GOODLUCK

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Date: 08.11.2023

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Ref: Scrip Code: - 530655

The Manager
National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
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Scrip Code: - GOODLUCK

Sub: Earning Call Transcript

Dear Sir/ Madam,

As Earlier informed, a Conference Call for the investors and analysts held on Thursday, 02nd November, 2023 at 11:30 AM IST to discuss the H1/Q2 FY2024 Earnings of the Company.

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

This is for your information and record.

Thanking You,

For GOODLUCK INDIA LIMITED

RAMESH CHANDRA GARG

Digitally signed by RAMESH CHANDRA GARG
Date: 2023.11.08 11:20:52 +05'30'

RAMESH CHANDRA GARG
DIRECTOR

Encl: as above

Goodluck India Limited
Q2 and H1FY24 Earnings Conference Call
2nd November 2023

Moderator: Good morning, ladies and gentlemen and welcome to the Q2H1FY2024 Earnings Conference Call of Goodluck India Limited. We have with us today, Mr. M C Garg, Chairman, Mr. Ram Aggarwal - CEO and Mr. Sanjay Bansal - CFO from Goodluck India Limited.

At this moment, all participants are in the listen only mode. Later we will conduct a question-and-answer session. At that time, you may click on the Q&A Tab to ask a live question. Please note that this conference is being recorded.

Incorporated in 1986, Goodluck India Limited is a reputed and established precision engineering and steel products company having an experience of over three decades. The company is headquartered in Ghaziabad and has 6 manufacturing units with a combined capacity of 412000 MTPA. Its manufacturing units are located in Sikandrabad - Uttar Pradesh and Kutch – Gujarat. Goodluck's value added product segments includes Engineering Structures & Precision Fabrication, Forging, Precision pipes & Auto tubes and CR Coils, Pipes and Hollow Sections. The company's products find application in high margin-high growth downstream user industries namely, Aerospace, Defence, Automobile, Construction etc. The company is ISO 9001:2008 certified and has a state-of-the-art NABL (ISO / IEC17025) accredited Quality Testing Lab. As of date, Goodluck's products are exported to over 100 countries and has around 600+ customers.

I would now like to request Mr. M C Garg, Chairman to welcome the attendees. Thank you and over to you Sir.

M C Garg: Thank you. Good morning, everybody. I welcome you all in the phone call for this Q2FY24. I really thank you all for your unwavering support and state first belief. Your belief in complete mission has been instrumental in our continued success. Without your support, it would not have been possible.

Together we have embarked on a remarkable journey of transformation. And growth and the heart of our company that hosts lines, an unwavering commitment to provide maximum value to all our stakeholders. We take pride in being India pioneer and living space life, engineering Product Company and including converting basic history into quality engineering products.

We are a high value engineered steel product manufacturing. Manufacturing presence in precision tube for the inspector and GI 5. What gives adequate strength and effort disturbance in three decades of experience in manufacturing steel products, our strong manufacturing proficiency and total install capacity of 4,12,000 tonnes MTPA and over 6 manufacturing unit one in Gujarat, 5 in Uttar Pradesh. It had been possible because the promoter are envisage from IIT most of them. I think most of them a global footprint with exports to almost hundred countries seemed 92 we have been an export first company and state-of-the-art quality testing here we have in almost in all the plants.

The results of the half year and year end, you will note that PAT has gone up by 55% year on year basis whereas only has gone up by 20%, which has grown 44%. Good Luck India Limited has strong performance in Q2 FY24 and X1 by 24 with strong focus on sales, production and profitability. Our strategy recently move to raise capital 96 crore to issuance of shares and preferential basis and incorporation of the holy on subsidiary Good Luck defence and aerospace carry on with this in the defence sector, far reaching impact on the company's growth trajectory.

