

Date: 03.06.2024

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Ref: Scrip Code: - 530655

Scrip Code: - GOODLUCK

Sub: Earning Conference Call Transcript

Dear Sir/ Madam,

This is with reference to our intimation dated 23rd May, 2024 regarding Conference Call with investors and analysts on 29th May, 2024 (Wednesday) at 11:30 AM, to discuss Q4 FY 2024 & FY 2024 results of the Company.

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

We request you to kindly take the above information on your record.

Thanking You,

FOR GOODLUCK INDIA LIMITED

**MAHESH CHANDRA GARG
DIRECTOR**

Encl: as above

Goodluck India Limited
Q4 FY24 Earnings Conference Call
May 29, 2024

Moderator: Good day and welcome to the Goodluck India Limited Q4 and FY24 Earnings Conference Call.

We have with us today MC Garg – Chairperson, Mr. Ram Aggarwal – Chief Executive Officer from Goodluck India Limited. 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 “*” then “0” on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. MC Garg – Chairperson, Goodluck India Limited. Thank you and over to you, sir.

MC Garg: Good morning, everybody. I welcome you all for this concall on behalf of Goodluck India Limited.

The year gone by March '24, Results are in your hand. And it has been excellent, best ever year for the company. Offers put up by the team have yielded good results. And we had a good progress in terms of profitability, profits and all other parameters, which you must have noticed from the results.

It has been a challenging year at the same time. Since 1992, we are in export business and export has been our one of the thrust area. We are exporting our products to most 85% of our exports are of the developed markets of Europe, America and Australia.

And we are trying to increase, improve utilization of the plant capacity. Without any addition we have been able to get a increase in top line of 15%, 20% by better utilization of our assets and with the increasing output our requirement of working capital was used which we made up by having a QIP of Rs.200 crores successfully completed and fortunately for us and I am pleased to inform you that some of the big name investor like Bank of America and Morgan Stanley participated in the QIP.

There is a challenge in the demand but because of our consistency, quality commitment, performance with the customer in the demand, slow down time also we have been able to maintain our momentum. We have doing CAPEX and we are putting up a state-of-the-art plant for producing hydraulic tube which is one of the first plant in India in the range in which we are putting up the plant will be commissioned by July 2024. And this also will be mainly

concentrating on export. We have already signed a marketing agreement for Europe, Canada and Mexico with one of a reputed company. And this plant is going to, will be a game changer for the company which we expect.

The other products for the company, as you are aware the government emphasis on electrical vehicles and buses running on the road, the government of India has announced its intention to replace everything by electrical vehicle. And we are into the bus body structures with company like Ashoka, Tata Marcopolo, and many others, SMN, etc. There is a very good scope of improving this, it will be basically tagging to our value added segment not only this, we have entered into solar production, solar hardware equipment we are supplying for almost all parties in India and we are specialized in making the transmission tube. Where we expect a good increase in the turnover and expect our growth, net growth coming from the sector of solar, bus body and –vision too. And we expect our growth momentum in time to come will continue and our dream, but we went in sales for next three years, we will be fulfilling that dream without fail.

With this item I conclude my brief performance of the company and I hand over to Mr. Ram Aggarwal to take on the, to brief you about my brief performance of the company

Ram Aggarwal:

Thank you everybody. First of all, I would like to thank you and everyone for taking out time for attending today's conference call. And I would like to start with this fair view of our numbers. You all have the numbers with you. But a quick review of the numbers, I am taking.

In this quarter, we have clocked a turnover of Rs.908 crore against the last year quarter turnover Rs.766 crore. And in the whole year, we have clocked Rs.3535 crores against Rs.3085 crores last year. So, there is a increase of 14.55%, if we talk of the sales volume, earlier year we had done 316718 tons, this year we have done 383795 tons. And the special thing to mention is, in our regular sector there is an increase of only 6%. Whereas in our value-added sector, there is a increase of 39% year-over-year.

