



IPO INSIGHTS



Gala Precision Engineering Limited

Issue Dates - Opens: 02-09-2024 | Closes: 04-09-2024

IPO Note	<ol style="list-style-type: none"> Gala Precision Engineering Limited is a manufacturer of precision components such as disc and strip springs, coil and spiral springs, and special fastening solutions. The Company supplies these products to original equipment manufacturers (OEMs).
Rating	★★ (Average)

IPO SNAPSHOT

Issue Size	₹ 167.93 Crores
Issue Type	Book Built Issue IPO
Fresh Issue	₹ 135.34 Crores
Offer for Sale	₹ 32.59 Crores
Face Value Per Share	₹ 10
Price Band Per Share	₹503 to ₹529
Minimum Lot Size	28 shares
Listing On	BSE, NSE
Registrar to the Issue	Link Intime India Private Ltd

IPO SNAPSHOT – Gala Precision Engineering Limited

About the Company	<ul style="list-style-type: none"> ▪ Incorporated in 2009. ▪ Gala precision engineering limited is a precision component manufacturer of technical springs like disc & strip springs (DSS) including wedge lock washers; coil & spiral springs (CSS) and special fastening solution (SFS) supplying to original equipment manufacturers (OEMs). ▪ The company's products are used in sectors such as electrical, off-highway equipment, infrastructure, and general engineering, as well as in mobility segments such as automotive and railway. ▪ The company has supplied its technical springs and high tensile fasteners to customers in several countries including Germany, Denmark, China, Italy, Brazil, USA, Sweden, and Switzerland, making it a crucial link in the global supply chain for OEMs. ▪ The business of the company primarily comprises of (i) springs technology division, under which they manufacture DSS including wedge lock washers (“WLW”), CSS and (ii) SFS in which they manufacture anchor bolts, studs and nuts. 																														
Competitive Strengths	<ul style="list-style-type: none"> ▪ Well established manufacturer of precision engineering components with diversified product portfolio and diverse market. ▪ Long standing customer relationships with both Indian and global OEM and Tier 1 players. ▪ Well equipped manufacturing facilities along with in-house design and other capabilities which offer scale, flexibility, and comprehensive solutions. ▪ Experienced management team supported by large, diverse and skilled work force. ▪ Track record of consistent financial growth and performance characterized by operational efficiency and high repeat business. 																														
Financials (₹ in Crores)	<table border="1"> <thead> <tr> <th>Particulars</th> <th>31-3-2022</th> <th>31-3-2023</th> <th>31-03-2024</th> <th>Y-o-Y</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td>145.27</td> <td>165.46</td> <td>202.54</td> <td>22%</td> </tr> <tr> <td>EBITDA</td> <td>19.66</td> <td>37.08</td> <td>36.44</td> <td>-2%</td> </tr> <tr> <td>EBITDA Margin</td> <td>13.5%</td> <td>22.4%</td> <td>18.0%</td> <td></td> </tr> <tr> <td>PAT</td> <td>6.63</td> <td>24.21</td> <td>22.33</td> <td>-8%</td> </tr> <tr> <td>PAT Margin</td> <td>4.56%</td> <td>14.63%</td> <td>11.03%</td> <td></td> </tr> </tbody> </table>	Particulars	31-3-2022	31-3-2023	31-03-2024	Y-o-Y	Revenue	145.27	165.46	202.54	22%	EBITDA	19.66	37.08	36.44	-2%	EBITDA Margin	13.5%	22.4%	18.0%		PAT	6.63	24.21	22.33	-8%	PAT Margin	4.56%	14.63%	11.03%	
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Valuation	<ul style="list-style-type: none"> ▪ Attributing Annualized FY23 Earnings asking P/E = 23.95 																														
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Promoters	<ul style="list-style-type: none"> ▪ Kirit Vishanji Gala ▪ Smeet Kirit Gala 																														
Objects of the issue	<ul style="list-style-type: none"> ▪ Setting up a new facility at Vallam-Vadagal, SIPCOT, Sriperumbuddur, Tamil Nadu for manufacturing high tensile fasteners and hex bolts. ▪ Funding capital expenditure requirements towards purchase of equipment, plant and machinery at Wada, Palghar, Maharashtra. ▪ Repayment/ prepayment, in full or part, of certain borrowings availed by the company. ▪ General corporate purposes 																														

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