



Stock Idea Note - Goodluck India Ltd

Company Overview

Goodluck India Ltd. (GIL) is a diversified engineering and manufacturing company with over three decades of operating history, having evolved from a steel products manufacturer into a provider of precision-engineered steel solutions. In FY25, the company's product portfolio comprised engineering structures and precision-fabricated components (23% revenue share), forging products (16%), precision pipes and auto tubes (25%), and cold-rolled coils, pipes, and tubes (36%). The products are supplied to end-user industries such as infrastructure, automotive, energy, railways, solar, aerospace, and defence. The company serves over 600 customers and exports to more than 100 countries. In FY25, 75% of revenue was generated from domestic markets, while 25% came from exports. Manufacturing operations are carried out through seven facilities located across Uttar Pradesh and Gujarat. The total installed capacity is approximately 500,000 MTPA, with 57% dedicated to value-added products. The company operates in-house R&D and an NABL-accredited quality testing laboratory. It has also established a dedicated defence and aerospace subsidiary focused on manufacturing artillery shells and precision components. Overall, the company represents a blend of scale manufacturing and precision engineering, with a diversified product mix catering to structurally growing industrial sectors.

Investment Rationale

Strategic entry and expansion into high-margin, regulated defence and aerospace vertical

GIL has entered the defence and aerospace segment through its wholly owned subsidiary, Goodluck Defence & Aerospace. The company has received the required industrial license under the Arms Act, 1959 to manufacture medium-calibre artillery shells ranging from 105mm to 155mm, including advanced 155mm variants such as M107, ERFB, ERFB BB, and ERFB BIT, enabling participation in a regulated and supply-constrained segment. Commercial production of artillery shells commenced in October 2025 at a newly commissioned facility with an initial installed capacity of 150,000 shells per annum. Management has outlined plans to scale this capacity to 400,000 shells per annum within 12 months, supported by a Rs. 400-500 crores capex programme covering shell capacity expansion, ring rolling, presses, and allied aerospace components. At peak utilisation (~90%), the defence vertical carries a revenue potential of Rs. 1,000 crores, comprising Rs. 800 crores from shells and Rs. 200 crores from aerospace and allied products, with EBITDA margins guided at 30-35%, significantly higher than the core engineering business. On the aerospace side, the parent company has submitted an Expression of Interest (EOI) for participation in the AMCA (Advanced Medium Combat Aircraft) programme and is supplying components to established players such as HAL, DRDO-linked entities, and private aerospace manufacturers. Additionally, the management has indicated intent to unlock value through a potential IPO of the defence and aerospace subsidiary, creating strategic optionality alongside organic scale-up.

Moving beyond commodity steel into value-added, application-driven engineering across new end markets

GIL is increasing its focus on value-added and higher-margin products, reducing reliance on traditional steel manufacturing. As of FY25, 57% of the company's 500,000 MTPA installed capacity is dedicated to value-added segments, with recent investments concentrated on precision and application-driven products. The 50,000 MTPA seamless tubes plant at Bulandshahar, commissioned in January 2025, is as an import-substitution facility for hydraulics, automotive, and engineering applications and has begun contributing from Q1FY26. The new CDW precision pipes facility is currently ramping up, with full commercial operations expected by late 2025, targeting demand from domestic and global automotive OEMs, including EV applications. The hydraulic tubes plant, also commissioned in January 2025, is operating at ~50% utilisation, with utilisation expected to increase to ~70% by March 2026. Management plans to add 50,000 MT of capacity once utilisation exceeds 80%. In engineering structures, the company is expanding into solar parks, carports, tracker structures, and smart city projects, aligned with India's clean energy push. The solar support structures segment is being scaled as a focused vertical, with a Rs. 500-600 crores revenue target by FY27. Together, these initiatives increase exposure to EVs, clean energy, and advanced engineering, while lowering dependence on cyclical steel demand and improving margins.

