



**Date: 14.11.2024**

**BSE Limited  
Department of Corporate Services,  
P. J. Towers, Dalal Street,  
Mumbai - 400 001  
Scrip Code: 544244**

**National Stock Exchange of India  
Limited  
Exchange Plaza, 5<sup>th</sup> Floor, Plot No. C/1,  
G Block, Bandra Kurla Complex,  
Bandra (East), Mumbai – 400 051  
Scrip Name: GALAPREC**

**Sub: Monitoring Agency Report for the quarter ended September 30, 2024**

**Dear Sir(s),**

Pursuant to Regulation 32(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 please find enclosed herewith Monitoring Agency Report in respect of utilization of proceeds of IPO for the quarter ended September 30, 2024, issued by Crisil Ratings Limited, Monitoring Agency.

You are requested to take the above information on your record

Kindly take the same on record and acknowledge receipt.

Thanks & Regards,

**For Gala Precision Engineering Limited**

**Pooja Ladha  
Company Secretary and Compliance Officer  
Membership No.: A59339**

**Monitoring Agency Report**  
**for**  
**Gala Precision Engineering Limited**  
**for the quarter ended**  
**September 30, 2024**

CRL/MAR/DDEPL/2024-25/1242

November 14, 2024

To

**Gala Precision Engineering Limited**

A-801, 8th Floor, Thane One DIL Complex,  
Ghodbunder Road Majiwade,  
Thane (West), Maharashtra-400610

Dear Sir,

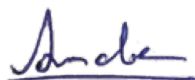
**Monitoring Agency Report for the quarter ended September 30, 2024 - in relation to the Initial Public Offer ("IPO") of Gala Precision Engineering Limited ("the Company")**

Pursuant to Regulation 41(2) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations") and Monitoring Agency Agreement dated August 14, 2024, enclosed herewith the Monitoring Agency Report, issued by CRISIL Ratings Limited, Monitoring Agency, as per Schedule XI of the SEBI ICDR Regulations towards utilization of proceeds of IPO for the quarter ended September 30, 2024.

Request you to kindly take the same on records.

Thanking you,

**For and on behalf of CRISIL Ratings Limited**



**Sushant Sarode**  
Director, Ratings (LCG)

## Report of the Monitoring Agency (MA)

**Name of the issuer:** Gala Precision Engineering Limited

**For quarter ended:** September 30, 2024

**Name of the Monitoring Agency:** CRISIL Ratings Limited

(a) Deviation from the objects: Not applicable


(b) Range of Deviation: Not applicable

### **Declaration:**

*We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.*

*The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit-related analyses. We confirm that we do not perceive any conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer.*

*We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.*



**Signature:**

**Name and designation of the Authorized Signatory:** Sushant Sarode

**Designation of Authorized person/Signing Authority:** Director, Ratings (LCG)

# Ratings

## 1) Issuer Details:

<b>Name of the issuer:</b>	Gala Precision Engineering Limited
<b>Names of the promoter:</b>	a. Mr. Kirit Vishanji Gala b. Mr. Smeet Kirit Gala
<b>Industry/sector to which it belongs:</b>	Other Industrial Products

## 2) Issue Details

<b>Issue Period:</b>	Monday, September 2, 2024, to Wednesday, September 4, 2024
<b>Type of issue (public/rights):</b>	Initial Public Offer (IPO)
<b>Type of specified securities:</b>	Equity Shares
<b>IPO Grading, if any:</b>	NA
<b>Issue size:</b>	Fresh issuance of Rs 1,353.40 million (Refer Note)

<b>Particulars</b>	<b>Amount (Rs in million)</b>
Gross Proceeds	1,353.40*
Less: Offer Expenses	139.27**
Net Proceeds	1,214.13

\*CRISIL Ratings shall be monitoring the gross proceeds.

\*\*Out of the issue expenses of Rs 139.27 million, the Company has spent Rs 95.73 million towards the issue expenses as at the quarter ended September 30, 2024, and the remaining Rs 43.54 million are lying in public offer accounts of the Company.

The aforementioned disclosure is based on management undertaking & Certificate issued by M/s M M Nissim & Co LLP., Chartered Accountants (Firm Registration Number: 107122W / W100672), Peer Reviewed Independent Chartered Accountant.

