

Gala Precision Engineering IPO

Gala Precision Engineering IPO Price: ₹503 to ₹529 per share

IPO Dates: 2 September 2024 - 4 September 2024



Company Overview

Gala Precision Engineering Limited, incorporated in February 2009, is a prominent manufacturer of precision components, including disc and strip springs (DSS), coil and spiral springs (CSS), and special fastening solutions (SFS). The company serves original equipment manufacturers (OEMs), Tier 1 players, and channel partners across various sectors such as electrical, off-highway equipment, infrastructure, and general engineering, with a strong presence in mobility segments like automotive and railway.

Global Reach and Market Presence

Gala Precision Engineering has established itself as a crucial player in the global supply chain for OEMs, with a significant international footprint. The company exports its products to over 25 countries, including Germany, Denmark, China, Italy, Brazil, the USA, Sweden, and Switzerland. As of March 31, 2024, exports contributed 37.53% to the company's total sales. Gala holds a -2% share of the global DSS & WLW market and is a key disc springs manufacturer in India, with a -10% market share domestically. In the renewable industry, Gala has a commanding -70% share of the Indian market and -3% of the global market.

Manufacturing Capabilities

Gala operates from two manufacturing facilities in Wada District, Palghar, Maharashtra, certified by ISO 9001:2015 and IATF16949 standards. These facilities have an annual production capacity of 246.46 million units of springs and washers and 0.42 million fasteners. The company is expanding its production capabilities by establishing a new manufacturing facility in SIPCOT, Sriperumbudur, Tamil Nadu, dedicated to producing high-tensile fasteners and bolts. This

expansion reflects Gala's commitment to enhancing its product portfolio and meeting the growing demand for precision components.

Product Offerings and Innovation

The company's Springs Technology Division focuses on manufacturing DSS, including Wedge Lock Washers (WLW) and CSS. The SFS division produces anchor bolts, studs, and nuts. Over the last five years, Gala has developed more than 200 products in the technical springs and high-tensile fasteners categories, delivering over 750 stock-keeping units to meet diverse customer requirements.

Customer Relationships and Competitive Strengths

Gala Precision Engineering boasts long-standing relationships with its customers, with partnerships ranging from 4 to over 15 years. The company's diverse product portfolio and well-equipped manufacturing facilities offer scale, flexibility, and comprehensive solutions to domestic and international clients.

Gala Precision Engineering IPO Specifics:

IPO Date	September 2, 2024 to September 4, 2024
Listing Date	Monday, September 9, 2024
Face Value	₹10 per share
Price Band	₹503 to ₹529 per share
Lot Size	28 Shares
Total Issue Size	3,174,416 shares (aggregating up to ₹167.93 Cr)
Fresh Issue	2,558,416 shares (aggregating up to ₹135.34 Cr)
Offer For Sale	616,000 shares (aggregating up to ₹32.59 Cr)
Issue Type	Book Built Issue IPO
Listing At	BSE, NSE
Share holding pre issue	10,111,584
Share holding post issue	12,670,000

Gala Precision Engineering IPO Timetable (Important Dates)

IPO Open Date	Monday, September 2, 2024
IPO Close Date	Wednesday, September 4, 2024
Basis of Allotment	Thursday, September 5, 2024
Initiation of Refunds	Friday, September 6, 2024
Credit of Shares to Demat	Friday, September 6, 2024
Listing Date	Monday, September 9, 2024
Cut-off time for UPI mandate confirmation	5 PM on September 4, 2024

Gala Precision Engineering IPO Lot Size

Bidders have the opportunity to bid for a minimum of 28 shares, with the option to increase in multiples. The table below outlines the minimum and maximum investment thresholds for both retail investors and High Net Worth Individuals (HNIs), specifying the corresponding number of shares and amounts involved.

Application	Lots	Shares	Amount
Retail (Min)	1	28	₹14,812
Retail (Max)	13	364	₹1,92,556
S-HNI (Min)	14	392	₹2,07,368
S-HNI (Max)	67	1,876	₹9,92,404
B-HNI (Min)	68	1,904	₹10,07,216

Gala Precision Engineering IPO Reservation

QIB Shares Offered	Not more than 50% of the Net offer
Retail Shares Offered	Not less than 35% of the Offer
NII (HNI) Shares Offered	Not less than 15% of the Offer

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Gala Precision Engineering Limited IPO Financial Information

Period Ended	31 Mar 2022	31 Mar 2023	31 Mar 2024
Assets	145.62	170.39	188.69
Revenue	147.96	167.08	204.38
Profit After Tax	6.63	24.21	22.33
Net Worth	59.32	83.66	104.45
Reserves & Surplus	56.79	81.13	94.67
Total Borrowing	56.89	58.6	55.03

Amount in ₹ Crore

Key Performance Indicator - Gala Precision Engineering IPO

KPI	Values
Market Cap	₹ 670.24 Cr.
ROE	23.59%
ROCE	19.91%
EPS	₹22.09
P/E (x)	23.95
Debt/ Equity	0.53
RoNW	21.38%
P/BV	5.12

as of Mar 31, 2024

Objects of the Issue:

The company plans to use the Net Proceeds for the following purposes:

1. Establishing a new facility at Vallam-Vadagal, SIPCOT, Sriperumbudur, Tamil Nadu, dedicated to manufacturing high-tensile fasteners and hex bolts.
2. Funding capital expenditures for the purchase of equipment, plant, and machinery at Wada, Palghar, Maharashtra.
3. Repaying or prepaying, either fully or partially, certain borrowings taken by the company.
4. Addressing general corporate purposes.

Prospectus Links:

Prospectus: Official documents that provide detailed information about the IPO and the company.

[Gala Precision Engineering Limited IPO DRHP.](#)

[Gala Precision Engineering Limited IPO RHP.](#)