Stock Rating

BUY	HOLD	SELL
> 15%	-5% to 15%	< -5%

Sector Outlook

Positive

Stock

CMP (INR)	1,038
Target Price (INR)	1,202
NSE Symbol	GOODLUCK
BSE Code	530655
Bloomberg	GLIN IN
Reuters	GLST.BO

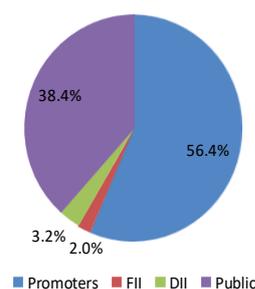
Key Data

Nifty	26,042
52WeekH/L(Rs.)	1,349/568
O/s Shares (Cr.)	3.3
Market Cap (Rs, Cr.)	3,451
Face Value (Rs.)	2

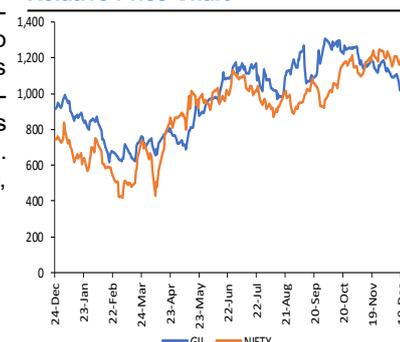
Average volume

3 months	1,61,902
6 months	2,23,398
1 year	1,94,907

Share Holding Pattern (%)



Relative Price Chart



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Valuation and Outlook

Goodluck India Ltd. (GIL) is transitioning into a value-added engineering play, supported by rising mix of high-margin products and visible capacity expansion. Of its 500,000 MTPA installed capacity, 57% is dedicated to value-added segments, reducing exposure to commodity steel cycles. FY25 volumes stood at 442,000 tonnes (89% utilisation), indicating strong demand across core end markets. Growth visibility is supported by recent additions including the 50,000 MTPA seamless tubes plant (January 2025), ramp-up of the CDW precision pipes facility, and the hydraulic tubes plant operating at ~50% utilisation. The solar support structures business adds another lever. In parallel, the defence and aerospace vertical provides a step change opportunity, with shell capacity scaling from 150,000 to 400,000 units, a Rs. 1,000 crores revenue potential at peak utilisation, and 30-35% EBITDA margins. A diversified 75% domestic / 25% export mix further strengthens the outlook. The company has reiterated its long-term revenue growth guidance of 15-20% and expects EBITDA margins to remain broadly in line with the Q2FY26 level of 9.7%. **On a conservative basis, assuming 15% revenue growth to Rs. 4,526 crores and an EBITDA margin of 9.2% in FY26, and valuing the business at a P/E multiple of 18x of FY26E earnings, we arrive at a target price of Rs. 1,202 per share, implying a 16% upside over the next 12 months.**

Key Financials

YE March (INR. Mn)	FY22	FY23	FY24	FY25	FY26E	FY27E
Revenue	2,613	3,072	3,525	3,936	4,526	5,205
Revenue Growth (Y-o-Y)	66.2%	17.6%	14.7%	11.7%	15.0%	15.0%
EBITDA	183	204	282	311	416	479
EBIT Growth (Y-o-Y)	57.1%	11.7%	38.1%	10.1%	34.0%	15.0%
Net Profit	75	88	132	166	222	255
Net Profit Growth (Y-o-Y)	149.6%	17.1%	50.6%	25.2%	33.9%	15.0%
Diluted EPS	28.8	32.2	41.6	50.6	66.8	76.8
Diluted EPS Growth (Y-o-Y)	135.2%	11.7%	29.2%	21.5%	32.0%	15.0%

Key Ratios

EBITDA margin (%)	7.0%	6.7%	8.0%	7.9%	9.2%	9.2%
NPM (%)	2.9%	2.9%	3.8%	4.2%	4.9%	4.9%
RoE (%)	17.6%	16.2%	15.2%	13.6%	15.7%	15.8%
RoCE (%)	15.6%	15.1%	16.7%	13.6%	17.5%	15.9%

Valuation Ratios

P/E (x)	36.0x	32.2x	24.9x	20.5x	15.5x	13.5x
EV/EBITDA (x)	22.0x	19.7x	13.6x	13.8x	10.7x	10.7x
P/BV (x)	7.4x	5.6x	3.1x	2.6x	2.3x	2.0x
Market Cap. / Sales (x)	1.3x	1.1x	1.0x	0.9x	0.8x	0.7x

Source: Bloomberg, BP Equities Research



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Disclaimer Appendix**Analyst (s) holding in the Stock : Nil****Analyst (s) Certification:**

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