

Date: August 03, 2024**The Manager, DCS
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Exchange Plaza, C-1, Block G,
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Bandra (E), Mumbai – 400 051****Ref: Scrip Code: - 530655****Scrip Code: - GOODLUCK****SUB: EARNINGS CALL TRANSCRIPT**

Dear Sir/ Madam,

As earlier informed, a Conference Call for the investors and analysts held on Tuesday, 30th July, 2024 at 11:30 AM IST to discuss the Q1 FY 2025 earnings of the Company.

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

This is for your information and record.

Thanking You,

For GOODLUCK INDIA LIMITED**ABHISHEK AGRAWAL
COMPANY SECRETARY****Encl: as above**

Goodluck India Limited
Q1 FY25 Earnings Conference Call
July 30, 2024

Moderator: Ladies and gentlemen, good day and welcome to the GoodLuck India Limited Q1 FY25 Earnings Conference Call.

We have with us today, MC Garg – Chairman and managing director and Mr. Ram Aggarwal – Chief Executive Officer.

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 phones. Please note that this conference is being recorded.

I now hand the conference over to Mr. MC Garg – Chairperson, Good Luck India Limited for his opening remark. Thank you and over to you, sir.

MC Garg: Hello, good morning to all of you, I welcome you all on this Conference Call.

I am pleased to share with you highlights of the Company in the 1st Quarter and I feel pleasure to inform you that the for the first time Company dispatches crossed 1 lakh ton in the 1st Quarter and it was a continued growth. Year-on-year, we have grown by around 17% and profit have jumped by around 27% and the Results are in your hand you must notice it.

The Indian economy is growing. The domestic demand is strong. Of course, there were challenges in the 1st Quarter because of the national election. There were a lot of uncertainty and disturbance all over. In spite of those challenges, we have recorded a reasonably good growth over year-on-year.

We are expanding our investment in the plant of precision tubes continued as per schedule. The plant is likely to be commissioned by end of August. Trial production will start, and the commercial production should start a month after. This plant is one of its own kind, one of its own range, and one of its first plant in India and there are very few plants in the world to cater to that range. It will replace seamless pipes and these products which we are going to make are going to be of immense use. All over the world demand is very high for the construction industry. There are destruction taking place, the war taking place and once the war will be over today or tomorrow, maybe month or two, the reconstruction will start. At that time, there is going to be huge opportunity and we will be there.

Besides that, our subsidiary GoodLuck Defense and Aerospace, work on that plant is going ahead of schedule. Our land development is over, shed is under completion, machinery will come by November, and we are likely to start trial production by end of the 4th Quarter and then production should be start in the 1st Quarter of next year while it is almost six to eight months ahead of schedule. We will be manufacturing 155 mm gun shells and that production as on date we have a very strong demand with us. The inquiry is very encouraging, and we hope that this plant commissioning will be a game changer to the Company.

Besides that, we continue to grow, and we will continue to grow. For last three years, we have been growing at the rate of almost 20%. We hope to grow. However, there are challenges I can share with you in export in particular, we are almost doing 25% exports and for last 2-3 months there have been a logistics challenge. The ship shortage is there, so container shortage is there, and this is affecting our working. But in spite of that, our business model is like that, we are a diversified product Company, product profile, market profile will see us through. We will be the least affected by these challenges and management is confident to sell it through.

I have explained to you in limited manner whatever Company is doing, and I am confident that in times to come we are going to meet our largest and we have given the guidance earlier and now I hand over to you to Mr. Ram Agarwal – CEO.

Ram Aggarwal:

Hi, good morning, everybody. Thank you for joining us today. I appreciate you taking the time to participate in our Earning Call for the Quarter ending June 30, 2024.