This earlier under review I was criticised by unfavourable global economic environment and ongoing market volatility with respect to commodity price shocks and tight supply chains, demand for material outstripping supply resulted in huge intensive pressure and also led to in concrete of growth barrier to trade. But John Company had weathered and mass pass with the flying colours out of all the problems around us. Our engagement has created the country infrastructure development category for supplier to domestic infrastructure complete led us to gain prestigious contract of experiential bridges for Hyderabad Mumbai Bullet train project, the deliveries of which have started last month.

Further expand to our market share. We really with this in renewal energy, road safety and infrastructure for railways and highways to propel sustainable growth. Also, I would like to mention that we have entered into a joint agreement with one of the established European manufacturers for the renewal and road safety projects in India falls to become the third largest economy worldwide by 27-28, and alternative global manufacturing hub with China plus one, we are fully here to terms with the main potential for powering steel and sweat and scale. Our next three years auto tube of higher habitual and thickness such as hydraulic pipe will remain our top priority given us is domestic and global potential for this we are actively investing Rs. 170 crore to expand its capacity from 50,000 MTPA to 130,000 MTPA. The plant is likely to be commissioned in the first quarter of the next financial year.

As we move forward on this journey, our expertise experience well what we did for course will enable us to deliver our growth and value through innovation, efficiency, we intend to create lasting value for our shareholder partners and society general. Goodluck India fully committed to high standard of corporate governance, sustainability and corporate social responsibility.

I take this opportunity to acknowledge and thank everyone for their support. The board and management are committed to ensuring that our trajectory, business growth, financial returns and sustained value creation continues. Also, I thank the board members for their support and when you will contribution empowering and new India and request their continued support in future. With various investments and transformation process we are establishing our values and become an enduring enterprise to deliver future results to all our shareholders.

Now I hand over the conference over to Mr Ram Aggarwal, CEO Good Luck, India limited.

Ram Aggarwal: Welcome everybody. I would like to advise you of the developments in the company. Our strategy is to maximise our bottom line as well as the top line. Today as the earlier speaker has told, we are engaged in manufacturing and export of wide range of high valued engineering steel products including engineering structures, forgings, precision tubes and which are catering infrastructure, solar aerospace, defence component, auto, railways, solar and oil and gas industry being our summarised sectors. For Goodluck, this was a historic H1 with several landmark developments in our progressive journey.

Our strategy to enhance resilience in an environment of uncertainty contribute to our sound performance despite the challenges we reported overgrowth driven by our strategic focus on high margin value product high growth sectors which help improve our bottom line. We took a strategic decision to transition to our solar energy to fulfil our electricity requirement at our plants in Uttar Pradesh because today everybody is talking zero carbon. Somebody is giving 2013, somebody is saying 2047.

So our company has put a step forward in this regard. With this significant step, we are expecting to offset over 300 million kg CO2 emission during the project technical lifetime. Which is equivalent to planting over 6 factories in another strategic development, we made significant growth in roads into road safety products by collaborating with the foreign company.

Further and OEM customers, our primary USB we undertook several brand building initiatives this year. To identify new markets, increase our presence in existing markets both in India and overseas to serve our predominant customer segment. I may call it our USB, ability to constantly shuffle markets and also our product mix helps us cater to evolving needs our large customer base, both India as well as overseas. We worked out the strategies to maximise one category of raw material to keep the stress swelling under one. This reshuffle also ensured value addition in existing products and helps us explore new market destinations while allaying market pressures during market volatility.

We have evaluated options to avail an advanced receipt from our customers against raw materials to manage our working capital adequacy. To ensure superior quality standards across all our manufacturing products will imbibe the zero tolerance policy across all our verticals for every employee undertaking regular study of machines and everything we are doing. Capacity utilisation is one of the points we are taking most of the care additionally, consistently assessing and enhancing our production facilities, conducting R&D for new products with the with the same asset as well as machine mechanising and digitalizing, our manufacturing operation collectively led to cost reduction and enhance our efficiency.