And if we talk of the profitability of the standalone company, so, in the quarter we had done Rs.47.76 crore this year, whereas last year in the fourth quarter Rs.36.4 crore. PBT, and for the full year, last year it was Rs.120 crores where this year it is Rs.179 crores. So, it's a growth of 49.77% in terms of PBT. EPC, in terms of EBITDA last year it was Rs.60.32 in the quarter four, this year it is Rs.72.72 crores whereas in the whole of the year, it was Rs.218 crores last year, and Rs.292 crores this year. So, it's showing an increase of 34.2%. And in terms of PAT, this quarter we have clocked 35.5 crores whereas last year the same quarter it was Rs.27.92 crores. In whole of the year, standalone profit is Rs.130.50 crore, whereas last year it was Rs. 86.90 crore. So, it's showing an increase of 50.22% increase.

The project which we have taken, which is going on and is likely to be commission by June or July 2024, there we have done a CAPEX of almost Rs.141 crores. So, with this quick view, I come

to the point. As pointed by Mr. Garg, India is at a cusp of tremendous growth and well poised towards becoming third largest economic as everybody in this election season everybody is hearing that our GDP should be 5 trillion. Government focus on Gati Shakti, Jal Jeevan mission, infrastructure spending Rs.11.1 lakh crore which is again being increased because tax collection has been good, so it is being increased by 10%. 2 crore houses for middle class, 1 crores houses rooftop solar, 2.6 lakh crore for railway making four corridors roads by NHAI at top speed, defense outlay is being increased, our defense outlay for export is also being increased, nothing is left where development scope is not there. So, your company is well poised to ride on the wave of development as we are in the auto, defense and infra sectors. In last two years, your company has expanded its infra by making first bullet train project under a joint workshop of L&T, IHI Japan and Goodluck at Bhuj. Having the first mover advantage, we have almost completed 10,000 ton, almost 40% of the project fabrication.

Further, which will take charge after 4th of June. Three new bullet trains, 100 railway station remodeling, Amrit Bharat Scheme, a lot is coming for growth of country and in turn fueling the growth of your company. In the auto sector as Mr. Garg has told we are entering construction industry machines, such as Hydra those are while making hydraulic tubes of 15 mm thickness, virtually replacing seamless tubes. We will be one of the few plants in the world in forging sector and we have incorporated a subsidy Goodluck Defense and Aerospace Limited, there we will make those parts for artillery and aerospace sector. We have consistently assessed and enhance our production facility, conducting R&D for new projects with the same asset base, which is our USP.

Mechanizing and digitalizing our manufacturing operation collectively is our aim. In all verticals with the new software we installed, market analysis has taken a central stage in helping and tapping new markets, because market analysis is a spinal cord of the company right now. We are upgrading our tube mills for new shapes, sizes, to meet international standard, international demand. Our employees are our biggest asset as earlier also I have said, they are our biggest asset and company initiating steps to help them grow and become our partner in company growth, sustainability is our aim. As we had told in the last concall as well, company is continuously investing in measures which will offset millions of KG of CO2 emission during the project lifetime, because sustainability is our main issue there. In a specific development company has made significant rules in road safety sector by adopting European design and subsequently reducing cost of crash barriers. Company is planning to introduce design in India, as well as overseas in association with our overseas partners, Qatar Stadium in our earlier concall I had told it is one of the example of our joint efforts.

With all the above initiatives, we feel much more is yet to be done. It's a continuous evolution process to enable us to remain ahead of our competitors. Energy is the keyword today of all the advancements going on throughout the globe. The company is working vigorously on renewable energy as Mr. Garg has already told, I believe that at least half of the renewable

energy will be transported with hydrogen instead of electric grid in the time to come. It is a five years time when this transition will take place.

