



About Goodluck Defence and Aerospace Private Limited

Goodluck Defence and Aerospace Private Limited, a newly incorporated subsidiary of Good Luck India Limited, represents a strategic foray into the defence sector, particularly in manufacturing 155mm artillery shells. I'd like you to please understand a comprehensive analysis of the company's market entry strategy, leveraging the parent company's vast experience in metal forging and machining. Goodluck Defence plans to make a capital expenditure of Rs 250 crore, funded in part by the proceeds from the preferential issue and aims to have a production capacity of 150,000 rounds per annum targeting the domestic and international defence markets.

Company Profile

Incorporation and Objectives: Goodluck Defence and Aerospace was incorporated on 31 August 2023 and specialises in forging, machining, treating and coating various metals primarily for defence applications. It aims to use advanced manufacturing methods such as open-die forging, drop forging and robotic forging.

Parent Company: Good Luck India Limited was established in 1986 and has over 30 years of experience in manufacturing and exporting a wide range of metal products. As an ISO 9001:2008 certified company, its expertise in quality manufacturing forms the strong foundation for Good Luck Defence.

Investment: An investment of Rs 400 crore from the parent company's preferential issue will be committed towards setting up Good Luck Defence and Aerospace. The remaining will be raised by various investors.

Product Offering

Good Luck Defence will focus on producing 155mm artillery shells, which are essential for howitzer systems with a range of 24-32 km. These grenades are used for a wide range of military applications including high explosive, precision-guided, armour piercing, fragmentation, smoke and flare. Their popularity is based on an optimal balance of range and warhead size, making them a crucial advantage in modern warfare.

Market and Strategy

Expression of Interest: An expression of interest from Adani Defence & Aerospace for 33% of annual production highlights significant initial demand and market entry support. The remaining production will be free to be sold on the open market, diversifying revenue streams.

Competitors: Key competitors include well-known names such as Bharat Forge, CHW Forge, and Starwire, indicating a competitive but potentially profitable market environment. OEM Partnerships: Potential industrial collaborations with global defense OEMs such as Nexter (France), Rosoboronexport (Russia), and Elbit System (Israel) suggest vast export opportunities and diversification of customer base.

Market Pricing: Product variants have different market prices with the highest quality grenades (155mm HE, BB AISI 9260) priced between USD 1,000 to 1,200, highlighting the premium market segment that Goodluck Defence targets.

Financial Overview

Capital Expenditure: The total capital expenditure requirement is Rs 250 million, aimed at setting up a plant capable of processing 150,000 artillery shells per annum. The investment will cover the cost of machinery, technology acquisition, and infrastructure development.

Sales Potential: Goodluck Defence's financial outlook is promising as market prices for its grenade variants are showing a significant premium. The ability to meet high-quality standards and leverage the parent company's manufacturing expertise is critical to gaining market share and achieving profitable growth.

Conclusion

Goodluck Defence and Aerospace Private Limited is well-positioned to make a significant impact in the defense sector. Backed by Goodluck India Limited's solid manufacturing background and initial interest from Adani Defence & Aerospace, the company is well-positioned to capitalize on the growing demand for quality defense guns. Its strategic focus on the 155mm grenade market, combined with potential partnerships and a competitive product pricing strategy, lays a strong foundation for success in both domestic and international markets.

As Goodluck Defense and Aerospace Private Limited is a newly established company and has not yet commenced operations, investment in the company is a high-risk scenario due to the lack of past performance data.

Fundamentals

Fundamentals			
Goodluck Defence And Aerospace	296	Market Cap (in cr.)	1424
Unlisted Shares Price	Per Equity Share	P/E Ratio	N/A
Lot Size	500 Shares	P/B Ratio	0
52 Week High	325	Debt to Equity	N/A
52 Week Low	210	ROE (%)	N/A
Depository	NSDL & CDSL	Book Value	N/A
PAN Number	AAKCG6927D	Face Value	0
ISIN Number	INE0S7401019		
CIN Number	U24103UP2023PLC188289		
RTA	N/A		



Financials (Figures in cr)

P&L Statement	
P&L Statement	2024
Revenue	3
Cost Of Material consumed	0
Gross Margin	100
Change in Inventory	0
Employee Benefit Expenses	0
Other Expenses	0.43
EBITDA	2.57
OPM	85.67
Other Income	0
Finance Cost	0
D&A	0
EBIT	2.57
EBIT Margin	85.67
PBT	2.6
PBT Margin	86.67
TAX	0.76
PAT	1.84
NPM	61.33
EPS	0.37
Financial Ratios	2024
Operating Profit Margin	85.67
Net Profit Margin	61.33
Earning Per Share (Diluted)	0.37

Balance Sheet	
Assets	2024
Fixed Assets	16.6
CWIP	3.6
Investments	0
Trade Receivables	0
Inventory	0
Other Assets	150.8
Total Assets	171
Liabilities	2024
Share Capital	49.11
FV	10
Reserves	121.03
Borrowings	0
Trade Payables	0
Other Liabilities	0.86
Total Liabilities	171

Cash-Flow Statement	
Cash- Flow Statement	2024
PBT	2.6
OPBWC	0.43
Change in Receivables	-46.35
Change in Inventories	0
Change in Payables	0.12
Other Changes	-0.8
Working Capital Change	-47.03
Cash Generated From Operations	-46.6
Tax	-0.24
Cash Flow From Operations	-46.84
Purchase of PPE	-20.3
Sale of PPE	0
Cash Flow From Investment	-17.24
Borrowing	0
Divided	0
Equity	176.51
Others From Financing	-8.21
Cash Flow from Financing	168.3
Net Cash Generated	104.19
Cash at the Start	0
Cash at the End	104.19