The negligence software we introduced in all verticals provided us with a competitive edge in market analysis and in taking proactive action towards stepping new opportunities. We have created our team mill as our global standards to develop new shapes and sizes of top tubes, which is the dialling of the market. Right now we also to various training and interactive programmes for our employees to help them grow and become our partners in our growth story too.

So basically, we are aiming for the all sides goes where our customer, our employee, everybody is a partner. Value added products will continue to be our driving force of future growth. We are working on value addition in high volume low margin, GI business our aim is to add more valuated engineering products to our product portfolio by upgrading regular products.

We are working on expanding the capacities of a high value-added product segments, we are expanding our valuation verticals while also transforming our low value added to high value added products which will also capitalise on our strength in supplying high quality material to defence and aerospace, oil and gas, railways and other key sectors in India with newly capacity period capacities and measures undertaken to turn around GI business, we are well positioned to benefit from the government's planned infrastructure spending over the next few years.

And lastly, we will continue maintaining our strong focus on increasing our EBITDA margin and optimising our capital structure to maximise our shareholder return. We will continue to invest in equilibrating equipment to enhance our productivity, we will continue reshuffling our product and market breaks through flexible marketing strategies to further enhance our operational efficiencies and enhance our EBITDA margins.

Going forward, the rising demand for steel, favourable government policies and the conductive business environment are expected to result into an even brighter future for your company.

Now I hand over this conference call to Mr Sanjay Bansal, CFO Company to apprise you of our financial performance for H1FY24.

Mr Sanjay Bansal: On behalf of Goodluck, welcome you all for joining us for conference on performance of the company in Q2 and first half year financial year 2024.

Regarding Q2 performance. Stand-alone the sales were increased to Rs. 885.99 crores as against Rs.779.20 crores during Q2 of previous years, registering a growth of 14% above. However, EBITDA for the quarter stood at the rate of 8.3% of the sales of Rs.73.68 crores as against Rs. 51.37 crores during Q2 of previous year, the profit before tax, including other comprehensive income was at Rs.45.96 crores in quarter2 as compared to Rs.27.95 crores in quarter to a previous year, however PAT Q2 of current year was Rs. 34.70 crores as against 28.59 crores in Q2 of current year, registering a growth of 21% Q on Q basis.

The performance of the company in H1 of current FY 2024, the sales has been increased by 9%. EBITDA margin has improved to Rs.144.55 crore with EBITDA margin rate 8.29% of net sales as against 6.53% during last six months of financial year 2023. However, the PAT margins have increased to Rs.63.29 crores, registering a growth of more than 50% as compared to first half of the previous year. Earnings per share has been at Rs.12.73 per share in Q2 of current year as against Rs.7.83 per share during Q2 of previous year. However, EPS of the company six months of current financial year for stand-alone was at Rs.23.22 per share on financial front, our interest cost has marginally gone up due to increase in level of activity during first 6 months of current year as compared to previous year. Also, employee salary and benefits have been increased due to annual increment and increase in level of activity as compared to previous year. Thank you very much.

Moderator: Thank you very much. We will now begin the question-and-answer session. Our first question is from the line of Aditya Javar from AJ Capital. Please go ahead.

Aditya Javar: Thanks for the opportunity. Great head of numbers from management. I have a couple of questions. First is related to working capital. I see the working capital is stretched so I want the breakup of working capital in each segment. Which segment is taking the lot of working capital? That is the first question.

Management: You see working capital segment wise retail is not readily available, but overall working capital requirement is within the norms of the industry and it is perfectly being operated and up to the mark. As far as fund availability is concerned.

Aditya Javar: What is the working capital base currently?

Management: Working capital total fund based on non-fund based both are 600 crores.

Aditya Javar: In number of days.

Management: for 40 days about

Aditya Javar: OK. Any plans to decrease this working capital or this will be in steadily in numbers?

Management: Always, we try to decrease the working capital.

