margins are normally in 15% to 25% range. What we have said, that is the highest margin that may be there. But for the calculation purpose, you can always take it will again be in 15% to 20% margin range always.
- But as the demand is today is very high, so those kinds of margins, what Mr. Garg said that he has predicted. But for the calculation purpose, you take it from 15% to 20% margin, which will be sustainable in future. And your other question was?
- Prateek Bhandari:** Net debt position as on March '26?
- Ram Aggarwal:** Net debt position, working capital loans is INR800 crores and term loan is INR200 crores. Total INR1,000 crores.
- Prateek Bhandari:** And cash?
- Ram Aggarwal:** Cash means?
- Prateek Bhandari:** Cash and bank balance?

- Ram Aggarwal:** Cash and bank balance is about INR3 crores -- sorry, INR50 crores. Including deposits, it is INR50 crores. Cash and bank balances in current account and cash balances, about INR 3 crores. So total is INR50 crores.
- Prateek Bhandari:** Okay. And I also request the management...
- Moderator:** Prateek, I request you to join back the queue, please.
- Prateek Bhandari:** Just if I can add up too. I also request the management to give some pinpoint and clear answers, because I believe that there is a lack of clarity on a lot of points which are not even available in the PPT as well. So, this will certainly help everyone who are tracking the company.
- Ram Aggarwal:** You can put your questions to our IR team. They will clarify what the pinpointed answers you want.
- Prateek Bhandari:** But the management should specify the answers on the con call, I believe.
- Ram Aggarwal:** Okay. You put your question, we will answer.
- Moderator:** Thank you. Next question is from the line of Lokesh Kashikar from Smifs Institutional Equities. Please go ahead.
- Lokesh Kashikar:** Yes, hi. Congratulations on the good set of numbers, sir. I have a couple of questions. I believe you have guided for around 15% top line growth for FY27. But if I back-calculate considering the defense revenue, let's say, your top line would be closer to around INR4,400 crores in the steel business. That basically translates to around 9% to 10% growth in the steel business?
- Now when you look at the realization or the prices that have increased during December to March, it is more than 15% to 20%. So that indirectly specifies that there will be no volume growth for FY27?
- Ram Aggarwal:** Your question is not clear. What do you want to say?
- Lokesh Kashikar:** So, I just wanted to know the volume growth for FY27 in the steel business, because as per your guidance on the revenue and if I back-calculate, it shows the decline.
- Ram Aggarwal:** The volume growth in terms of production in FY26, it has been 11%. However, the sales growth has been almost 5%. And in FY27, we hope that this West Asia crisis is solved and our volume growth, it will be 13% to 15% band in this coming financial year for the steel business, what you are asking, particularly.
- Lokesh Kashikar:** Okay. But the revenue growth would be much better, because HRC prices have increased. So therefore, the realization should be better, correct?
- Ram Aggarwal:** Definitely, in the coming quarters, it will be very evident. Now things are in very -- you can say, in very fussy conditions. Nothing can be predicted right now because everything is behaving erratically.

Lokesh Kashikar: Okay. Fine. Secondly, sir, your inventory days has increased. And I believe that is because of the delay in dispatches. So, it has normalized currently? Or how is the situation?

Ram Aggarwal: Not yet. It has not normalized so far, but we hope, with all the paper statements, that it will normalize and it will be reduced. We also hope so. What you are hoping, we are also hoping this.

Lokesh Kashikar: Okay.

Moderator: Thank you. Ladies and gentlemen, we'll take that as the last question for today. I now hand the conference over to management for closing comments. Over to you, sir.

Ram Aggarwal: We are thankful for all the investors, for all the analysts who have joined this con call, and we hope their queries we have answered. If they have any queries, our IR team is open. They can send their queries to them, and they will answer them. Thanks.

Moderator: Thank you, members of the management team. On behalf of Goodluck India Limited, that concludes this conference. Thank you all for joining us, and you may now disconnect your lines.