Mr. Garg has described the market position in a very specific manner, but however, I would like to say that the steel industry in which we are a cornerstone of our industrial sector has experienced a mixed performance over the last quarter. On the one hand, domestic demand for steel product has remained robust driven by the ongoing infrastructure development and revival in construction activities, rising demand in metro rail projects, defense sectors such as automotive, real estate, capital growth, continued to show strong demand for steel.

As the budget was very clear, our India is likely to become the third largest economy in the world with a projected GDP of 5 trillion. However, NITI Aayog has given a target of 30 trillion. However, it seems very far, but it is not very, very far. In my opinion what they have given 30 trillion by 2047, it will not be a difficult task with the speed what India is progressing. Economic activity in the country has demonstrated remarkable resilience dynamics in the last quarter. I am very much amazed that Government is thinking of a 10x expansion. We are at 3.4 trillion the Government is talking about 30 trillion, it is a leap in the future.

The Government of India's ongoing commitment to increasing infrastructure spending it is really remarkable. A huge investment announced in the latest budget it is 11.11% of our GDP or you can say 11.11 lakh crores for the infra it is very good. If we consider it, if we compare it with US, US spending is almost 2.5% whereas China, which is the icon of the infrastructure

development, it is 5% where we are at 3.4%. So, we are not very far away. We are going on the way of China. So, as a result, any country it has expanded over the back of the infra only and Government of India has really appreciated this, and we are going on the same track.

As far as our Company is concerned for the first three month of FY25, we recorded a total operating income standalone 904 crores as compared to 846 cores which we achieved in Q1 FY24. The substantial growth was driven by infra, auto defense and aero. These are the sectors which Company has pursued, and I believe as per the Government documents, as per the Government actions, these are the sectors which Government is emphasizing, and Company is already targeting these sectors so the demand and the Company's expansion it looks in the same range.

Our EBITDA for the period stands for 79.65 crore. It is up from 70.87 crore in the same period of FY24. This improvement in EBITDA it can be attributed to many reasons. In my opinion, EBITDA increased due to emphasis on the value-added sectors. We have increased the value addition in comparing to the last month 17% we have increased in value-added sectors and our continuous improvement in technology and upgrading the plant continuously to optimize the cost.

System driven data is helping us our marketing innovations. However, due to election, as Garg bhai said market conditions were not enthused, but our bouquet of products, diversified markets helped us to navigate in these choppy waters.

The recent budget is very positive for the country, very positive for your Company because Government has given funds to road, rail, port project and it is expected to spurt the demand for specialty steel product in which your Company belongs. The initiative to boost manufacturing and exports are likely to create new growth avenues for the sector.

The basic thing what Government has been talking, world is talking it is a sustainability and your Company seize up the issue. We are working continuously on the sustainability plant. Government focus on sustainability in green energy is noteworthy as we move forward more environmental-friendly production methods. Support of green technology sustainable practices in the budget is a welcome move. Government has given much boost to the solar industry. It has given much boost to the green hydrogen production. It aligns with our commitment to sustainable growth and our efforts to reduce our carbon footprint. The move towards small and modular nuclear reactor by the Government of India is eagerly watched by all the players in the specialty steel business because it encompasses a special steel sector. So, green energy is again the main focus of your Company. Your Company has already 10-megawatt solar generation agreement, helping in reducing carbon footprint. Company is aiming for reduced carbon footprint with every passing year. Waste to Green is a new concept Company is going to venture. It will be in line with sustainability goal of the country as well as the globe. Our R&D is continuously working on this goal.

And as this defense which has become a backbone of the country because for the last 2-3 years Government has given much impetus to the defense home grown production and to enter into this Company had made a subsidiary GoodLuck defense and aerospace as Garg Sahab has already told, we are doing the 155 mm gun shell.