Aditya Javar: OK. And the second part is if I see your data right, I think forging and precision is having the high margin business and the other two are dragging. So how do you see going forward, our margins coming? Currently it is at 8%, can we achieve 10% margin? That is the first question. And the second question is, if you see you're mixing a bad business with the good business. So is there any timeline to demerge because we are having a lot of companies under one roof so there are any plans of demergering the different business to get the value accretion for the shareholders?

Management: Well, basically if you see there is no bad business we have. As I had already stated that the GI business which you are saying it is a low margin business, we are just transforming it into the solar business which is a high margin business. So there is a process of transformation of the product which are taking lesser EBITDA. We are trying to convert it into higher EBITDA with the same assets. We just go through my speech and there I am specifically told it. And the removal plant is not on the table because our most of the verticals are doing good and the verticals which are having a big issue we are transforming it. So the demerger is not on table right now.

Aditya Javar: And margin guidance for the next one or two years.

Management: So basically right now this year it will be almost 8.4- 8.5 EBITDA and in the coming 2-3 years it will be reaching to 9.5 plus.

Aditya Javar: So basically it is a mix change or it will be basically GI fives also contributing. It is a change of the product profile.

Management: Basically what we are doing a value addition will be giving more and the lesser value addition it will be giving less. It will increase this quarter with sales itself showing our sales have increased by 20%. But whereas our profits are served by 70%. So what we are doing transforming business because there are new opportunities in the market and we are taking those opportunities but using our same what we have. The asset base we are having the same. So margins are increasing.

Aditya Javar: And the long term debt are we trying to decrease?

Management: Definitely, every year some long term is going back. It is being repay.

Aditya Javar: In the next two years there do you plan to decrease significantly by 50%?

Management: Yes, we always aim that the long term should be zero, but particularly it is not possible but we are trying.

Aditya Javar: On the revenue part for this year, it is Rs. 3500 crores, in the next two years it is Rs. 5000 crores. Do we stand with that still?

Management: This year it should be 3500 crore. Next year it should be 4000 crore and then it should be 4500 plus because of third year, I cannot see right today.

Moderator: Thank you. Our next question is from the line of Darshil Pandya from Finterest interest Capital, please go ahead.

Darshil Pandya: We know that you don't give an order book status, but any visibility or the last time that you gave on all the segments.

Management: Basically we have 5 verticals and ever and every vertical has a different order book size. But in all if aggregate you will see. So there is an order book of almost 3 to 4 months in the regular products and where these are the infrastructure projects, there is an order booker tendency of nine months to one year.

Darshil Pandya: And Sir, I would like to hear some more developments from defence and solar. What is the thought purposes of the management of these two segments where you are seeing some good traction?

Management: Basically solar, everybody is looking to solar because the thermal capacity, thermal power nobody wants to use and with the powers, with the stressors going on, everybody wants less reliance on the oil. So solar is definitely and we are having an edge because we are doing a tetra tube in there. It's a new field, but everybody is trying to put gigawatts in terms of this tetra tube and we are pioneering making the tetra tubes.

So, in solar we look forward in the coming 2-3 years. It will transform to the right now business what we are suppose it is 50 crores so it will be 10X times business in next three years. In terms of solar and in defence, what we have asked in defence, definitely we have been working for last 4-5 years we are making some products for the defence because there are prototypes are made and then order comes it's a slow process, but we have been doing with many products and now we understand that it's the time to go for a big production for scaling up. So we will be making more products in our Goodluck defence and aerospace in the coming years.

Darshil Pandya: And Sir, have you seen any shift in the export business as a percentage of the total revenue?

Management: Percentage of an export business will remain same with the growing volume, the volume and export will grow, but percentage may not grow much.

Darshil Pandya: And one last question Sir, what is the current on the new plant that is coming up on Q1 FY25, what is the current status of that? Last time we had it was the land. As the land was purchased and orders for machines.

Management: Land acquired develop the building is coming up, which will be ready by December and the plant completion should start by end of January. And we are on right track to commission the plant in the first quarter of the next year.

