



Gala Precision Engineering Limited

Gala Precision Engineering Ltd.

Issue Opens On
Sep 02, 2024

Issue Closes On
Sep 04, 2024

Price Band (INR)
503 – 529

Issue Size (INR Mn)
1,663 – 1,679

Rating
SUBSCRIBE

Gala Precision Engineering Limited, incorporated on February 23, 2009, is a prominent player in the precision engineering industry. The company specializes in the manufacture of high-quality precision components and assemblies, catering to a diverse range of sectors including automotive, aerospace, and industrial machinery. With its headquarters in Thane, Maharashtra, Gala Precision Engineering has steadily expanded its capabilities and market reach over the years, positioning itself as a reliable supplier in both domestic and international markets. The company's focus on innovation, quality, and customer satisfaction has been instrumental in its growth and reputation in the industry.

OFFER STRUCTURE

Particulars	IPO Details
No. of shares under IPO (Mn)	3.17
Fresh issue (# shares) (Mn)	2.56
Offer for sale (# shares) (Mn)	0.62
Price band (INR)	503 - 529
Post issue MCAP (INR Mn)	6,440 - 6,702

Source: IPO Prospectus

Issue	# Shares	INR Mn	%
QIB	15,87,208	840	Upto 50%
NIB	Min:4,76,162	Min: 252	Not less than 15%
Retail	Min:11,11,046	Min:588	Not less than 35%
Net Offer	31,74,416	1,679	-

Source: IPO Prospectus

Indicative Timetable

Offer Closing Date	Wednesday, 04 th Sep'24
Finalization of Basis of Allotment with Stock Exchange	On or about 05 th Sep' 24
Initiation of Refunds	On or about 06 th Sep' 24
Credit of Equity Shares to Demat accounts	On or about 06 th Sep' 24
Commencement of Trading of Eq. shares on NSE	On or about 09 th Sep' 24

Source: IPO Prospectus

Objects of the Offer

- Setting up New facility in Vallam- Vadagal.
- Funding capital expenditure requirements at Wada.
- Repayment/ prepayment of borrowings.
- General corporate purposes.

Shareholding Pattern	Pre-Issue (%)	Post-Issue (%)
Promoters & Promoters Group	75%	55%
Others	25%	45%
Total	100%	100%

Source: IPO Prospectus

Particulars (In INR Mn)	FY22	FY23	FY24
Revenue	1,453	1,655	2,025
EBITDA	197	273	388
EBITDA Margin (%)	14%	17%	19%
Profit After Tax	66	242	223
PAT Margin (%)	5%	15%	11%
Net Worth	593	837	1,044
RONW (%)	11%	29%	21%

Source: IPO Prospectus, DevenChoksey Research

RESEARCH ANALYST

Karan Kamdar, fundamental-research2@devenchoksey.com

Phone: +91-22-6696 5555
www.devenchoksey.com

Gala Precision Engineering Ltd.

Company Overview :

- Gala Precision Engineering Limited is a global manufacturer of precision components, including technical springs and high-tensile fastening solutions, serving industries such as renewable energy, automotive and general engineering.
- The company operates advanced manufacturing facilities in Maharashtra and is expanding with a new facility in Tamil Nadu to boost production and export capabilities.
- Its product range includes Disc & Strip Springs, Coil & Spiral Springs, and specialized fasteners, supplied to OEMs and Tier 1 suppliers globally.
- Financially, Gala Precision has demonstrated robust growth with increasing revenues and improving profit margins, driven by both domestic and international sales.
- The company's strategic investments in technology and capacity expansion have further strengthened its financial performance, enabling it to maintain a competitive edge in the global market.
- Despite operating in a competitive market, Gala has established itself as a reliable supplier through its commitment to quality and innovation, driving its sustained financial performance and market presence.

Product Offerings

1) Springs Technology

- Gala Precision Engineering specializes in manufacturing a diverse range of springs through its Springs Technology division.
- The company offers disc and strip springs, which are widely used in renewable energy, railways, and industrial applications.
- These disc springs are known for its high fatigue life and ability to withstand high-stress levels. Gala also produces coil and spiral springs tailored for critical applications in automotive, off-highway vehicles and industrial sectors. Its springs are recognized for their durability, precision and high-quality standards, making it a preferred choice for OEMs globally.

2) Fastening Solutions

- In the Fastening Solutions segment, Gala Precision Engineering manufactures special fastening solutions such as anchor bolts, studs and nuts.
- These products are essential for various industries, including renewable energy, railways and heavy machinery. Gala's fasteners are designed to meet the stringent demands of these sectors, offering high tensile strength and corrosion resistance.
- The company utilizes advanced surface treatments like zinc flake coating and hot-dip galvanizing to enhance the durability and performance of its fasteners. Gala's expertise in this area positions it as a key supplier to major OEMs and Tier 1 companies worldwide.

