Goodluck India (GOOLUC)

CMP: ₹480 | Target ₹ 535 (11%) | Target Period: 12 months | HOLD

August 21, 2026

Turns ex-bonus, unchanged fundamentals...

About the stock: Goodluck India (GIL), established in 1986, is engaged in manufacturing precision-engineered steel products, having a total installed capacity of 5 lakh tons per annum.

- Commissioned 1.5 lakh artillery gun shells (155 mm) annual capacity, under its subsidiary Goodluck Defence & Aerospace.

Key Development: Company announced a bonus issue in ratio of 2:1 i.e. 2 new shares of the company will be allocated against existing 1 share of the company held as on record date i.e. 21st Aug'26. The stock has adjusted for bonus issue in trade today. We see this as positive as it will improve liquidity in the stock

Investment Rationale:

- **Value-added products to drive sustained earnings growth:** Over the past three decades, GIL has evolved from a steel producer into a precision-engineered steel solutions provider, with a growing focus on high-value-added products. Its capacity rise from 3.6 lakh tonnes in FY23 to 5 lakh tonnes in FY25. It has also expanded into hydraulic tubes with 50 KTPA capacity, catering to the automotive and construction equipment sectors and offering EBITDA margins of 12-13%. Further, GIL is strengthening its presence in renewable energy through solar tracker tubes and transmission structures, leveraging its existing capabilities to improve margins in its CRSP business. The government's announcement of seven new high-speed rail corridors under the FY27 Budget provides additional growth opportunities. GIL is also expanding its forging capacity to cater to export demand and support defence indigenisation. These initiatives are expected to support healthy earnings growth, with standalone revenue/EBITDA estimated to grow at 13%/10% CAGR over FY26–28E.
- **Defence vertical to emerge as a key earnings growth driver:** GIL has entered the defence manufacturing segment after securing an industrial licence and has commissioned 1.5 lakh shells of annual production capacity, supported by an export shipment order worth ~₹52 crore and a ₹255 crore order book for 155mm long-range empty shells. It is further expanding capacity by 2.5 lakh shells, taking total annual capacity to 4 lakh shells by Sep'27, backed by ~₹400 crore of capex. This positions GIL to capitalise on growing domestic and export opportunities, particularly in Europe amid rising defence spending. Following the planned expansion, the defence segment, including aerospace, is expected to generate ~₹650 crore revenue at ~35% EBITDA margins by FY28, contributing ~11% of consolidated revenue and ~34% of EBITDA.

Rating and Target Price: Goodluck India is well placed for healthy growth, supported by increasing value-added products in its core business and strong growth prospects in the defence segment However, recent equity dilution at its defence subsidiary could moderate GIL's economic interest in the high-margin business. Notably, the upcoming defence IPO could unlock additional value for shareholders through a higher valuation for the subsidiary. Accordingly, we maintain **HOLD** rating on the stock with a SOTP-based target price of **₹535**.

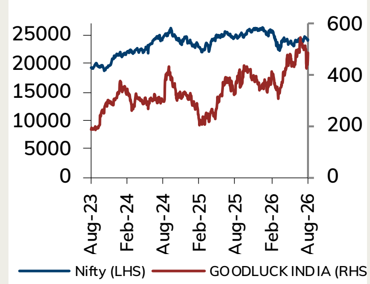
Particulars

Particulars	₹ crore
Market capitalisation	4,786
Total Debt (FY26P)	1,119
Cash & Investment (FY26P)	65
EV (₹ crore)	5,841
52-week H/L (₹)	558 / 305
Equity capital (₹ crore)	19.9
Face value (₹)	2.0

Shareholding pattern

	Sep-25	Dec-25	Mar-26	June-26
Promoters	56.4	56.4	56.4	54.0
FII	2.0	1.5	1.6	2.5
DIIs	3.2	4.4	5.0	6.5
Others	38.4	38.7	37.0	37.0

Price Chart



Key risks

- Executes 2:1 Bonus Issue, sets record date as 21st August'2026.
- **Key Risk:** i) Global geopolitical uncertainties resulting in near term business volatility (ii) higher than expected operating performance leading to beat our estimates.