Darshil Pandya: And how much time does it take to come up to the optimum utilisation?

Management: The ramping of our capacity will take minimum six months

Moderator: Thank you. Our next question is from the line of Piyush Agarwal from SOIC LLP. Please go ahead.

Piyush Agarwal: So, first question, what is our capacity expansion plan in each and every one of our divisions because in 14 units we are also doing some capacity expansion. Can you just give us the numbers of the capacity expansion?

Management: Basically, our total capacity 4, 12,000 tonnes what we have given and it is divided in five verticals. So, the division we can give you later on. You can go with the other question.

Piyush Agarwal: So just for our understanding in the forging unit and the precision engineered tubes. Precision engineer tubes we have the capacity expansion and what are the capacity expansion that has the forging unit specially?

Management: In forging unit we were on present defence. In an addition to the forging capacity only all the items which will be making for every present defence will be adding to the forging capacity only. As on date our capacity of forging is 30,000 tonnes which is likely to go up to 50000 tonnes in next two years after commissioning of this terrorist prison defence plant, it will take 1 and a half years.

Piyush Agarwal: Right, and so what is the EBITDA part fund that you're doing in the forging unit right now. And do we expect that to increase?

Management: Right now it is 12 to 13% improvements and the products addition it will increase in the coming years.

Piyush Agarwal: Right. And it's just targeting this different vertical, don't you think that the working capital will stretch a bit more on that will be compensated by the margin side?

Management: I'm not able to hear you. Can you repeat your question?

Piyush Agarwal: This is defence vertical like in this forging unit that we are targeting. So don't you think are working capital will increase a bit or will that be compensated by the higher margin?

Management: Definitely higher margins will reduce the working capital requirement.

Piyush Agarwal: Right. And sir like after all, expenses are done and all this value addition work is done, do we expect that EBITDA margins on a consolidated basis to start increasing in next one or two years?

Management: Our aim is to increase the bit of margin progressively. Which you are finding the trend for last one year and it will continue at least for next two year the EBITDA margin are going to improve. Our aim is to achieve a 10% EBITDA margin next three years for or 9.5 to 10%.

Moderator: Thank you. My next question is from the line of Rohit Pawar from RIB investments. Please go ahead.

Rohit Pawar: So my question is, in accordance to the Gati Shakti National Master Plan, we are pleased to be a significant player. So may I know the competitive advantages that our company have?

Management: Yeah, Gati Shakti National Master Plan, government is putting all the focus on the infrastructure project products and we are there to serve from northern region, we are there to serve from Western region. So we have one competitive advantage basically in all the new coming trains. There are Vande Bharat train 160 kilometre there is bullet train 348 kilometres. So we are going for the higher speed detection, where fabrication is quite difficult and surpass those difficulties and now we are the one of the premium companies who can make these technical and critical budgets for the railways for the NECI. So I think we have better place for this Gati Shakti Plan.

Moderator: Thank you. Our next question is from the line of Vivek Gautam from GS investment. Please go ahead.

Vivek Gautam: Our Company got listed in 90s and was sleeping for a very long time. Good part is that unlike so many companies which came with IPO's in 90s and disappeared, our company is still there and what has been the recent result change for which the company performance started improving? Is it the next generation is coming in and you have been always very highly educated from IIT and ISM some of the quality. But what changed have been the triggers of late wherein the company performance started improving and the major concern is on the commodity business of GI Pipe. So basically, how long will it take to move from that low value to high value? And you can also tell about the opportunity size for us in different segments. What is the growth of rate we expect in time to come?

Management: Sir, I must tell you quickly, we were growing all the time investing from 2005 to 2018, we kept on investing and it is the time has come of the take off stage I should say. And now the products have come of age. Indian policy has changed in, an environment of business has changed and we are trying to avail the opportunity and ramping our production capacity and that is the only trigger. Our policy has been incrementally low investment, high returns really what we are doing, all the production facilities are being streamlined to have a better production. That is why you see for last three years they have been growing at every rate of 20%. And we expect to continue to grow at that rate, we are not in a hurry to grow at 100%. And consolidate our achievements and march forward that is the only reason.