So, why the need has arisen? Because the standardization has gone all along the globe. Earlier there were many sizes of the shell being used, but in last two, three years, a standardization drive is going on throughout the world and it is a 155 mm shell which will be produced the most and the geopolitical wars, they are creating a new fear in the countries which were not having any stocks of these ammunitions but with the NATO, with the Russian, with the Cold War looming again, so many countries which were not having ammunition which were not having many defense forces are out for purchase. So, Indian Government of India earlier it was purchasing very less but this year they have given the quantity of 2.5 lakh shells to an Indian Company. . So, it means everybody is seals of the issue. Israel-Hamas in Ukraine, China, Taiwan. So, everybody is trying to increase its bin size and this bin size, it speaks well for the Company, for the product which is likely to come. I hope whatever we will make it will be consumed in a year from the starting of the production and at the end I can only say that as GoodLuck. We have always prioritized quality over quantity and our financial results are a testament to this commitment. We continue to focus on delivering value for our stakeholders through sustainable and responsible business practices. Thank you for your continued support and confidence in GoodLuck India. We look forward to building on this movement in the coming quarters. So, now we are open for a Q&A session.

Moderator: Thank you very much. We will now begin the question-and-answer session. Our first question is from the line of Bhavesh Chauhan with India Birla Money. Please go ahead.

Bhavesh Chauhan: Hi Sir. In light of the volumes that we have done in Q1, first of all if you can give us what was the growth rate and it seems like growth rate was below 15%. So, are we saying in that in the next three quarters will grow anything to the north of 20%?

MC Garg: Sir, can you repeat the question again?

Bhavesh Chauhan: Sir, first of all, if you could give us the volume growth for Q1 FY25?

MC Garg: Volume growth was 17% as I told you in the beginning and we have been growing for last three years, average rate of growth was 20% approximately and conservatively that is the minimum we will be growing in coming quarters also.

Bhavesh Chauhan: OK, and sir in the defense project this preponed kind of, it will come up in FY26 as you said, right.

MC Garg: Yes, original plan commissioning on the plan was we have been able to negotiate machinery delivery earlier. Machine is likely to come by November this year and the commissioning will take place sometime in March and the trial and production should start in 1st Quarter of 25. However, we are planning in third quarter, so it is very, very well way ahead.

Bhavesh Chauhan: So, FY26 should see meaningful contribution from defense.

MC Garg: Yes we are expecting.

Bhavesh Chauhan: Great, great Sir. We would like more and more color on the products and everything, but I am sure you would like to give the color later on as of now so. That's it from me. Thank you and all the best.

Moderator: Our next question is from the line of Pradeep Rawat from Yoga Capital. Please go ahead.

Pradeep Rawat: Good morning and thank you for the opportunity. As my first question is regarding our auto tube CAPEX. So, what would be the revenue potential for this particular CAPEX and how much revenue can we generate for this year.

MC Garg: You are talking for the defense project?

Pradeep Rawat: The auto tube.

MC Garg: The total contribution will be two quarters only this year. From next year it will be fully ramped up and we are expecting addition of around 250 crores this year and the next year we are expecting around 500 crores.

Pradeep Rawat: And we have given the growth guidance of 15 to 20% last quarter. Are we assuming this growth in that guidance also or is it additional?

MC Garg: It is included in that.

Pradeep Rawat: Ok and my next question is regarding defense and aerospace. So, how much are we spending on this CAPEX and how big this particular segment could grow for us?

MC Garg: Basically, we are spending almost 200 crores on this project and we are putting up a capacity of almost 1.5 lakh shares per annum and we expect a maximum revenue of 300 crores out of it, however, future will depend on how the geopolitical condition goes on.

Moderator: Thank you. Our next question is from the line of Aakash Javeri from Time & Tide Advisors. Please go ahead.

Aakash Javeri: Sir my first question is did we see any slowdown in business this quarter because of the election?

Ram Aggarwal: Sir, I can tell you our order book was very healthy. There were disruptions definitely there were problems because people instead of business they were more busy with the elections. To that extent, slowdown was there. As such, there was no slowdown in demand. Of course, there were disruption. Definitely a major part of our sales is in export and in export there were problems of logistics, shipping service had been severely curtailed. Container shortage is there, in spite of all this, we have been able to perform better because our product diversified market, we have been able to nearly achieve our export targets.