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ICICI Securities – Retail Equity Research

Company Update

Key Financial Summary

Key Financials (₹ crore)	FY23	FY24	FY25	FY26P	4-year CAGR (FY23-26)	FY27E	FY28E	2-year CAGR (FY26-28E)
Net Sales	3,072	3,525	3,936	4,100	11.9%	5,221	5,885	19.8%
EBITDA	204	282	311	398	21.5%	509	671	29.8%
EBITDA Margins (%)	6.7	8.0	7.9	9.7		9.7	11.4	
Net Profit	88	132	165	181	24.6%	231	318	33.3%
EPS (₹)	8.8	13.2	16.5	18.1		23.2	31.9	
P/E	54.5	36.3	29.0	26.5		20.7	15.1	
RoNW (%)	14.2	11.8	13.4	12.1		13.5	15.9	

Source: Company, ICICI Direct Research

Key Tables and Charts

Exhibit 1: Key Assumptions- Base Business

Particulars	Units	FY24	FY25	FY26P	FY27E	FY28E
Sales Volume	MT	3.7	4.4	4.7	5.0	5.4
Revenue	₹ crores	3,525	3,936	4,068	4,895	5,235
EBITDA	₹ crores	282	311	367	401	445
EBITDA	₹/tonne	7,543	7,023	7,845	7,957	8,250

Source: Company, ICICI Direct Research

Exhibit 2: Key Assumptions- Defence

Particulars	Units	FY27E	FY28E
Sales Volume	in lakh units	1.4	1.8
Revenue	₹ crores	326	650
EBITDA	₹ crores	107	228
EBITDA Margins	%	33%	35%

Source: Company, ICICI Direct Research

Exhibit 3: Valuation Matrix- SoTP based target price calculation

Particulars	Units	FY28E
Base Business: Precision Pipes and Engineering Structures		
Sales volume	in lakh tons	5.4
EBITDA/tonne	₹/tonne	8,250
EBITDA	₹ in crore	445
EV/EBITDA Multiple	X	7.5
Target EV (A)	**₹ in crore**	**3,334**
Defence Business		
Sales volume	in lakh units	1.8
EBITDA	₹ in crore	228
EV/EBITDA Multiple	x	20
EV of Defence business	₹ in crore	4,550
Apportioned EV considering Goodluck India 69% Stakes in Defence Business (B)	**₹ in crore**	**3,130**
Total Consolidated Target EV (A+B)	**₹ in crore**	**6,464**
Less: Net Debt	₹ in crore	1,130
Implied Market Cap	**₹ in crore**	**5,334**
No. of Equity Shares	in crore	10.0
Target price	**₹/share**	**535**
CMP	₹/share	480
Upside (%)	**in %**	**11%**

Financial summary

Exhibit 4: Profit and loss statement ₹ crore

(Year-end March)	FY25	FY26P	FY27E	FY28E
Total Income	3,936	4,100	5,221	5,885
Growth (%)	12	4	27	13
Raw Material Cost	2,857	2,839	3,569	4,007
Employee Expenses	179	210	262	294
Other Expense	589	653	881	912
Total Expenditure	3,625	3,702	4,712	5,213
EBITDA	311	398	509	671
Growth (%)	10	28	28	32
Depreciation	45	67	86	104
Interest	80	106	118	117
Other Income	21	20	22	27
PBT	207	246	327	477
Exceptional Item	14	-	-	-
Total Tax	55	63	81	119
PAT	165	181	231	318
Growth (%)	24.9	9.6	27.7	37.6
EPS (₹)	16.5	18.2	23.2	31.9