We are working vigorously on solar energy, green hydrogen, smoke energy. There are many options company is looking into, because technology is upgrading with every passing day. I want to assure all the investors, all the stakeholders in the company, that your company is abreast with all the developments going on across the globe and adopting the same to benefit your company.

At the end, I would like to emphasize our aim invest in equilibrating equipment to enhance our productivity with financial prudence. Going forward rising demand for steel and infra, favored government policies and conducive business environments are expected to result into an even brighter future by our engineering precision products. Thank you. Now we are open for the Q&A session.

Moderator: Thank you. We will now begin the question-and-answer session. The first question comes from the line of Bhavesh Chauhan with Aditya Birla Money. Please go ahead.

Bhavesh Chauhan: Sir my question is on our growth perspective, we have given a guidance or nearly if I am not wrong nearly 10% volume growth for the next two to three years, I believe the way. Sir terms of volume growth because the other companies are giving guidance of something like 15% to 20%, can we also do that kind of growth?

Management: The growth will continue, we are not growing to climb the hill. 15% to 20% growth is our moderate target year-after-year which we have been doing for the last three years and we will continue to do so in that three years the roadmap is clear. Does it answer your question sir?

Moderator: We have lost the line of the participants, I will promote the next in line that is Arjun Agarwal an Individual Investor. Please go ahead.

Arjun Agarwal: So, taking forward that question, that earlier gentleman was asking, sir I just want to note that isn't our company a bit conservative in providing the guidance that we are providing based on year-on-year growth?

Management: We are not conservative, but we are realist, we keep our feet firmly on the ground when we walk we keep aiming 15% to 20% growth which we have been doing in the last three years, if you see my figures. And we continue, we will achieve the same targets we have a dream to become a billion-dollar company in the next three, four years and we will be a billion dollar company. The road map is ready, plans are ready but we will be in place and we would execute it one after the other.

Arjun Agarwal: Okay, thank you for this answer sir. And moving forward with the next question, sir I just want to know if you can provide a bit of overview, the timeline in a quarterly terms if possible what is the progress on Goodluck Defense and Aerospace, means that the plant which we are setting up what is the timeline that we will follow, if it is possible to give a breakup in quarterly terms or half yearly terms?

Management: I will tell you the progress is more than our expectations, the plan is under erection, building work has started, originally we have planned, commission the plant by last quarter of 2026, but we are expecting to commission the plant by March 2025. Earlier, we have planned to commission it in 2026. But the progress is good, the inquiries are good, we hope that plant will be commissioned by March or April 2025.

Arjun Agarwal: Okay. So, sir it will start contributing means gradually it will increase that is understandable, but it will start contributing a bit from second quarter of FY26?

Management: Yes, you are right.

Arjun Agarwal: Okay. Sir, if it is possible to give from your end, I just want to understand that what exactly with the current setup that we are having in our company, what we are doing right now, in terms of defense and aerospace and how we are willing to upscale with this upcoming plant that we have mentioned. We just read over the overview what is currently we are doing and how we want to upscale in terms of economics and in terms of the order book or in terms of the future prospects?

Management: Right now, what we are doing, we are working with DRDO projects, like your HAL, like your Brahmos missile. So, we are making small forging parts for those projects. And that is where we were in the current setup, the new setup which is being put up it is for a particular product, which will be ammunition part and we will let you know as the progress goes on, we will let you know the exact position of this particular product what we are making in that plant. That current working in Goodluck Engineering this forging division, what we are doing right now, we are doing only 2%, suppose we are doing 500 crores so it is hardly 2% to 3%. But in coming two, three years, we are aiming to take it to next 7% to 8% in coming two, three years in the same products like in aerospace and the defense. But in Goodluck Defense it's a dedicated project for ammunition and for the shells of ammunition and that will be commissioned as we have told in the first quarter of next financial year.

Arjun Agarwal: Okay. Sir just to clear my understanding in this part. Sir the guidance that we have provided, the yearly guidance for the total revenue, revenue from aerospace and defense is excluded of that guidance, or is it including of the aerospace and defense revenue?