3) Surface Engineering Solutions

- Gala Precision Engineering has also made a significant mark in the Surface Engineering Solutions market, although it has sold the intangible assets of this business.
- Their focus was on providing advanced surface treatments and coatings that improved the longevity and performance of their precision components.
- The surface engineering services included processes like shot peening and various coating techniques designed to enhance corrosion resistance and overall durability of the components.
- These solutions were particularly beneficial for industries requiring high-performance materials under extreme conditions, such as renewable energy and heavy industrial machinery.

Source: IPO Prospectus, DevenChoksey Research

Gala Precision Engineering Ltd.

Company Overview : Revenue Segmentation

Particulars	FY22		FY23		FY24	
	INR Mn	in %	INR Mn	in %	INR Mn	in %
Springs technology	1,133	78%	1,389	84%	1,623	80%
Fastening solutions	215	15%	226	14%	392	19%
Surface engineering solutions*	105	7%	40	2%	11	1%
Total	1,453	100%	1,655	100%	2,025	100%

* the surface engineering solutions business was sold to SM Systems Pvt. Ltd on May 30, 2022.

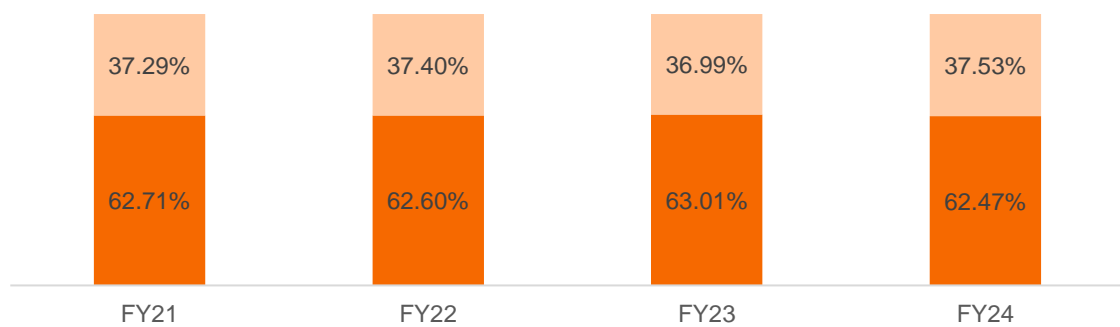
Market Presence

Gala Precision Engineering has a well-established market presence both in India and internationally. The company has diversified its customer base across various sectors and geographies, reducing its dependence on any single market or industry. The principal markets include India, Germany, Switzerland, Finland, Italy, Denmark, the USA, China, and Brazil. The company has shown consistent growth in export sales, which accounted for a significant portion of its revenue, highlighting its competitive edge in the global market. In the fiscal years 2022, 2023, and 2024, export sales contributed approximately 37% to the company's total revenue.

Revenue Mix

Particulars	FY22		FY23		FY24	
	INR Mn	in %	INR Mn	in %	INR Mn	in %
India	909	63%	1,043	63%	1,265	62%
Outside India	543	37%	612	37%	760	38%
Total	1,453	100%	1,655	100%	2,025	100%

Source: IPO Prospectus, DevenChoksey Research



Source: IPO Prospectus, DevenChoksey Research

■ Domestic ■ Export

Competitive Landscape

Gala Precision Engineering operates in a competitive market with several listed competitors such as Harsha Engineers International Limited, SKF India Limited, Sundram Fasteners Limited, Rolex Rings Limited, Sterling Tools Limited. Despite the competition, the company has carved out a niche for itself in the precision engineering sector by offering high-quality products that meet the stringent requirements of its diverse customer base .

Gala Precision Engineering Ltd.

Company Overview :

Customer Base

Gala Precision Engineering has a diverse customer base, serving 175 customers across 25 countries. The company has established long-term relationships with its customers, who operate in various industries. Key customers include Vestas Wind Technology India Private Limited, L&T Electrical & Automation, Schneider Electric, and Brembo Brake India Private Limited.

Technological Capabilities and Innovations

Gala Precision is heavily focused on technology and innovation. The company's DSS products are designed to meet international standards and are manufactured using advanced materials and surface coatings. The company has also positioned itself as a key import substitute for European spring suppliers, particularly through its CSS products, which are used in critical applications like commercial vehicles, passenger vehicles, and railways.

The company's manufacturing processes are state-of-the-art, involving rigorous inspection, precision cutting, deburring, and various finishing processes like shot peening and phosphating to ensure high-quality output. These capabilities allow Gala Precision to cater to highly specialized and demanding markets, providing customized solutions to meet specific customer requirements.