Aakash Javeri: Sir the next question is that what is our current total borrowing and are we expecting this number to increase in the coming period once our new CAPEX goes live or are we planning to reduce our debt levels from here on and are we at the peak or far debt levels.

Ram Aggarwal: Our total growing right now is almost 608 crores and we have good cash flows. But, however, as you know, the steel industry is a capital intensive as that production goes on as the turnover increases, then we will be needing some more funds. However, we will try to manage within our available means.

Aakash Javeri: Sure and sir did I hear correctly that our value-added product contribution was 70% in Q1?

Ram Aggarwal: 17% basically it was in terms of the last year that year over year, last Q1 FY24 in that respect it was 17% more this quarter year over year.

Aakash Javeri: This we are talking about the value-added products volume.

Ram Aggarwal: I am talking to value-added product in value. Suppose it was Rs. 100 at that time, so this time it is Rs. 117.

Aakash Javeri: And sir our current value-added to the capacity what would be the utilization of that?

Ram Aggarwal: Sir, it is because it's a bouquet of 3-4 products, so it cannot be generalized. However, capacity wise, if we are talking of infra, yes, we are almost using 70 to 80% if we are saying of the automobile tubes then we are using almost 80-85% and in our solar capacity we are using 50-55%.

MC Garg: I would like to hear also here. Management from the beginning has been always looking for the opportunity where value addition is the only criteria to expand our volumes. We are not after volume, not without value, we will not go for any production without value addition, and you must have noticed, wherever we have gone, whether in the defense or precision tube or for that matter, solar. We are very active in solar. These are all value-added segments we are

adding and over a period of time we want to remain where our head above the water always and it helps us in difficult situations.

Aakash Javeri: Definitely, Sir. So, my next question is would it be possible to give a breakup of the revenue segments?

Ram Aggarwal: Basically, you just send us on the mail and our team will provide

Aakash Javeri: Sure, Sir and also would it be possible to give the EBITDA per ton for this quarter.

MC Garg: EBITDA per ton is around Rs. 8350 per ton.

Moderator: Thank you. Our next question is from the line of Rakesh Roy from Boring AMC. Please go ahead.

Rakesh Roy: My first question is regarding the defense business, sir. Apart from sir, 155 mm shell what other product we are going to make?

MC Garg: Right now, we will start with only 155 mm shell.

Rakesh Roy: And any thought process in near future, any new addition in defense business?

Ram Aggarwal: Actually, we will appreciate that Government has started a positive movement for last two years. Rather, I mean the last one year. So, what will be added we will come to know only after the Government gives the clearances. Right now, we are focusing on this single product and as the demand arises then we will think over this thing.

Rakesh Roy: Sir how much will you, potentially we are looking for defense business 155 mm shell?

MC Garg: Take maximum we are anticipating it almost 300 crores but initially will be less because it will take time. Production will take time to stabilize.

Rakesh Roy: Regarding your just in case, sir, you just said that auto tube plant will commission by August 2024.

Ram Aggarwal: Order of plant has gone; I suppose what you want to know is the position of the defense front right now.

Rakesh Roy: I am saying sir, your auto tube plant, Sir.

Ram Aggarwal: Auto tube plant will be starting 1st of September.

Rakesh Roy: 1st of September sir and for FY26 we are expecting 250 crores and for FY27 we are expecting 500 crores.

Ram Aggarwal: Yes, , definitely.

Rakesh Roy: Sir how much our value-added contribution in whole number sir? I am saying sir, in Q1 our value-added product contribution is how much sir?

Ram Aggarwal: Value-added contribution I have told it is comparatively 17% more year-on-year.

Rakesh Roy: So, you said 17% more YoY in terms of percentage of Q1.

Ram Aggarwal: It should be almost 57-58%.