Management: It is included, everything except the new plant. Everything is included in our 15% to 20% guidance what we have given.

Moderator: Thank you. Next question comes from the line of Pradeep Rawat with Yogya Capital. Please go ahead.

Pradeep Rawat: So, my first question is regarding our capacity. So, what is the current year capacity and what it will be after the expansion?

Management: Our current capacity is 412,000 tons but after commissioning this plant our capacity will be 480,000 tons, which will be commissioned within this year by March '25 what I am saying.

Pradeep Rawat: Okay. So, we are incurring 141 crores for that new CAPEX?

Management: Yes.

Pradeep Rawat: And we are expecting revenue from that CAPEX almost like at peak utilization, what could be the revenue?

Management: This year capacity utilization will be lesser because it will be commissioned almost start of the second quarter. So, this year it will be 50% capacity utilization and in the coming years then it will go to 50% to 70%, 70% to 80%.

Pradeep Rawat: Okay. So, what would be the revenue potential?

Management: Revenue potential for the new expansion is almost 500 to 600 crores.

Pradeep Rawat: So, additional 300 crore of revenue would come from the new CAPEX right?

Management: In this year.

Pradeep Rawat: And my second question regarding our margins. So, what is the margin differential between value added products and normal products and can you please also give the segregation between value added and normal products revenue segregation?

Management: So, I can tell you theoretically, any product offering 10% EBITDA or more is considered as value added. Anything below nearly 5% is considered low value added product but, what product we are going to add into our profile they will give much more EBITDA to us. It will be 12% to 13% EBITDA the product which we are going to add.

Pradeep Rawat: Yes, so the product that we are adding from new CAPEX and that defense and aviation CAPEX right?

Management: No, defense and aerospace we have not included, what we are talking, we are talking about the CDW tubes which the project is being commissioned in July '24, that project only.

Management: That is only for this financial year, the defense project will be included in the next financial year.

Pradeep Rawat: Okay. And my last question is regarding margin also. So, what kind of sustainable margins are we seeing like what kind of targets do we have for margins?

Management: For this product or overall?

Pradeep Rawat: Overall.

Management: Overall margin situation input for India industrial processing, reason is steel capacity is rising, there is a tremendous supply of steel, international prices are lower, processing capacity is restricted so our margins will be definitely better in the current year than the previous year. And what product we are making value added like precision products, they have become basically a proprietary product. Those who buy from us, they have to buy from us because we are approved supplier for them. So, we don't face any threats on our margins.

Pradeep Rawat: So, in situation of rising input prices, do we see any kind of threat on margins, do we easily pass on those price rises or do we have a lag between the pass on?

Management: As our own, our cost increases are passed on to the consumers. But, sometimes in the timeline, however I don't see any percent in the current year, price rising immediately in international market or domestic market.

Moderator: Thank you. Next question comes from the line of Pravin Desai an Individual Investor. Please go ahead.

Pravin Desai: I want to ask that you have told that our defense and aerospace project is starting ahead of schedule. So, what will be the revenue at the full capacity of that the plant and one more thing that you have told end of thing for solar but how about the hydrogen, what are you proposing for hydrogen production or how are you going to go ahead with hydrogen, just please explain.

Management: These all are the future products, company is definitely in the renewable energy. In the renewable energy we are just supplying solar hardware. And the energy whether it is the solar energy it is part of the hydrogen what you are talking, but, this project has to take care, has to take shape, everything is on the drawing board. But definitely we are thinking in that direction. And we will let you know at the right point of time.

Pravin Desai: Yes, but what would be the revenue of that defense in aerospace in future, when we run at full capacity. Can you just elaborate?

Management: It should be almost 300 to 350 crores.

Pravin Desai: From aerospace and defense?

Management: Yes, only aerospace and defense.