Operating Metrics

Particulars	FY22	FY23	FY24
Top 5 Customers in %	35	29	32
Top 10 Customers in %	45	42	47
Trade Receivable Days	59	61	69
Trade Payable Days	30	24	20
Inventory Days	112	116	102
Cash conversion cycle	140	153	152

Source: IPO Prospectus, DevenChoksey Research

Installed capacity and capacity utilization

Facility	FY22			FY23			FY24		
	Installed Capacity (Mn)	Actual Production (Mn)	Utilisation (%)	Installed Capacity (Mn)	Actual Production (Mn)	Utilisation (%)	Installed Capacity (Mn)	Actual Production (Mn)	Utilisation (%)
DSS facility, Wada, Palghar, Maharashtra	143.18	121.71	85%	179.02	152.17	85%	225.52	191.33	85%
CSS facility Wada, Palghar, Maharashtra	18.24	10.58	58%	20.37	11.81	58%	20.94	16.31	78%
SFS facility Wada, Palghar, Maharashtra	0.11	0.08	75%	0.15	0.11	75%	0.42	0.29	70%

Source: IPO Prospectus, DevenChoksey Research

Gala Precision Engineering Ltd.

Industry Overview:

Global Precision Engineering Industry

The global precision engineering components industry is integral to multiple high-value sectors such as industrials, mobility, and renewable energy. The market for Disc Springs and Wedge Lock Washers (DSS & WLW) and Coil & Spiral Springs (CSS) is showing promising growth, driven by a combination of economic recovery, technological advancements, and increasing industrial demand.

DSS & WLW Market

The global market for DSS & WLW was valued at approximately USD 891 Mn in 2023, with an expected CAGR of 6.1% from 2023 to 2026. This growth is fueled by demand from sectors like heavy machinery, automotive, and renewable energy, with the industrials sector leading the charge due to rising urbanization and the consequent increase in construction and manufacturing activities.

CSS Market

The global market for CSS was valued at around USD 459 Mn in 2024, with an anticipated CAGR of 9.8% between 2024 and 2027. The growth in this segment is largely attributed to the expanding electric vehicle (EV) market, where CSS is crucial for reducing vehicle weight and enhancing performance.

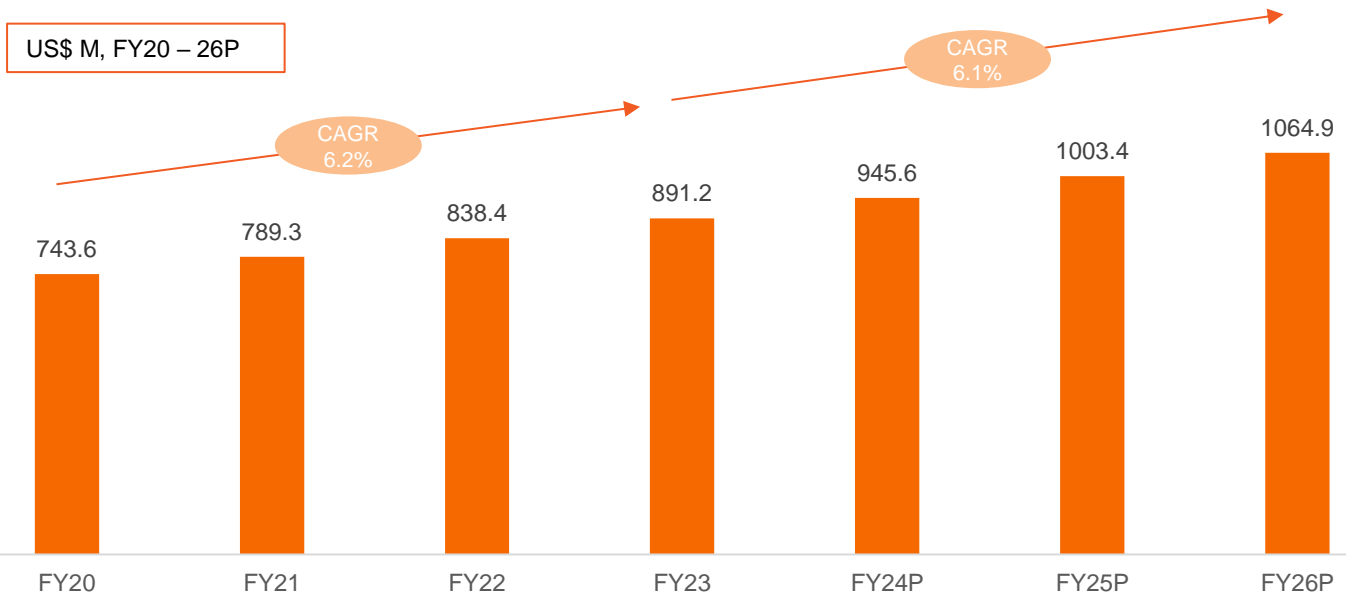
Special Fastening Solutions (SFS)

The global market for SFS was valued at approximately USD 97.3 billion in 2023 and is expected to grow at a CAGR of 6.7% from 2023 to 2026.