Vivek Gautam: Can you tell something about the next generation, Sir? Who is now taking interest in the business?

Management: They are not only taking interest they are in charge of the business. They are all in charge of the business doing their work. Old men are only watching them.

Vivek Gautam: Your promoter quality as far as the education part goes, is almost second to none in India and I am not very sure that people might be aware about your background. And so what is the opportunity size and the growth rate which we expect and the commodity business that is the major concern GI pipe? And how long will it take, we can move to high valuated segment? When will the CapEx get completed?

Management: Sir, I must say that the advantage here for raw materials, commodity our products are engineered. We take advantage being our raw material being commodity and our products are not commodity. We add value to our each product made. It is pleasing to the customer requirement that is the only advantage here. Thank you.

Moderator: Thank you. Our next question is from the line of Manan Shah from Money Bee Investment Advisors. Please go ahead.

Manan Shah: Sir. The 20% growth that we witnessed this quarter. So which segment contributed to this growth? If you can highlight little bit on that part.

Management: Auto Tube segment as giving boost to this 20% development. However, the other segments have also contributed, but significantly if you want to know it is the Auto Tube segment which is given the boost.

Manan Shah: And now with this volume that we did in the past quarter, I believe we would be at optimum utilisation across our all segments. So are we confident of maintaining this volumes and is there any possibility of any debottlenecking whereby we can achieve higher volumes in the upcoming quarter?

Management: I can tell you debottlenecking is an ongoing process, continuous process. It is happening. And this is what we are doing and the growth will continue with least of investments. Improving the balancing equipment is our core. By like that I give

	you an example in metallics that in the Gujarat plant, we have made an investment around 20 crore. It will add value of almost 300 crore annually to us. It will improve export, declining exports of the country. It will give a boost to us in exports. This is what we are doing in every plant. In the debottlenecking everywhere, continuing the exercise. This is what our R&D department keeps on working.
Manan Shah:	Secondly, on the forging side in the earlier comment you mentioned that we make around 12 to 13% the margins in the forging segment. Now when I compare with other listed forging players, like MM forging or RK forging, it seems we are on the lower side of the range in terms of margins. So why is there any differential that we do? Is it the product because of which our margins are only 12-30%, not upwards of 15 to 18% sort of margins?
Management:	I perfectly agree with you. Our volumes are lower, costs are higher. We are working out on it. The extra and faces on adding products of defence and aerospace will bridge the difference very soon. You will see in coming years the difference of this year we will better than this.
Manan Shah:	So the incremental business that we are looking to add in the forging segment, the defence, so what sort of margin do those products?
Management:	Much better than what others are doing.
Manan Shah:	OK, understood. So what sort of CapEx are we looking at in this forging segment?
Management:	It is under planning right now. We will let you know when the time comes, when we will float it, we will let you know. But the plan is on the table and we are working on.
Manan Shah:	So I asked because we announced in this press release that we are again looking to raise more funds because I believe a couple of months back only we raised funds around 66 crore by issue of warrants, which I believe was to for the forging segment. Now again, we are looking to raise more funds. So just to get an idea of what sort of CapEx are we looking at and what sort of funding are we looking at?
Management:	Rs. 66 crore raised for expansion plan in auto tube section and fresh issue of shares further investment in subsidiary about Rs. 40 crore, capital expenditure of new debottlenecking equipment Rs. 14 crore and repayment of some loans the company want to prepay the loans so we will repay existing loan so that interest burden may reduce.
Moderator:	Thank you. Our next question is from the line of Harsh Mulchandani from Kriss PMS. Please go ahead.
Harsh Mulchandani:	Thank you for the opportunity. Congrats on this set of numbers. Wanted to understand when we see a significant contribution of the new segments defence and aerospace touching say 10%. Do we expect that to happen in next two to three years or it will take even a longer time frame to reach that number?
Management:	It should have been within the next four years, not three years.