Moderator: Thank you. Next question comes from the line of Shrerama an Individual Investor. Please go ahead.

Shrerama: Sir my question is, on a pre COVID if I see your operating margins, it is at 8% currently, we finish the year at 8%. Now, from what I understand, like 50% of our revenue comes from general products like CR coils and other products and value addition is currently 50%. So, I am just trying to understand, with 50% of value-added products, the margins have not changed, they are still at 8%. So, can you just explain like what is the gross margin for each of those, four segments?

Management: I will tell you, three years back our EBITDA was Rs.5800 per ton. Today our EBITDA margin is – almost Rs.8400 per ton. In terms of percentage if you see, you may not find a different because the volumes are increasing. Percentage goes down of EBITDA, but in terms of absolute terms, what EBITDA we are getting per ton is very important than the percentage term and it still continue to improve with the product mix and the market mix which we are changing as every day, I should say every month, every quarter, every year.

Shrerama: Okay. So, can you give the EBITDA per ton for each of the segments if possible, four segments you have?

Management: At present we don't have, but you can put a question to my secretary and he will reply you.

Moderator: Thank you. Next question comes from the line of Bhavesh Chauhan with Aditya Birla Money. Please go ahead.

Bhavesh Chauhan: Sir again the question on margin, now that we are doing EBITDA per ton of nearly 8000. Going forward we have defense products that will come in, how long will it take before we start touching that 10,000 mark?

Management: That's a very interesting question, very, very interesting question. But it is how, I wanted get achieve today.

Bhavesh Chauhan: But my point is sir, in two, three years should we be near around 10,000?

Management: Maybe, early. Margin are a function of the market forces. As disruption is taking place as a management I should give the guidance definitely we are aiming for that 10,000, but can I give you a fix timeline sorry I will not be able to give. Our aim is to achieve that.

Bhavesh Chauhan: Okay, sir. And sir in terms of defense if you can throw more light on, where are we and have we started selling and how it is progressing in terms of volumes, let's say in FY25 how it will be, how do you foresee that?

Management: I will just tell you, there is a good demand as on date, so many people are interested in buying from us. We have developed a proto products, prototype we are doing our plant and that is proto likely to come within this week and we will start supplying to them. However, the commercial production will start from the new plant by March, April 2025.

Moderator: Thank you. Next question comes from the line of Vignesh with C Mobile. Please go ahead.

Vignesh: Just wanted to understand the rationale behind the new plant which we are putting up within the hydraulic tube?

Management: Your voice is not audible can you please say that again?

Vignesh: Just want to understand the rationale behind the new plant which is going to commission of the hydraulic tube plant?

Management: The rationale is the demand, the enquires we get is the only rationale, there is a high product margin, construction going on the work, there is a shortage of hydraulic tube from the world not in the India only. So, everybody wants it from us and everybody has booked, advance order while the plant is not commissioned that justifies management assumption of no problem is there.

Vignesh: Okay. And may I know like which sectors are being supplying these products sir, just to understand the demand side?

Management: Mostly construction equipment industry.

Vignesh: Okay. And other question is generally, how is the capacity utilization in other segments?

Management: Can you repeat please?

Vignesh: How is the capacity utilization in our plants, is it running at full capacity or we need to go for the new CAPEX kind of things for expansion?

Management: At present we are running at almost 87% efficiency. 87% capacity utilization. And we aim to achieve 105% utilization from the existing plant and whatever CAPEX we are doing, further emission will go on that.

Moderator: Thank you. Next question comes from the line of Amit Kumar an Individual Investor. Please go ahead.

Amit Kumar: My question is, receivables have increased by 204 crores versus 11 crores in the previous financial year and this is leading to negative cash flow from operations. So, what are the reasons for this and what actions we have taken to manage our receivables?

Management: I could not understand, can you repeat the question?