Rakesh Roy: 57-58% sir. Thank you, Sir.

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

Pradeep Rawat: Thank you for the opportunity again. So, Sir, in your initial remarks, you said that that auto tube would replace seamless pipes. So, in auto usage, so would it be replacing it completely or in some places for auto usage?

MC Garg: This range of product we are going to make is first of its kind in India, very heavy duty, large diameter pipe which are now being used only seamless. We will be using the welded pipe for the first time and there is a very strong demand of this in Europe, America, Latin America and India as well for construction industry. It cannot completely replace seamless pipe. But in our product range it will definitely replace.

Pradeep Rawat: Yes and I made your EBITDA per turn remarks. So, what would be the EBITDA per ton now?

Ram Aggarwal: EBITDA per ton as I told you is around Rs. 8350 per ton and is likely to look up. We are aiming higher EBITDA margin per ton. The product which we are going to make will definitely have a much higher EBITDA than what our average EBITDA we are getting.

Pradeep Rawat: What would be the EBITDA margin on the shelf that we are going to produce from defense segment?

Ram Aggarwal: So, it is only an estimation right now because we have not made so far, but. I think it will be between 15 to 25% it is in range only once we make then we can tell you.

MC Garg: Then the numbers will tell but it is going to be much higher than our current product range.

Pradeep Rawat: Yes, absolutely and what was the CAPEX that we did for auto tube CAPEX?

MC Garg: Around 200 crores.

Moderator: Thank you. Our next question is from the line of Rohan Patel from Turtle Capital. Please go ahead.

Rohan Patel: So, for the quarter one FY25, what were our sales in volume terms as per quarter one?

MC Garg: Total sales volume was almost 1,02,000 tons for this 1st Quarter.

Rohan Patel: And what would be the growth rate in this one lakh.

MC Garg: 17% growth rate in terms of the YoY last year.

Rohan Patel: And just to make sure out of this one lakh 57 to 50% was value-added products.

MC Garg: Yes.

Rohan Patel: And the CAPEX that we are doing in defense as well as auto tubes, will this increase our margin profile from 8% to somewhere around 10-12%?

Ram Aggarwal: Yes, definitely it will increase.

Rohan Patel: And how much that would be?

Ram Aggarwal: So, basically I have told this, auto tube once this year our EBITDA margin in this quarter it is 8.8% and with the implementation of our larger tire tube project it will be reaching towards 9.5, 9.7. So, it will be moving slowly in each quarter and results will show. Regarding defense, we have already told that we will make products we have not made so far, so we cannot say that it will be 15% or 20%, but it will be in the range of 15% to 20%, 25% and as the production increases in the coming year, say April 2025 then it will increase quarter-by-quarter, but it will be a slow improvement because it will be a blend of the products,

Rohan Patel: And just a little bit, a future related question after we commission the defense plant and achieve optimum capacity, are we willing to invest more in defense.

Ram Aggarwal: It will depend on how that product moves, because we have to move slowly, we have to take the baby steps.

Moderator: Thank you. Our next question is from the line of Hatim Broachwala from JM Mutual Funds. Please go ahead.

Hatim Broachwala: One question from my side is that when I look at your EBITDA growth, it is appearing 7% on a YOY basis and the volume growth is 17%. So, what would explain EBITDA growth lower than the volume growth?

MC Garg: Sir, I can explain you there are definitely margin pressures that have come into play. Our EBITDA This quarter it is 8.8% from where it is from 7%.

Hatim Broachwala: No, sir. I am talking about EBITDA growth, YOY growth.

MC Garg: But it is operational was 6.94% EBITDA growth is 12.39%, sir. Please recheck your figures.

Hatim Broachwala: But still it is lower than the volume growth, right?

MC Garg: Volume growth, yes, volume growth is in terms of money, it is 17% and the EBITDA growth is 12.39% because the prices have gone down in this quarter. Still prices have gone down.