Harsh Mulchandani: Got it. And another question which I had was around if you could provide us segment wise split as I think was asked in the previous question also of volumes, so I understand that auto etc is doing well for us but going forward which segment would pick up and drive for us, along with defence etc would also be a growth driver. But just wanted to understand that you also have these value added products which are kicking in across. So how do you see the volume pickup also happening along with these expansion of value in terms of EBITDA?

Management: There are other sectors as well which we are doing well. The one is the infra sector because India is doing for infrastructure and that's one sector we are expanding and in coming 2-3 years you will see a good portion of our turnover comes from that sector and a good portion of margin comes from there along way policing you have already mentioned. The 4th one is the solar, the solar segment which we have just started a year back, it will add to the bottom line, it will add to the top line.

So these four sectors, Auto Tubes, our forgings, our infrastructure and solar, these four sectors will drive the company into future.

Moderator: Thank you. Our next question is from Aditya Javar from AJ Capital. Please go ahead.

Aditya Javar: Thanks again, Sir. You said on the working capital side 40 days, right? How are you calculating working capital? Because when I match with my number, I did not get that.

Management: Sir, you kindly send us your query over e-mail. We will provide detail working on it.

Moderator: Thank you. Our next question is from the line of Piyush Agarwal from SOIC LLP. Please go ahead.

Piyush Agarwal: So I just had a suggestion if we can have the volume wise breakup of each and every segment in our PPT and also our Capex also capacity expansion by it will be taking see where all we are spending there because we have 4 to 5 units. So for investors which sometimes becomes extremely difficult to check where the capacity actually is going, where the capital is allocating all this segment is going, so if you see the suggestion from our side.

Management: Mr. Agarwal, can you speak a little slower? Please repeat your query.

Piyush Agarwal: So, Sir, it was this suggestion from our side in the presentation that if we have the volume breakup of each and every segment and also the capacity expansion plan for each and every segment, so that we investors can get a better idea to judge your company.

Management: Sure, Sir. You will see the PPT there, there's the details you are seeking for. Those details are available there. Our Secretary will send you.

Moderator: Thank you. Our next question is from the line of Apoorv Singh from Panchratna Investors. Please go ahead.

Apoorv Singh: Hi, Sir. Congrats for the numbers. I just wanted to understand some visibility on the different side order book of visibility given the CapEx we're doing. So it will be really helpful to understand what we are looking in the future there.

Management: We are already supplying for the last few years for photos in Brazil system and the photos have been approved. The production orders are expected anytime. Now we are embarked upon in narrow for the defence subsidiary, really making components for defence for which they are asking to be a very big export market. At least two very big export market and this project is being lined up is on the blueprint drawing board and the implementation should take place in whether 1 and a half year the visibility is very bright. We are expecting a mixture of the plan could be a game changer for the company's growth trajectory.

Moderator: Thank you. Our next question is from the line of Nirvan Laha, who's an investor. Please go ahead.

Nirvan: I just wanted to understand your H1 sales volume scheme. And if you can call out the volumes in the forging segment and the precision segment separately for H1 and for the same period last year.

Management: Current six months we achieved 1, 83,000 metric tonnes, volume so detailed working we will provide you kindly send us the e-mail.

Nirvan: What was the same number for last year?

Management: Both the information we will provide you.

Nirvan: Alright. And my second question is if I look at your cash flow from operation and compare it to your EBITDA over the last many years, the ratio is actually quite low something like 40% and this has consistently been the trend. So this means that free cash flow generation has been quite low because we have consistently invested a lot in fixed assets. So what is the plan to improve this? Because I can see that receivables and rent inventories have consistently eaten into your cash flow from operation. So is there a focused effort to improve this because it can then improve your debt to equity ratios and even prevent future capital raise?