Indian Precision Engineering Industry

The Indian precision engineering market mirrors the global trends with notable growth projections. The Indian manufacturing sector plays a pivotal role in this growth, supported by government initiatives like the 'Make in India' campaign and the Production Linked Incentive (PLI) scheme, which aim to boost domestic production and exports.

Global DSS & WLW Market Size



Source: IPO Prospectus, DevenChoksey Research

RESEARCH ANALYST

Karan Kamdar, fundamental-research2@devenchoksey.com

Phone: +91-22-6696 5555
www.devenchoksey.com

Gala Precision Engineering Ltd.

Industry Overview:

DSS & WLW Market

The Indian market for DSS & WLW was valued at approximately USD 115 Mn in 2024, with a projected growth rate of 6.6% CAGR up to 2027. This growth is driven by the expansion of the renewable energy sector, which heavily relies on DSS & WLW for its operations, and the automotive sector, particularly with the growing demand for passenger vehicles in emerging markets like India and Brazil .

CSS Market

The CSS market in India is also on a growth trajectory, with an expected CAGR of 9.8% from 2024 to 2027. The main contributors to this growth are the increasing demand for EVs and the rise in mechanized agriculture, which relies on CSS for various equipment and vehicles. The Indian government's focus on industrial participation and infrastructure development through initiatives like the Production-Linked Incentive (PLI) scheme is also boosting the market .

Special Fastening Solutions (SFS)

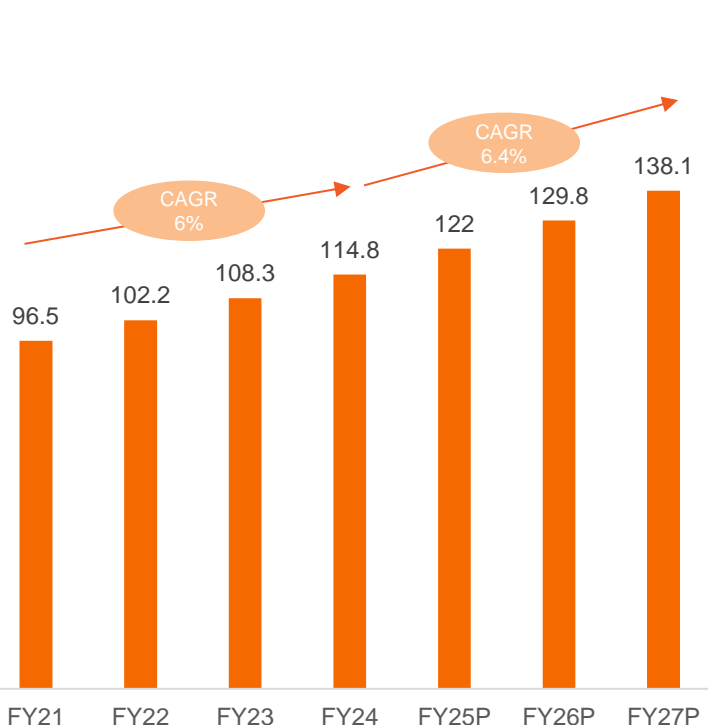
In India, the SFS market was valued at around USD 6.58 billion in FY24, with an expected CAGR of 18.0% between FY24 and FY27. The growth in this sector is driven by the aging infrastructure, increasing construction activities, and the rising demand for renewable energy solutions.

Competitive Landscape

The precision engineering industry is highly competitive, with several key players operating globally and within India. Companies in this sector are continually innovating to meet the stringent requirements of various high-value industries. The competition is primarily based on product quality, customization capabilities, and the ability to meet the high tolerances required by advanced mechanical systems.