Hatim Broachwala: So, lower prices, I mean were we not able to offset?

MC Garg: It is definitely offset, but with the time that.

Hatim Broachwala: So, maybe next quarter or next two quarter, we should come back.

Moderator: Our next question is from the line of Manan Vandur from Wallfort PMS. Please go ahead.

Manan Vandur: Yes, I just had one question. Are we still intact with the guidance for becoming a billion dollar revenue by FY27? Last concall we mentioned that we are looking to becoming billion dollar revenue by FY27.

MC Garg: By FY27, it was three to four years targets, and the roadmap is ready. But stage by stage we will keep on implementing it and execute, FY27 I don't say right now. It depends on the condition, but we are already progressing and everything is on the line board. But once these two plants are commissioned I can say that we are working on a very innovative project as of now. We are not able to announce today, but very soon we will announce it.

MC Garg: As my CEO has told us on a sustainable energy basis, we are going ahead and the project for their trial production has gone. We have already made an agreement with the US scientists to make research and development. Sorry I cannot announce that project today because of some legal limitations, but very soon will come out. We will exceed the target may be not by 27, but maybe by 28.

Moderator: Our next question is from the line of Pratik Bhandari from Aart Ventures. Please go ahead, Sir.

Pratik Bhandari: Just wanted to understand as to what is the capacity of the recently commissioned plant that auto plant that you have commissioned in the 1st Quarter?

Ram Aggarwal: 50,000 Yes, we are commissioning around 50,000 capacity. Right now, the capacity is 80,000 and with this expansion it will become 1, 30, 000 tons.

Pratik Bhandari: Alright. So, does that mean that the total manufacturing capacity goes up by 50,000?

Ram Aggarwal: Yes.

Pratik Bhandari: So, it would be 4,62,000 now.

Ram Aggarwal: Yes, it will be nearly 4,50,000.

Pratik Bhandari: Alright, also that you stated that this has come up with an outlay of approximately 200 crores, right?

Ram Aggarwal: Yes.

Pratik Bhandari: Where it is expected to take the revenues from the existing revenues, the potential upside?

Ram Aggarwal: Right now, our revenue is 3527, the 31st March 2024 and this year we are likely to take it almost 4100 crores and in the next year, we will be taking it to 4800 where it's all four quarters will come. This year it will be only two quarters. Say 250 crores and in the next year it will be 500 crores.

Pratik Bhandari: From this auto tube plant.

Ram Aggarwal: From this tube plant.

Pratik Bhandari: And also, sir wanted to understand as to where are we in terms of you know this hydraulic tubes plant, specialized hydraulic tubes plant which was supposed to?

MC Garg: It is hydraulic plant only, sir. It is a hydraulic tube plant which we are talking. It is large dia tube pipe or precision tube whatever we call. It is the same one which we are talking.

Pratik Bhandari: Alright Sir and I wanted to understand from the defense perspective you mentioned that you were expecting an early delivery of the machine.

Ram Aggarwal: Actually, it was earlier when we had contracted then it had to come in the 1st Quarter. But now it is coming from in the last quarter of this year. Basically, it is likely to come by November, December and will be commissioned in the 4th Quarter of this financial year and in all probability it should start from the 1st Quarter of the New Year new financial year.

Moderator: Thank you. Our next question is from the line of Rakesh Roy from Boring AMC. Please go ahead.

Rakesh Roy: How much is our realization in Q1 FY25 compared to Q1 FY24?

Ram Aggarwal: In terms of, Garg Sahab have already told that the EBITDA per ton it has increased to 8300 to 8350 whereas earlier it was almost 7800 and it has increased by Rs. 500.

Rakesh Roy: Regarding the realization per ton.

Ram Aggarwal: I am telling you the same thing.

MC Garg: We have produced the operating margin for the product mix. Each product has a different margin. Auto tube will have a different margin, solar will have a different margin, will have a different margin, steel will have a different margin. We have told you operating margin, EBITDA per ton average we are getting.