Source: Company, ICICI Direct Research

Exhibit 5: Cash flow statement ₹ crore

(Year-end March)	FY25	FY26P	FY27E	FY28E
Profit after Tax	165	181	231	318
Add: Depreciation	45	67	86	104
(Inc)/dec in Current Assets	-207	-227	-272	-325
Inc/(dec) in CL and Provisions	29	86	32	48
Others, Sub-Other Income	45	85	96	90
CF from operating activities	76	192	173	236
(Inc)/dec in Investments	-10	-2	0	0
(Inc)/dec in Fixed Assets	-490	-347	-65	-250
Others, Add- Other income	44	29	36	66
CF from investing activities	-457	-320	-29	-184
Issue/(Buy back) of Equity	0	0	13	0
Inc/(dec) in loan funds	270	238	0	100
Dividend & interest outgo	-84	-126	-134	-137
Inc/(dec) in Share Cap	0	0	0	0
Others	30	19	-13	0
CF from financing activities	216	131	-134	-37
Net Cash flow	-165	3	10	15
Opening Cash	211	46	49	59
Closing Cash	46	49	59	74

Source: Company, ICICI Direct Research

Exhibit 6: Balance sheet ₹ crore

(Year-end March)	FY25	FY26P	FY27E	FY28E
Liabilities				
Equity Capital	6.55	6.65	19.94	19.94
Reserve and Surplus	1,304	1,484	1,685	1,983
Total Shareholders' funds	1,311	1,491	1,705	2,003
Total Debt	882	1,119	1,119	1,219
Deferred Tax Liability	39	50	50	50
Minority Interest / Others	36	38	53	93
Total Liabilities	2,267	2,698	2,928	3,366
Assets				
Gross Block	1,051	1,521	1,607	1,857
Less: Acc Depreciation	252	319	405	509
Net Block	799	1,202	1,202	1,348
Capital WIP	244	121	100	100
Total Fixed Assets	1,043	1,323	1,302	1,448
Investments	14	16	16	16
Inventory	628	856	930	1,048
Debtors	506	478	644	806
Loans and Advances	0	0	0	0
Other Current Assets	285	312	345	388
Cash	46	49	59	74
Total Current Assets	1,465	1,696	1,977	2,317
Current Liabilities	116	158	143	161
Provisions	11	13	11	13
Current Liabilities & Prov	262	348	380	428
Net Current Assets	1,203	1,348	1,597	1,889
Others Assets	7	11	12	13
Application of Funds	2,267	2,698	2,928	3,366

Source: Company, ICICI Direct Research

Exhibit 7: Key ratios

(Year-end March)	FY25	FY26P	FY27E	FY28E
Per share data (₹)				
EPS	16.5	18.2	23.2	31.9
Cash EPS	21.1	24.9	31.8	42.3
BV	131.5	149.5	171.0	200.9
DPS	0.3	2.0	1.7	2.0
Cash Per Share	4.6	4.9	5.9	7.5
Operating Ratios (%)				
EBITDA Margin	7.9	9.7	9.7	11.4
PAT Margin	4.2	4.4	4.4	5.4
Inventory days	58.2	76.2	65.0	65.0
Debtor days	46.9	42.6	45.0	50.0
Creditor days	10.8	14.1	10.0	10.0
Return Ratios (%)				
RoE	13.4	12.1	13.5	15.9
RoCE	11.7	12.3	14.4	16.9
RoIC	13.4	13.1	15.3	17.8
Valuation Ratios (x)				
P/E	29.0	26.5	20.7	15.1
EV / EBITDA	18.1	14.7	11.5	8.8
EV / Net Sales	1.4	1.4	1.1	1.0
Market Cap / Sales	1.2	1.2	0.9	0.8
Price to Book Value	3.7	3.2	2.8	2.4
Solvency Ratios				
Debt/EBITDA	2.8	2.8	2.2	1.8
Debt / Equity	0.7	0.8	0.7	0.6
Current Ratio	11.1	9.6	12.4	12.9
Quick Ratio	6.2	4.6	6.4	6.9

Source: Company, ICICI Direct Research

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Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

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