Indian DSS & WLW Market Size

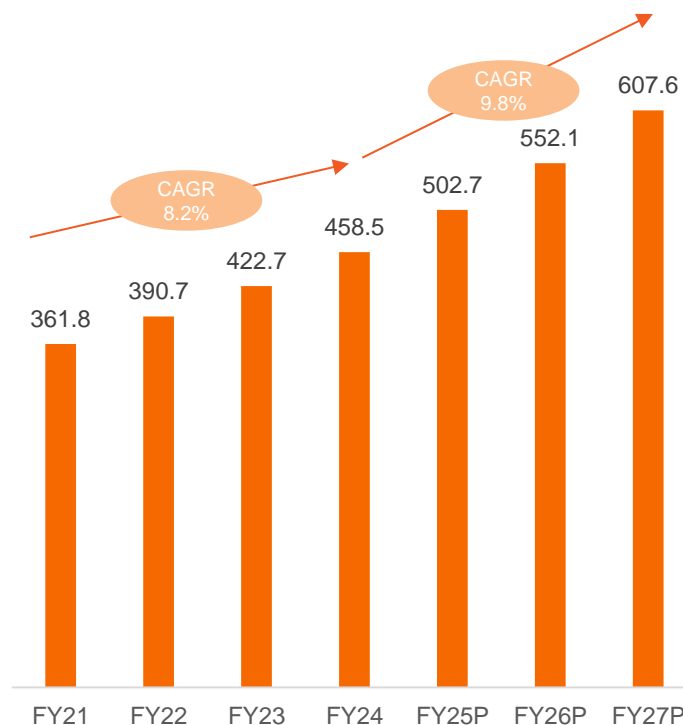
US\$ M, FY21 – 27P



Source: IPO Prospectus, DevenChoksey Research

Indian CSS Market Size

US\$ M, FY21 – 27P



Source: IPO Prospectus, DevenChoksey Research

Gala Precision Engineering Ltd.

Strengths:

Leading Manufacturer of Precision Components with a Diverse Product Portfolio and Market Reach :

- The company is a key player in the design, manufacturing, and application engineering of both standardized and customized high-performance disc and strip springs.
- The product portfolio also includes wedge lock washers, coil and spiral springs, and various fastening solutions like anchor bolts, nuts, and studs. These components are employed in diverse sectors including renewable energy industrial applications as well as the automotive and rail industries.
- The company emphasizes precision through in-house tool design, heat treatment optimization, and stringent quality control, ensuring high-quality, custom solutions.
- To expand its offerings, the company is establishing a new manufacturing facility in Vallam-Vadagal, SIPCOT, Sriperumbudur, Tamil Nadu, aimed at producing high-tensile fasteners and bolts. This strategic move is expected to enhance their product range and competitive position.
- With a global client base exceeding 175 customers and exports to over 25 countries—including major markets like Germany, Denmark, China, Italy, Brazil, the USA, Sweden, and Switzerland—the company achieved 37.53% of its total sales from international markets as of March 31, 2024. The company continues to target high-value markets in Europe and the USA for further growth.

Established Relationships with Indian and Global OEMs and Tier 1 Players:

- The company has built robust customer relationships over three decades. Serving over 175 clients across 25 countries, the company's strong reputation is attributed to its high-quality products, reliable supply, collaborative development, and adherence to international standards.
- The company engages clients throughout the product lifecycle—from design and validation to testing, manufacturing, and delivery—offering customized packaging and kitting solutions to enhance customer satisfaction.
- The technical springs and high-tensile fasteners industry presents significant entry barriers due to its stringent qualification processes, which can take 12 to 24 months. The company's extensive experience and high-quality standards have established it as a trusted supplier to OEMs, Tier 1 partners, and other stakeholders, earning it multiple awards for quality, delivery, and new product development.

Revenue contribution from customers

Particulars	FY22		FY23		FY24	
	INR Mn	in %	INR Mn	in %	INR Mn	in %
Top five customers	502	35%	417	29%	657	32%
Top ten customers	648	45%	679	42%	962	47%

Source: IPO Prospectus

Our Clientele

Renewable Energy








Industrial









Mobility









Gala Precision Engineering Ltd.

Strengths:

Well-equipped manufacturing facilities along with in-house design and other capabilities which offer scale, flexibility, and comprehensive solutions:

- The company operates two manufacturing facilities in Wada District, Palghar, Maharashtra, which are equipped for the design, development, and production of a diverse product range. Additionally, a new facility is being established in Vallam-Vadagal, SIPCOT, Sriperumbudur, Tamil Nadu, to expand their portfolio with high-tensile fasteners and new products like bolts.
- The company's manufacturing process includes tool design, blanking, forming, coiling, heat treatment, surface finishing, and various testing and quality control measures.
- This comprehensive in-house process allows for high precision and process control, providing a significant cost advantage compared to European competitors.
- The Wada facilities are certified to international standards, for a wide range of products such as disc springs, coil springs, and various fasteners. The company utilizes advanced CNC machinery and software, including CAD and iQbestspeed, to ensure stringent manufacturing tolerances and optimize production speed.
- This in-house capability enhances their ability to develop and supply high-precision, multi-purpose components while supporting ongoing product innovation and meeting customer specifications.