Moderator: Thank you. Our next question is from the line of Arjun Agrawal, an individual investor. Please go ahead.

Arjun Agrawal: Sir I want to know that what is the traction that we are receiving regarding solar fixtures and tubes because as some of the manufacturers are setting up their own plants. So, can you put up some light on that what kind of traction we are witnessing?

Ram Aggarwal: In the solar sector, we are not only supplying the solar tubes, but we are also in the total hardware what is required in the solar structures? We are making C sections as well, so that traction many companies may be installing these tubes, tubes are available in previous time also. But it is a technique, and it is a concept on the tube what we have introduced. We have introduced a Penta tube which nobody other than us has introduced so far, and our R&D team is on working where we will be putting some more innovations, more research in our product and it will take us as far as our competitors.

Arjun Agrawal: Sir, will it be possible to let me know what kind of growth we have achieved in this sector means if there are some numbers available with you right now?

Ram Aggarwal: For solar, into the last quarter year over here there is a good growth but we cannot quantify it right now. You just send us the mail and we will let you know.

Arjun Agrawal: Surely sir. So, next thing I just want to know your views regarding the China Plus One scenario that we are facing. So, what kind of traction our Company is witnessing in from the industry.

MC Garg: China Plus One is already doing wonders to Indian industry. Indian manufacturing, infrastructure development. We have not replaced China, but we have in addition to China, we have become a relevant player. In all the product segments whether it is manufacturing, whether it is infrastructure and everywhere. This is what is adding with Government support, liberal support of finances, we hope within two three years the whole landscape of India will change and we are fortunate to be present with full strength in the development journey of India.

Arjun Agrawal: Thank you, Sir. Just one more question, Sir, regarding in your opening remarks, you have mentioned about the nuclear applications. So, sir do we have any certification or what kind of certification are required to participate in nuclear industry if you can help with that?

Ram Aggarwal: In nuclear we are working with NPCIL but we are giving them the passive infrastructure like we are giving them the service stations required for sale. We supply them the flanges in their plant. In plant what they require we supply it through L&T Nuclear. So, when the nuclear plants will come, the supply requirement will be more and we will be supplying more part to like L&T Defense NPCIL or many more companies because small reactors Government is planning in this budget, so it is to be seen how the demand comes.

Arjun Agrawal: So, Sir, are there any certifications required?

Ram Aggarwal: For our product, in our case whatever necessary certificates are required, we already have.

Arjun Agrawal: Just one last question. Sir, individually I have worked in a defense sector earlier. So, I just want to know that you are going with just one product right now. So, being the machines that you have ordered, so what kind of product range you are envisaging in future. In future means, what kind of product range you will be entering?

Ram Aggarwal: Basically, the machine which we have produced will be majorly for the shell formation and if any other demand comes similar to the product that we can also manufacture on the same machine. Maybe there may be some additions, some additions, some modulations are required. Then we will see when the demand comes.

Moderator: Thank you. Our next question is from the line of Pratik Bhandari from Aart Ventures. Please go ahead.

Pratik Bhandari: On the defense and aerospace side, I wanted to understand as to who would be the peers we would be competing with?

Ram Aggarwal: So, right now, Government of India is also making. So, there, because this is a very restricted field where the private players were not there so far, but Baba Kalyani is also making right now and there may be many other which I may not know, but yes Government of India and Baba Kalyani, they are definitely making.

MC Garg: Yes, there is plenty of space for everybody to grow. Supply is limited, demand is more. There is no question of companies, everybody will survive. Only thing is the quality and commitment will play a part and there we have strength over others.

Moderator: Thank you. Our next question is from the line of Deepak Pandey from Agarwal Family Office. Please go ahead.

Deepak Pandey: Sir, just to follow up on the defense vertical, how many shells are getting developed right now in India?