Amit Kumar: Surely. Sir in cash flow statement I can see our receivables have increased by 204 crores which is leading to negative cash flow from operations. So, just wanted to know your perspective, what are the reasons for this and what actions we are going to take to manage our receivables so that we can deliver positive cash flow from operations?

Management: I understand, while I see my cash flow, I don't see any such issue but you please give it in writing. We will ask our accounts, our CFO to give you reply on the same because, on macro basis I don't see any such issue what you are telling, so you please give it in writing and we will reply, our accounts will replay.

Amit Kumar: Sir the email ID, you could provide me the ID?

Management: Rajshree will give you the ID.

Amit Kumar: Okay, and the next question is, what are our inventory receivable and payable days and working capital cycle days?

Management: So, our inventory days are 74 days, and our debtor days are 36 days.

Amit Kumar: And payable days?

Management: Payable normally our 80% of raw material comes from advance, so payable is not an issue with our total creditors.

Amit Kumar: So, roughly we can say working capital cycle is 40 to 50 days or more than that?

Management: right now our total borrowing is 513 crores as short-term borrowing and long term is almost 103 crores.

Amit Kumar: Sir working capital days, working capital cycle like 40 days, 50 days?

Management: Normally it is 40, 42 days.

Amit Kumar: And the last question is sir, what products we will be producing aerospace and defense and whether it will be sold to private company or government just to get a perspective on this?

Management: Truly speaking, right now it can be sold to private, it can be sold to the government, but at the time when it comes, it will depend who is on the purchase mood, we are ready for both, and both are purchasing we have inquiries from both the sectors but let it come then we will let you know.

Moderator: Thank you. Our next question comes from the line of Pradeep Rawat with Yogya Capital. Please go ahead.

Pradeep Rawat: So, I have a question regarding the solar tube. So, what my understanding is that we are converting our GI pipe facility into producing solar tracker tubes. So, what kind of demand do we see in this segment?

Management: Demand is tremendous, not in India only but overseas also. Solar is expanding everywhere and we are supplying the hardware steel products, steel boundary structure, we are exporting it also and we are supplying to all Indian developers. And I feel huge amount of potential can be for next five, 10 years I don't see any problem.

Pradeep Rawat: Yes, sir. So, what could be the demand per megawatt of capacity for our products in turn basis?

Management: The demand basically in this transmission tubes, earlier when it was started it was 50 tons per megawatt but now it has reduced to almost 14 to 17 tons per megawatt.

Pradeep Rawat: Okay. So, my next question was regarding our capacity. So, we have a capacity like, we would be having a capacity of 480,000 ton for this year and with a growth rate of 20% kind of volume growth, we would be reaching at 460,000 of tonnage for FY25. So, do you have any CAPEX plan on drawing board to like further to get 20% growth over the next year period in FY26?

Management: Yes, there are definitely plans ready, we will definitely come back to you with information once this plant is commission, the next we will be put out in place.

Pradeep Rawat: So, you will be expanding on a brownfield places or don't we have any plan to do brownfield expansions?

Management: Our quality is to go for the brownfield project only, acquisitions are not our radar.

Moderator: Thank you. Next question comes from the line of Arjun Agarwal an Individual Investor. Please go ahead.

Arjun Agarwal: Sir, I just want to ask, do we require any licenses or any particular approvals for this defense and aerospace unit?

Management: Yes, Arjun some licenses are required for which we will apply on the appropriate time.

Arjun Agarwal: Okay. And sir just for my understanding both the auto tube CAPEX and the hydraulic tube CAPEX which you have mentioned that they will come online in first quarter of this financial year?

Management: It is almost by the second quarter, July 24, the expansion will be online from July 24.

Arjun Agarwal: Okay, and sir what kind of debt we are comfortable with, with this moving forward with our future trajectory?

Management: Right now our total debt long term or short term, it is almost 610, 611 and I don't see any further major increase in debt because we are controlling our stocks and debtors very diligently and I hope no major increase in this.