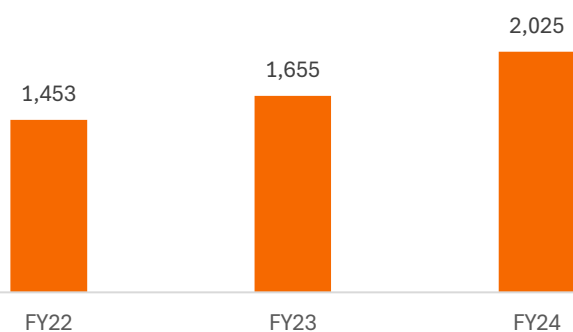
Track record of consistent financial growth and performance characterized by operational efficiency and high repeat business:

- The company has demonstrated a consistent track record of growth and profitability. From FY 2022 to FY 2024, it achieved a CAGR of 18.08% in total income, reaching ₹2043.77 Mn by FY 2024.
- During the same period, its gross profit margins remained stable, with a slight decrease from 59.26% in FY 2022 to 59.15% in FY 2024.

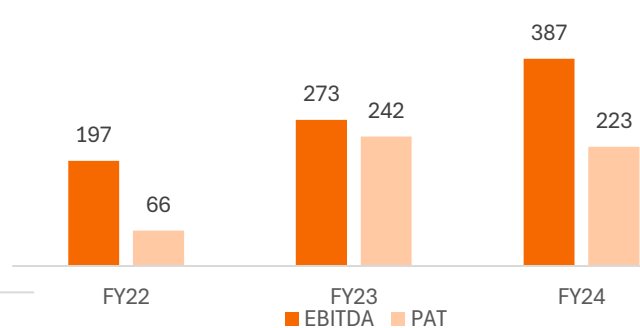
Exceptional items:

The PBT in FY23 was favourably alleviated by exceptional item of INR 97 due to profit from the sale of a plant and the sale of intangible assets. However, in FY24, there was an unfavorable impact from inventory write-offs. As a result, the reported PAT was lower at INR 223 in FY24 compared to FY23 to INR 242

Revenue CAGR of 18%



EBITDA CAGR of 40% and PAT CAGR of 83%



Source: IPO Prospectus, DevenChoksey Research

Gala Precision Engineering Ltd.**Strategies:****Strengthening core capabilities in precision engineering for sustainability:**

- The company is a leading manufacturer of precision components, specializing in technical springs and high-tensile fasteners for OEMs, Tier 1 suppliers, and channel partners. With a strong focus on renewable energy, industrial applications and mobility, the company aims to further strengthen its core capabilities in precision engineering.
- The company leads the Indian disc springs market with 10% share and 70% in renewable energy domestically, and 3% globally. It has expanded from wind turbine yaw brakes to fastening elements and now earn most revenue from renewable energy products, with growing presence in Europe and the USA.
- The increasing global shift towards renewable energy, driven by geopolitical tensions and climate policies, is expected to boost demand for their products. Forecasts indicate significant growth in onshore and offshore wind capacities, which will drive up consumption of wedge lock washers and fasteners.
- Additionally, the company's strip springs are used in EV brakes. With the EV market expanding, and the company plans to broaden their offerings to boost revenue and enhance their role in the mobility sector.

Moving up the value chain from niche markets to large addressable markets:

- The company started with disc and strip springs and now makes precision components, including technical springs and high-tensile fasteners, for OEMs and suppliers. The disc springs market is valued at USD 114.80 Mn in India and USD 891.20 Mn globally.
- The company's expansion into coil and spiral springs, with a market size of USD 458.50 Mn in India, reflects a strategic move into larger markets. The fastening solutions segment introduced in 2018, addresses the growing demand in renewable energy and industrial sectors.
- The global fasteners market was valued at approximately USD 97.24 billion in CY23 and is projected to grow at a CAGR of 6.7% through CY26. In India, the market for special fasteners is expected to grow at a CAGR of 18% from FY24 to FY27.
- The company uses its experience and strong market presence to provide fastening solutions for renewable energy, industrial, and mobility sectors.

Leverage in-house design and development capabilities to grow product offerings and capitalize on future trends:

- The company is a technology-driven entity specializing in cost-effective solutions for diverse technical springs and high-tensile fasteners. Leveraging emerging technologies, the design and development teams focus on enhancing efficiency and aligning their product offerings with customer expectations and industry standards.
- The company plans to advance its development, engineering, tool design, and manufacturing processes, incorporating lean manufacturing and automation to ensure zero defects and optimize manpower.
- Based in Wada, Maharashtra, the company's innovation center has developed over 200 new products in the last five years. Their in-house capabilities support over 750 SKUs, helping them adapt to trends in renewable energy, industrial, and mobility sectors.
- The company is opening a new facility in Vallam-Vadagal, Tamil Nadu to develop high-tensile fasteners and expand their product range. It will also grow their team to enhance design capabilities and stay ahead of market trends.