Management: We are always endeavour to improve the cash flow and we are raising the funds to repay the existing loans also in order to improve our ratios. So this is continuous process and we are doing our efforts to make the profit maximisation.

Nirvan: Sir, actually raising capital to pay off debt will not improve your operating cash flow. So I'm trying to focus on your inventory. That was my question that operating cash flow are you seeing or do you have any targets of improving that so that we become a positive free cash flow company because for the last 2-3 years we have not been able to generate free cash flows. So, is there a focused effort towards improving operating cash flows?

Management: Yes, Sir. In fact, as our management told you that EBITDA margin next 2-3 year would increase to 9.5% as against 8.40% currently. So definitely operation margin will improve and it will improve the cash flow.

Moderator: Thank you. Our next question is from the line of Gunjan Kabra from Niveshaay. Please go ahead.

Gunjan: So I wanted to understand sorry join the call a little late if you have answered, wanted to do if the export revenue in FY22 was much higher than effect 23, there was a slowdown in the demand. So right now how are we seeing the export market particularly for our tube and the forging business? And what's the kind of order book as on 2023, we closed over the book of 900 crore. So what's the sign of all the books that we expect right now and what kind of visibility we have for 5-6 months?

Management: We have almost 25 years of exports. Performance with us as on date last year, we achieved nearly 1000 crore, year before also we achieved 1000 crore exports and this year also we are likely to achieve in spite of the headwind in the export market, Indian export flowing, we are adding increase incremental capacity to improve and heavy in the export market and we expect to clock under 900 thousand crore to this year also.

Gunjan: 900,000 crores in FY24, also, it's continues from export markets.

Management: Now look in spite of Indian export going down the world demand is going down. We'll maintain our share of exports. Our quality, commitment and consistency of export gives us the advantage over others.

Gunjan: And so what's the kind of all the order books that we have right now.

Management: Almost two months.

Gunjan: Is it possible to share the numbers for exports. I mean not for exports generally for the overall business. I was trying to understand what the order book that we have right now is.

Management: Basically, there are 5 verticals and every vertical has different order book. So if you take the further general order in 3 and a half months but further infrastructure products like forging like bullet train, there is a visibility of 9 months to 12 months.

Moderator: Thank you. Ladies and gentlemen, that was the last question of our question and answer session. As there are no further questions. I would now like to hand the conference over to Mr Ram Agarwal, CEO of Goodluck India Limited for closing comments.

Ram Agarwal: I thank you everybody for joining this on call and in my closing comments, I would like to put some light on what we are doing in defence and aerospace because every everybody was wanted to know what we are doing.

Basically we have been doing in defence and there was aerospace for the last four or five years, but it all was on the photo basis. But now with the results, what we have seen in last 4-5 years and with the Indian Government giving an impetus on Make in India for all the products. Normally if you go two years back there were almost 100 million imported in India. But now government has put a target of at least 30% made in India. So with this impetus we have started getting many inquiries. We have started getting many orders. And we thought it is the right time with our experience and with our planting machines, then we thought to put to scale this defence and aerospace business and for this we are already going to give 40 crores in the coming fund raising. So we hope these products will give a turnover almost 300-400 for additionally after 3-4 years. It will take time but it will give with a very good margin. It will give a very good top line, it will give a very good EBITDA margin. So we all pay then we will get this.

And for Goodluck, we will try to put like in solar we have said not put up any new plant but we have used our old plant and we transformed it to make these solar tetra tubes. So it has given us the advantage by putting no more money we have got good bottom line. We will be trying this all for our all products and we go forward with your support. We hope that we will have the new heights.

M C Garg: Sir, I would like to emphasise the policy of Goodluck is no volume without value and no value without volume. There is our tagline of any development decision we take in Goodluck. Thank you.

Moderator: Thank you. Ladies and gentlemen, on behalf of Goodluck India Limited, that concludes today's session. Thank you for your participation. You may now disconnect your lines.