



**GOOD LUCK STEEL TUBES LTD**

*(Infinite Possibilities)*

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## Press Release

### **Good Luck Steel Tubes Limited inaugurates its second auto tube manufacturing plant**



***Good Luck Steel Tubes Limited, a Rs 1000 crore plus engineering conglomerate listed on BSE doubles its production capacity from 30,000 MT to 60,000 MT besides announcing business expansion & diversification***

***Senior business representatives from world's top auto ancillary companies attended the plant inauguration***

**Ghaziabad, Uttar Pradesh:** Good Luck Steel Tubes Limited (GLST), a Rs 1000 crore plus engineering conglomerate listed on BSE, exporting steel tubes (agricultural to automobile), alloy steel flanges, transmission line towers etc. inaugurated its second manufacturing plant at Sikandrabad (District Bulandshahar, Uttar Pradesh)on 15<sup>th</sup> November, 2014.

**The company has invested around Rs 100 crore in the second plant and with this development, it has doubled its production capacity from 30,000 MT to 60,000 MT.** The plant was inaugurated by Mr. Peter Schneider, Managing Director, Voestalpine Rotec Group, Austria, one of the leading suppliers to automotive and consumer goods industries in Europe and to the oil and gas industries worldwide.

In 2014, GLST had clocked a turnover of Rs 1077 crore with an EPS of Rs 9.46. Reading the writing on the wall well in advance of the current economy buoyancy, the company had strategized to ramp up the manufacturing capacity of high yielding verticals such as auto tubes, structures and forging. **In FY2015, when the plant is scheduled to go full stream, it will add up to top line by Rs 200 crore and & bottom line suitably.**

Thick walled precision tubes, an alternative to seamless pipe, offers excellent market scope & realization. Besides the domestic market, GLST is exporting maximum production to USA, Europe & Austria. The company is an approved supplier of to Indian automobile majors like Tata, Gabriel, Mahindra & Mahindra, Endurance, Munjal Showa etc., and globally to Voestalpine Rotec, Bourgi USA and many others. **The product is in high demand in the American market and the production of the new plant is likely to be contracted by USA buyers alone, likely to be used in four-wheelers such as BMW, Audi, Volkswagen, Toyota etc.**

**In the second phase of business expansion, GLST intends to do a capital expenditure (capex) of Rs 50 crore for ramping up the capacity of structure vertical i.e. towers for PGCIL, NTPC through BHEL & Siemens; heavy engineering structure for boiler manufacturers such as ISFEC, Thermax; bag house and filtration system for multinational companies like Boldrocchi Ecologia; structures for infra projects such as DMRC through L&T-SUCG & last but not the least, the bogie structures for Indian Railways. In the solar energy vertical, the company supplies support structure for solar panels. In FY 2016, company plans to make a foray into forging vertical.** Government's 'Make in India' drive offers enormous business opportunities to Indian forgers. Relaxed FDI norms & increased privatization in reserved sector such as defence also offers immense business potential.

According to AIFI (Association of Indian Forging Industry) forecast, the global forging industry will grow at CAGR of 9.73% over the period of 2014-2018. As per the trends available, global automotive OEMs are outsourcing components from countries like India that offer low costs. **Keeping this in consideration, the company plans to do a capex of Rs 150 crore to modernize current plant and expand capacity with latest technology.** This will enable GLST to supply to global giants like TOSHIBA, ALSTOM and ONGC etc., for their high range products.

Auto forging will be a new addition in Good Luck's forging operations. As per AIFI estimate, the Indian auto industry will touch the US\$ 30-40 billion mark by 2015 and this growth is expected to be led by exports which will account for US\$ 20-25 billion. The commercial vehicle segment is contributing 70% revenue.

GLST is already a renowned & dependable name across the spectrum and has patrons like ONGC, EIL, Reliance, Cairn Energy, GE Oil & Gas, NPCIL etc. **The company plans to tap PD Oman, KMPC, BPIL, SABIC joint operation in Gulf and Endless & Emerson in European Union.**

### **About Good Luck Steel :**

Good Luck Group is an ISO 9001 certified organization, engaged in manufacturing and exporting of wide range of Automobile CDW Tubes, Forged Engineering Products, T&D Towers & Boiler Structure, Galvanized Pipes, Roofing Sheets & Annealed Sheets. Our Group is one of India's leading and fastest growing business groups with over 1800 employees and having plants and units at different locations. With all requisite facilities and domain expertise, Good Luck have the capacity to manufacture & process around 1,70,000 MT of various steel products. Years of research and careful Co-ordination of methodology has resulted in qualitatively superior products meeting stringent customer norms, manufactured by cost effective production techniques.

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