Arjun Agarwal: Okay, sir. So, further equity dilution is there on the table or will it be with the current debt we are comfortable with?

Management: Right now there is nothing on the plate we will take call when it comes.

Moderator: Thank you sir. Next question comes from the line of Ashish Gulecha with Growth Sphere Venture LLP. Please go ahead.

Ashish Gulecha: Wanted to ask you considering the things which you have highlighted with respect to the hydraulic tubes commissioning and the defense thing, do we basically are saying that whatever the revenue guidance's you have given for FY25 and FY26 for INR 4000 and 4500 crore. So, that looks that we would be basically easily crossing that guidance, any views on that?

Management: We will be crossing whatever guidance we have given a 15% to 20% guidance year-on-year vision we have given and that I don't think any problem, any issue right now, in the future it may be because of the geopolitical conditions. There may be any change, there may be variations but right now, it seems to be we are on the right track. And we will be achieving our 15% to 20% growth. I can tell you this is our conservative guidance.

Ashish Gulecha: I understand that, because currently our margins are around 8% and even if we consider for next two years, we should see EBITDA margins in range of at least 10% to 11% am I in sync with you or my numbers are different?

Management: You are free to consider any figure. You have to give me space.

Ashish Gulecha: Okay, sir the point is, with respect to the 200 crore which we have raised through QIP, have we used the money completely or some CAPEX remains with respect to because we were planning to use it for working capital requirements or are we also going to use them to reduce our debt?

Management: The QIP we have taken to reduce our working capital debt and it is in process. We are using it as and when required.

Moderator: Thank you. Next question comes from the line of Pradeep Rawat with Yogya Capital. Please go ahead.

Pradeep Rawat: So, my question is regarding competitors. So, who are our competitors and what is our edge over them?

Management: Competitors in every sector because we are in four sectors. So, competitors are entirely different in every sector. But definitely, we are trying, at every movement we try to take an edge over our competitors by remodeling our product, by remodeling our markets. But a specific competitor is not there for which we can speak.

Pradeep Rawat: Understood. So, my purpose for asking this question was to understand the supply scenario of our products. So, what kind of supply scenario our products are foreseen and do we see any kind of glut in the future if there is a slowdown in growth?

Management: I can assure you our entry barriers to our most popular product are very time consuming, it will be difficult for a new production entity to enter into our trade. It takes several years to get the approval. So, I don't anticipate any threat, any effective competitor to us in our product. We have established ourselves as reliable quality suppliers so people will find it difficult to compete with us.

Pradeep Rawat: Understood. So, I am assuming that these type approvals take time, several years. So, it would be primarily on the value-added section only, not in non-value added right?

Management: Yes, sure.

Pradeep Rawat: Okay. So, our 50% of the portfolio is protected with respect to that entry barrier?

Management: Yes, you can say like that.

Pradeep Rawat: Okay. And the other question is regarding the export and domestic mix so, what are the growth rates for the current year for exports and as well as for domestic?

Management: Look, we want to grow export at the rate of 20% but, geopolitical situation as we are facing problem was the freights from November onwards. International demand is lower, the demand is muted. So, that kind of challenges we face but with our market penetration, customer loyalty we expect keep for growing. In export market we don't anticipate what's our problem.

Pradeep Rawat: So, for FY24, what was the growth rate for exports?

Management: Growth rates in terms of volume.

Management: We have done 25% this year and the next year, we try to take it to 25% to 30% but geopolitical conditions will prevail. And in the coming quarters, it will be clear but we are aiming for a growth in the export also.

Pradeep Rawat: Yes, that's good. So, it's like a kind of very high growth rate for any developed nation, if I am assuming that your primary export target was European Union and US. So, why we are seeing so much of growth in these regions despite of having their economies being developed, that has a normal growth rate of 4%, 5%. So, what's driving this high growth rates?