Gala Precision Engineering Ltd.**Strategies:****Strengthen relationships with existing customers and expand customer base:**

- The company is focused on expanding its product portfolio by leveraging existing customer relationships across established end markets while actively seeking new opportunities. Their strategy includes strengthening ties with current customers and building new relationships to drive organic growth.
- The company plans to intensify its focus on emerging sectors such as renewable as well as other industrial segments like electrical systems, off-highway equipment, and mobility sectors. This approach is expected to attract new customers and increase revenue and profitability from existing ones.
- By manufacturing highly complex components, the company is well-positioned to efficiently produce less complex items at scale, which supports long-term customer relationships. It aims to utilize their industry knowledge and engineering capabilities to enhance margins and sustain growth.

Expand manufacturing capacity at the existing facilities and set-up additional strategically located facility:

- As of June 30, 2024, the company operates two facilities in Wada, Maharashtra. It plans to invest ₹370 Mn in a new plant in Vallam-Vadagal, Tamil Nadu, to produce high-tensile fasteners and bolts. This facility will expand their product portfolio, support OEMs and reduce transportation costs due to its proximity to Chennai and a port.
- Additionally, the company plans to increase the manufacturing capacity for disc springs (DSS) and coil springs (CSS) at its Wada, Maharashtra facilities, with an investment of ₹110.69 Mn. This expansion is intended to bolster production capabilities and meet growing demand.

Risks:

- The company's revenue is heavily dependent on customer demand. A decline in purchases from major customers could impact its business.
- The company does not have exclusivity arrangements with either customers or suppliers as a result it may face adverse effects on it loses key customers
- The company is involved in ongoing patent infringement litigation, which could harm its business and growth strategy if the outcome is unfavorable. As mentioned in the RHP the aggregate amount involved in the litigation is INR 48 Mn.
- Nord-Lock AB and Nord-Lock (India) Private Limited have filed a patent infringement suit against Gala Precision Engineering Private Limited and Gala Fasteners Private Limited, seeking INR 20 million in damages, with a reservation to enhance the amount based on total sales revenue of the infringing products. The product involved in the litigation contributed 4.68%, 6.40%, and 5.43% of Gala Precision Engineering Private Limited's total revenue in Fiscals 2024, 2023, and 2022, respectively.

Gala Precision Engineering Ltd.

Outlook & Valuation:

Gala Precision Engineering Limited is poised to leverage its strong foothold in the precision components industry amidst a favorable market environment marked by robust growth in the renewable energy and automotive sectors. The company has demonstrated impressive financial performance, with a CAGR of 18% in revenue from FY 2022 to FY 2024, reaching INR 2,044 Mn in FY 2024, stable gross profit margins and 57% CAGR in PBT and exceptional items during the same period from INR 112 to INR 276 Mn, showcases strong financial health and operational efficiency. Strategic investments in new manufacturing facilities in Maharashtra and Tamil Nadu enhance production capacity and export capabilities, while in-house design and technological advancements provide a competitive edge. The expansion of its manufacturing facilities and the introduction of new products will enable the company to capture additional market share in both domestic and international markets. The company is valued at Adj PE of 30x which is trading at a discount compared to its peers. Given the favourable industry trends, its strategic advantages and we assign a **Subscribe** rating to the IPO.

Peer Comparison:

Particulars	Gala Precision Engineering Limited	Harsha Engineers International Limited	SKF India Limited	Sundram Fasteners Limited	Rolex Rings Limited	Sterling Tools Limited
Revenue from operations	2,044	14,218	46,641	57,205	12,368	9,385
EBITDA	406	2,008	8,116	9,409	2,770	1,143
EBITDA Margin (%)	20%	14%	17%	16%	22%	12%
PAT	223	1,114	5,518	5,256	1,560	554
PAT Margin	11%	8%	12%	9%	13%	6%
EPS	17.59*	12.24	111.6	24.83	57.3	15.37
PE ratio	30.1	44.33	48.5	54.49	40.83	24.7
RONW (%)	21%	9%	21%	15%	17%	12%

*Adj EPS

Source: IPO Prospectus, Deven Choksey Research

Gala Precision Engineering Ltd.
Financials:

Income Statement(In INR Mn)	FY22	FY23	FY24
Revenue	1,453	1,655	2,025
Operating Expenditure	1,256	1,381	1,638
EBITDA	197	273	388
EBITDA Margin %	14%	17%	19%
Other Income	27	16	18
Depreciation	63	61	69
Interest	49	52	61
PBT & Exceptional Items	112	177	276
Exceptional Items	0	98	-20
PBT	112	275	256
Tax	46	32	33
Profit after Tax	66	242	223
PAT Margin (%)	5%	15%	11%
Adjusted EPS	5.23	19.11	17.59