### 3) Details of the arrangement made to ensure the monitoring of issue proceeds:

Particulars	Reply	Source of information/certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	Yes	Management undertaking, Peer-reviewed Independent Chartered Accountant certificate <sup>^</sup> , Prospectus, Bank Statements	No Comments	No Comments
Whether shareholder approval has been obtained in case of material deviations from expenditures disclosed in the Offer Document?	NA	Management undertaking, Peer-reviewed Independent Chartered Accountant certificate <sup>^</sup>	No Comments	No Comments
Whether the means of finance for the disclosed objects of the issue has changed?	No		No Comments	No Comments
Is there any major deviation observed over the earlier monitoring agency reports?	NA		No Comments	No Comments
Whether all Government/statutory approvals related to the object(s) have been obtained?	NA		No Comments	No Comments
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Yes		No Comments	No Comments
Are there any favorable events improving the viability of these object(s)?	NA		No Comments	No Comments
Are there any unfavorable events affecting the viability of the object(s)?	NA		No Comments	No Comments
Is there any other relevant information that may materially affect the decision making of the investors?	No		No Comments	No Comments

NA represents Not Applicable

<sup>^</sup> Certificate dated November 07, 2024, issued by M/s M M Nissim & Co LLP., Chartered Accountants (Firm Registration Number: 107122W/W100672), Peer Reviewed Independent Chartered Accountant.

#### 4) Details of object(s) to be monitored:

##### i. Cost of the object(s):

Sr. No	Item Head	Source of information/certification considered by MA for preparation of report	Original cost (as per the Offer Document) (Rs in million)	Revised Cost (Rs in million)	Comment of the Monitoring Agency	Comments of the Board of Directors		
						Reason of Cost revision	Proposed financing option	Particulars of firm arrangements made
1	Setting up a new facility at Vallam-Vadagal, SIPCOT, Sriperumbuddur, Tamil Nadu for manufacturing high tensile fasteners and hex bolts	Management undertaking, Peer-reviewed Independent Chartered Accountant certificate <sup>^</sup> , Prospectus	370.00	NA	No revision	No Revision		
2	Funding capital expenditure requirements towards purchase of equipment, plant and machinery at Wada, Palghar, Maharashtra;		110.69	NA	No revision	No Revision		
3	Repayment/prepayment, in full or part, of certain borrowings availed by the Company		454.30	NA	No revision	NA		
4	General corporate purposes (GCP)*		279.14	NA	No revision	NA		
<b>Total</b>		-	<b>1,214.13</b>	-	-	-	-	-

<sup>^</sup> Certificate dated November 07, 2024, issued by M/s M M Nissim & Co LLP., Chartered Accountants (Firm Registration Number: 107122W/W100672), Peer Reviewed Independent Chartered Accountant.

\*The amount utilised for general corporate purposes does not exceed 25% of the Gross Proceeds (amounting to Rs 338.35 million) from the Fresh Issue.

## Ratings

### ii. Progress in the object(s):

Sr. No.	Item Head#	Source of information/certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document (Rs in million)	Amount utilized (Rs in million)			Total unutilized amount (Rs in million)	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter	During the quarter	At the end of the quarter			Reasons for idle funds	Proposed course of action
1	Setting up a new facility at Vallam-Vadagal, SIPCOT, Sriperumbuddur, Tamil Nadu for manufacturing high tensile fasteners and hex bolts	Management undertaking, Peer-reviewed Independent Chartered Accountant certificate ^, Prospectus, Bank Statements	370.00	Nil	36.70*	36.70	333.30	Proceeds have been utilized towards Land development cost, building, installation of plant and machinery and various electrical installations.	As and when required	
2	Funding capital expenditure requirements towards purchase of equipment, plant and machinery at Wada, Palghar, Maharashtra		110.69	Nil	1.87**	1.87	108.82	Proceeds have been utilized towards installation of additional machinery.	As and when required	
3	Repayment/prepayment, in full or part, of certain borrowings availed by the Company		454.30	Nil	454.30	454.30	0.00	Proceeds have fully been utilized towards repayment of working capital, term loan and GECL.	No Comments	
4	General corporate purposes		279.14	Nil	0.00	0.00	279.14	No proceeds were utilized towards this object during the reported quarter.	As and when required	
<b>Total</b>			<b>1,214.13</b>	<b>Nil</b>	<b>492.87</b>	<b>492.87</b>	<b>721.26</b>			