Ram Aggarwal: Sir I don't have an exact figure, but I understand in Government of India capacity I don't know because it is not a public data but Baba Kalyani how much capacity he has I don't know what it is. They are producing more than 1.5 lakh. That's what I know only but not an authoritative data I have.

Deepak Pandey: No problem.

MC Garg: Whatever is being produced is not meeting the total requirement running around.

Deepak Pandey: Understood sir and sir out of the one 1.5 lakh shell capacity that we are putting up, what utilization do we see in FY26?

Ram Aggarwal: We look forward that minimum in first year 50 to 60% capacity utilization should be there because in the starting machine takes time everything, products take time in stabilization. But in near future I hope the full capacity will be utilized because demand is not only in India. Demand is overseas as well.

Deepak Pandey: Understood, sir and when do we see the orders flowing in for this shell capacity?

Ram Aggarwal: So, once the product is out, then only the actual orders will come, till that time then people will only be talking.

Deepak Pandey: Understood Sir and the products auto type will be developed next year only after March-April. Definitely in March and April once the machine is action then our prototype will come out.

Moderator: Thank you. Our next question is from the line of Manan Vandur from Wallfort PMS. Please go ahead.

Manan Vandur: Thank you so much for the follow up question. I just wanted to understand the 155 mm concept that we are going to make, do we require any sort of testing done or something like some sort of, regulation required to pass to make these things. Is there something like that, some requirements needed?

MC Garg: I could not understand what requirements you are talking.

Manan Vandur: Do we have to qualify to make this or are we already qualified or something like that? Is there some qualification required to manufacture this?

MC Garg: We need the Arms Act License for which we have already applied and which we will get.

Manan Vandur: Okay and I also wanted to know by FY26 how much market share we might be able to take with 1.5 lakh shells that we are going to make?

MC Garg: What I say because this is a totally new product, it is not a market product which is sold in the market. So, once the product comes out, once the prototypes are approved then we will be able to give the exact guidance of the same. So, it will take few months before we can give you the guidance for the next year revenues.

Moderator: Thank you. Our next question is from the line of Arjun Agrawal, an individual investor. Please go ahead.

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

Pradeep Rawat: Thank you for the opportunity again. So, what is the life of a 155 mm shell?

MC Garg: What is the life because it is only fired once. So, there is no question of life. Once it is fired, it is over. It is not a reusable shell. We are only making the shell.

Moderator: Thank you. Our next question is from the line of Arjun Agrawal an individual investor.

Arjun Agrawal: Sir, can you just please throw a light on the defense exports like how Indian Government is helping because it is a restricted item. So, our shells to whichever country we will be supplying. So, how Indian Government is helping to increase the defense exports.

MC Garg: Government is not putting any restrictions. We will be making the shell. We are not making the arms and we will be supplying to the arm exporters in India who will do the filling and supplying to overseas markets, to NATO countries and some other countries also.

Ram Aggarwal: Wherever Government allows, as per the Government policy, because they are the supplier who have to take mandate from the Government. We are only a hardware manufacturer.

Arjun Agrawal: Okay. Sir just if you can just name a 2 means I just want to know that what who will be our customers that whom we will be supplying this product envisaging.

MC Garg: Sir I can tell you it's very difficult to name the customer on this public platform number one. Number two, as per the present indications, the demand is huge. Demand is huge. People are waiting only for the product to come out and place order on us.

Moderator: Thank you. Ladies and gentlemen, that was the last question for the day and now I handover the conference over to Mr. Ram Aggarwal. Thank you and over to you sir.

Ram Aggarwal:

Thanks everybody. I thank all of you for taking your time out to attend the Earnings Conference Call for GoodLuck. If in case you have further questions please feel free to reach out to our investor relations team. Thank you.

Moderator:

Thank you. On behalf of Goodluck India Limited, that concludes this conference call. Thank you for joining with us. You may now disconnect your lines.