Management: Because China Plus One policy, it is fueling the growth worldwide for India, world may have a muted demand, it may be 3%, 4%, 5% increase but earlier China was everywhere, but now China plus one policy it is giving opportunity for India, Vietnam, countries like us, and I hope as today in the newspaper Government has given from \$420 billion US export government is emphasizing a growth of \$835 billion by 2030. So, we are a part of that growth cycle. So, when the India will grow, we will definitely grow because we are keeping pace with that growth.

Pradeep Rawat: So, with the engagement with your customers, so are you seeing any type of, are we cost competitive against China or is it only China plus one strategy that is driving demand?

Management: We are competitive that is why customers are buying from us, with that cost it will need a reliable supplier, it will need assured quality, it will need timely delivery. As we are a brand for that, we are accepted for that. That gives me confidence and when Indian exports were declining of we were growing. We have not grown last year in the export that much, because so many geopolitical pattern but we will continue to grow.

Pradeep Rawat: Okay. And in exports do you see any kind of geography that is like outshining other geographies, with respect to growth rates?

Management: I don't understand what you want to ask?

Pradeep Rawat: Like in exports we are doing 20%, 25% of growth rate. So, are we seeing any geography like US or Brazil or something some other geographies that is growing faster than this, like 40% growth rate kind of?

Management: I don't expect anything but what positive we are dealing I told you, we are 85% our exports are to the developed countries of market of Australia, Europe and USA. And the product which you are making are mostly for auto. And general is either in properties project. There I don't see any drop in demands, in spite of muted demand in the economy, these are bigger essential products. And, I don't see any drop in demand. And we will continue to grow better.

Management: So, new geographies are not required right now. And we are always reshuffling our markets when the demand comes because our people are everywhere. We are supplying to almost 100 countries and if any demand comes from there, our team is there to augment their supply.

Pradeep Rawat: Thank you. Next question comes from the line of Arjun Agarwal an Individual Investor. Please go ahead.

Arjun Agarwal: Sir, I just want to know about the margins in this bullet train project that the bridges that we supplied regarding compared to the DSPC bridges that we earlier supplied?

Management: This is definitely a quantum jump of almost in terms of, if you compared DSPC with bullet train, because the technology is altogether different for both the bridges, it is a Japanese technology by which the bridges is being made, and so profits are definitely, margins are definitely better than the earlier projects. I cannot quantify that, but it is a good one.

Arjun Agarwal: And sir the quantum of the order means in terms of the cost of the order that we have done ended up paying others, the DSPC that the government is envisaging the further the corridors that the government is planning. So, what kind of quantum of order can be envisage just a ballpark figure, if it is possible?

Management: It will be in terms of anywhere, if you talk of a bullet train, it will be 70,000 tons steel required. So, I don't know whether the government will move for three bullet trains, two dedicated corridors. So, it should be in terms of lakhs of tons, but it is a question how much we get, how much is allocated to some other, so it's a question which the future can only answer.

Arjun Agarwal: Thank you, sir, thank you for that. And sir, can you give a split of order book or revenue in terms of the forging and open tube business last year, and what are you envisaging for this current year?

Management: Basically, in terms of infrastructure we have an order book of almost 9 to 10 months and in terms of forging it is always three to four months. And in this auto tubes there is a weekly program we get so there is a visibility. But if you talk in terms of the order book no, it cannot be defined that for this month it comes on monthly basis. But we have a visibility.

Moderator: Thank you. Ladies and gentlemen, as there are no further questions. We have reached the end of question-and-answer session. I would now like to hand the conference over to Mr. Ram Aggarwal, Chief Executive Officer of Goodluck India Limited for closing comments.

Ram Aggarwal: Thank you. I thank everybody to participate in Goodluck India concall. I once again assure every investor, every stakeholder that your company is on the side of continuous development and adding worth to your company. Thanks again.

Moderator: Thank you. For any further queries email to investor@goodluckindia.com. On behalf of Goodluck India Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.