\*As per the Prospectus dated September 05, 2024:

*"The Company envisages that there might be price fluctuations, and the currently estimated project cost may increase on account of factors beyond our control, including increase in cost of machinery and associated transportation or other charges or taxes."*

During the reported quarter, the Company incurred an additional expenditure of Rs 0.02 crore for "Retaining and Compound Wall project on the West Side", exceeding the initial estimated cost Rs 0.11 crore. This excess amount was funded from the contingency reserve, which is in line with the disclosure provided in the Prospectus.

The Company had provided indicative list of plant and machinery to be purchased out of the net proceeds. Further, as per the Prospectus dated September 05, 2024:

*"The list of machinery items provided is based on the current estimates & there can be variations in the cost at the actual ordering of the machines. Apart from this there can be variations in the nature of machines depending upon the business requirements at the time actual procurement. As a result, the list of machines may undergo change. Hence, there can addition of new machines or deletion from existing list."*

The purchase of additional machinery is as per the terms and conditions set forth in the Prospectus.

^ Certificate dated November 07, 2024, issued by M/s M M Nissim & Co LLP., Chartered Accountants (Firm Registration Number: 107122W/W100672), Peer Reviewed Independent Chartered Accountant.

### #Brief description of objects:

Object of the Issue	Description of objects as per the offer document filed by the issuer
Setting up a new facility at Vallam-Vadagal, SIPCOT, Sriperumbuddur, Tamil Nadu for manufacturing high tensile fasteners and hex bolts	As part of the growth strategy and with a view to expanding its capacity of special fastening solutions for products like foundation studs, nascelle fasteners, hex bolts, nuts etc,. The Company is setting up a new manufacturing facility at Vallam-Vadagal, SIPCOT, Sriperumbuddur, Tamil Nadu (" <b>Proposed Project</b> ").
Funding capital expenditure requirements towards purchase of equipment, plant and machinery at Wada, Palghar, Maharashtra	As a part of its strategy to enhance market position with focus on additional capacity for manufacturing of hex bolts, operational efficiency, improve safety, IT set up and quality capabilities. Accordingly, in furtherance of the aforesaid, The Company intends to utilize up to ₹ 110.69 million towards purchase of machinery for additional capacity for manufacturing of hex bolts at its existing production facilities in Wada, Palghar, Maharashtra in order to increase the automated processes available at such facilities as well as for the replacement of existing machinery, for facility improvisations.
Repayment/ prepayment, in full or part, of certain borrowings availed by the Company	The Company proposes to utilise an estimated amount of ₹454.30 million from the Net Proceeds towards full or partial repayment or pre-payment of certain borrowings availed by the Company. It may avail further loans and/or draw down further funds under existing loans from time to time. The selection of borrowings proposed to be repaid/pre-paid amongst our borrowing arrangements availed is based on various factors including (i) cost of borrowing, including applicable interest rates, (ii) any conditions attached to the borrowings restricting the ability to prepay the borrowings and time taken to fulfil or obtain waiver for such requirements, and (iii) other commercial considerations including, among others, the amount of the loans outstanding and the remaining tenor of the loan.

General corporate purposes	The general corporate purposes for which the Company proposes to utilise Net Proceeds include, without limitation, business development initiatives, design and development, meeting any expense including salaries and wages, rent, administration costs, insurance premiums, repairs and maintenance, payment of taxes and duties, inorganic opportunities and similar other expenses incurred in the ordinary course of the business any of the other Objects, payment of liabilities, capital expenditure or towards any exigencies. The quantum of utilisation of funds towards each of the above purposes will be determined by the Board of the Company, based on the amount actually available under this head and the business requirements of the Company, from time to time, subject to compliance with applicable law.
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### iii. Deployment of unutilised proceeds<sup>^</sup>:

S. No.	Type of instrument where amount is invested	Amount invested (in Rs million)	Maturity date	Earnings as on September 30, 2024 (in Rs million)	Return on Investment (%)	Market value as at the end of quarter (in Rs million)
1	FD-50301040022740	50.00	18-12-24	0.11	7.00%	50.11
2	FD-50301040023766	50.00	18-12-24	0.11	7.00%	50.11
3	FD-50301040026302	50.00	21-03-25	0.11	7.10%	50.11
4	FD-50301040027051	50.00	21-03-25	0.11	7.10%	50.11
5	FD-50301040027611	50.00	21-03-25	0.11	7.10%	50.11
6	FD-50301040028360	50.00	21-03-25	0.11	7.10%	50.11
7	FD-50301040028959	50.00	21-03-25	0.11	7.10%	50.11
8	FD-50301040029593	50.00	20-09-25	0.11	7.55%	50.11
9	FD-50301040030186	50.00	20-09-25	0.11	7.55%	50.11
10	FD-50301040031124	10.00	20-12-25	0.02	7.10%	10.02
11	FD-50301040031699	10.00	20-12-25	0.02	7.10%	10.02
12	FD-50301040032242	10.00	20-12-25	0.02	7.10%	10.02
13	FD-50301040290280	50.00	07-10-24	0.07	4.75%	50.07
14	FD-50301040290916	50.00	07-10-24	0.07	4.75%	50.07
15	FD-50301040291511	50.00	07-10-24	0.07	4.75%	50.07
16	FD-50301040294052	50.00	07-10-24	0.07	4.75%	50.07
17	FD-50301040295641	20.00	07-10-24	0.02	4.75%	20.02
18	Balance in MA Account maintained with HDFC Bank	7.21*	-	-	-	7.21
19	Balance in Public Offer Account pertaining to Gross proceeds	58.17	-	-	-	58.17
	<b>Total</b>	<b>765.38</b>	<b>-</b>	<b>1.35</b>	<b>-</b>	<b>766.73</b>

\* This closing balance includes the interest received (net of TDS) amounting to Rs 0.57 million on matured Fixed Deposits. Monitoring the deployment of Interest Income earned from unutilised proceeds does not form part of the scope of Monitoring Agency report.

<sup>^</sup> Certificate dated November 07, 2024, issued by M/s M M Nissim & Co LLP., Chartered Accountants (Firm Registration Number: 107122W/W100672), Peer Reviewed Independent Chartered Accountant.

iv. Delay in implementation of the object(s):

Object(s)	Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the Offer Document	Actual		Reason of delay	Proposed course of action
Not applicable^					

^On the basis of management undertaking & Certificate dated November 07, 2024, issued by M/s M M Nissim & Co LLP., Chartered Accountants (Firm Registration Number: 107122W/W100672), Peer Reviewed Independent Chartered Accountant.

5) Details of utilization of proceeds stated as General Corporate Purpose amount in the offer document:

Not Applicable on the basis of management undertaking & Certificate dated November 07, 2024, issued by M/s M M Nissim & Co LLP., Chartered Accountants (Firm Registration Number: 107122W / W100672), Peer Reviewed Independent Chartered Accountant.

## Disclaimers:

- a) *This Report is prepared by CRISIL Ratings Limited (hereinafter referred to as "Monitoring Agency" / "MA" / "CRL"). The MA has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever.*
- b) *This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments. For the purpose of this Report, MA has relied upon the information provided by the management /officials/ consultants of the Issuer and third-party sources like Peer-reviewed Independent Chartered Accountants (or from peer reviewed CA firms) appointed by the Issuer believed by it to be accurate and reliable.*
- c) *Nothing contained in this Report is capable or intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The MA is also not responsible for any errors in transmission and specifically states that it, or its directors, employees do not have any financial liabilities whatsoever to the users of this Report.*
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- e) *The MA or its affiliates may have other commercial transactions with the entity to which the report pertains. As an example, the MA may rate the issuer or any debt instruments / facilities issued or proposed to be issued by the issuer that is subject matter of this report. The MA may receive separate compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.*
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## Ratings

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**CRISIL Ratings Limited**

*(A subsidiary of CRISIL Limited)*

Corporate Identity Number: U67100MH2019PLC326247