Cash Flow (INR Mn)	FY22	FY23	FY24
CFFO	116	160	156
CFFI	-66	-124	-30
CFFF	-69	-36	-118
Net Increase/(Decrease) in Cash	-20	0	8
Cash at beginning	25	5	5
Cash at end	5	5	14

Balance sheet (INR Mn)	FY22	FY23	FY24
Assets			
Non-Current Assets			
Property, plant and equipment	384	382	413
Intangible Assets	198	211	219
Other non-current assets	24	89	112
Current Assets			
Inventories	497	558	577
Trade receivables	255	300	470
Other current assets	99	165	97
Total Assets	1,456	1,704	1,887
Equity & Liabilities			
Equity share capital	25	25	101
Other equity	568	811	947
Non controlling interest	0	0.03	-3
Total Equity	593	837	1,044
Non -Current liabilities			
Financial liabilities	238	220	103
Other non-current liabilities	61	83	62
Current liabilities			
Financial liabilities	388	468	525
Trade payables	138	81	137
Other current liabilities	38	15	15
Total Equity and Liabilities	1,456	1,704	1,887

Source: IPO Prospectus, DevenChoksey Research

Gala Precision Engineering Ltd.**ANALYST CERTIFICATION:**

I, **Karan Kamdar** (CA), Research Analyst, author and the name subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect my views about the subject issuer(s) or securities. I also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

Terms & Conditions and other disclosures:

DRChoksey FinServ Private Limited (hereinafter referred to as DCFPL) is a registered member of SEBI as a Research Entity vide Registration No. INH000011246 under SEBI (Research Analyst) Regulations, 2014, Portfolio Managers Entity vide Registration No. INP000007906 under SEBI (PORTFOLIO MANAGERS) Regulations, 2020 & Investment Adviser Entity vide Registration No. INA000017903 under SEBI (INVESTMENT ADVISERS) REGULATIONS, 2013.

The information and opinions in this report have been prepared by DCFPL and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of DCFPL. While we would endeavor to update the information herein on a reasonable basis, DCFPL is not under any obligation to update the information. Also, there may be regulatory, compliance or other reasons that may prevent DCFPL from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or DCFPL policies, in circumstances where DCFPL might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. DCFPL will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. DCFPL accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. Our employees in sales and marketing team, dealers and other professionals may provide oral or written market commentary or trading strategies that reflect opinions that are contrary to the opinions expressed herein, in reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest.

We submit that no material disciplinary action has been taken on DCFPL and its associates (Group Companies) by any Regulatory Authority impacting Equity Research Analysis activities.

DCFPL prohibits its associate, analysts, persons reporting to analysts and their relatives from maintaining a financial interest in the securities or derivatives of any companies that the analyst covers.

DCFPL or its associates (Group Companies) collectively or its research analyst, or relatives do not hold any financial interest/beneficial ownership of more than 1% (at the end of the month immediately preceding the date of publication of the research report) in the company covered by Analyst, and has not been engaged in market making activity of the company covered by research analyst.

It is confirmed that, I, **Karan Kamdar** Research Analyst of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months. Compensation of our Research Analysts is not based on any specific brokerage service transactions.

DCFPL or its Associates (Group Companies) have not managed or co-managed public offering of securities for the subject company in the past twelve months.

DCFPL or its associates (Group Companies) collectively or its research analyst, or relatives might have received any commission/compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of brokerage services or specific transaction or for products and services other than brokerage services.

DCFPL or its associates (Group Companies) collectively or its research analyst, or relatives might have received any commission/compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report other than investment banking or merchant banking or brokerage services from the subject company

DCFPL encourages the practice of giving independent opinion in research report preparation by the analyst and thus strives to minimize the conflict in preparation of research report. DCFPL or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither DCFPL nor Research Analysts his associate or his relative, have any material conflict of interest at the time of publication of this report.

It is confirmed that, **Karan Kamdar**, Research Analyst do not serve as an officer, director or employee of the companies mentioned in the report.

DCFPL or its associates (Group Companies) or its research analyst has may been engaged in market making activity for the subject company.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other Jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject DCFPL and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform them of and to observe such restriction.

The securities quoted are for illustration only and are not recommendatory

Please send your feedback to research.retail@devenchoksey.com

DRChoksey FinServ Private Limited

CIN Number -U67100MH2020PTC352816

Registered Office and Corporate Office:

5th Floor Abhishek Building, Behind Monginis Cake Factory, Off New Link Road, Andheri West, Mumbai-400058