



Date: September 11, 2024

To
National Stock Exchange of India Ltd.,
Exchange Plaza, Bandra-Kurla Complex,
Bandra, Mumbai - 400 051
Symbol: GALAPREC

Sub: Notice of 16th Annual General Meeting of the Members of the Company and submission of Annual Report of the Company for the financial year 2023-24

Dear Sir/Madam,

Pursuant to Regulation 30 read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith, the Notice of the 16th Annual General Meeting ('the AGM') of the Company scheduled to be held on Monday, September, 30, 2024 at 4.30 P.M. (IST) through Video Conferencing / Other Audio-Visual Means to transact the Business Items as mentioned in the Notice convening the AGM.

We would like to inform you that the notice and annual report for the shareholders' meeting were sent via email on Friday, September 6, 2024, to all pre-IPO shareholders whose email addresses are registered with the Company or their respective Depository Participants (DP).

As the company is now listed, we are also sending the notice and annual report to our new shareholders for the upcoming shareholders' meeting to facilitate the new shareholders to attend AGM of our Company.

Further, pursuant to Regulation 34(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company for the Financial Year 2023-24 along with the Notice of the 16th Annual General Meeting ('AGM') which is being sent through electronic mode to the members.

The Annual Report containing the Notice of the AGM is also uploaded on the Company's website at www.galagroup.com/investor-relations.

Brief details of the 16th AGM of the Company are as below:

Day & Date of AGM	Monday, September, 30 2024
Time of AGM	04:30 IST
Mode	Video Conference / Other Audio Visual Means
Cut-off date for e-voting	Friday, 20th September 2024
Remote e-voting start date and time	9:00 a.m., Thursday, 26th September 2024
Remote e-voting end date and time	5.00 p.m., Sunday, 29th September 2024 [Remote e-voting module shall be disabled post this date]

Kindly take the above information on your record.

For Gala Precision Engineering Limited

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

Regd. Office
Gala Precision Engineering Limited
A-801, 8th Floor, Thane One, DIL Complex
Ghodbunder Road, Majiwada, Thane West, Pincode - 400 610

Tel. : +91 22 6930 9224
Email : info@galagroup.com
Website : www.galagroup.com
CIN No. U29268MH2009PLC190522



Precision Engineering for Sustainability

16TH ANNUAL REPORT



www.galagroup.com

2024



GALA PRECISION ENGINEERING LIMITED

Corporate Information

Board of Directors

- | | |
|------------------------|----------------------------|
| • Mr Kirit V Gala | Chairman Managing Director |
| • Mr Balkishan Jalan | Whole Time Director |
| • Mr Satish Kotwani | Whole Time Director |
| • Mr Rajendra Gogri | Director |
| • Mr Snehal Shah | Independent Director |
| • Mrs Neha Gada | Independent Woman Director |
| • Mrs Varsha Galvankar | Independent Woman Director |
| • Mr Sudhir Gosar | Independent Director |

Company Secretary and Compliance officer

Mrs Pooja Ladha

Auditors

M M NISSIM & CO LLP
CHARTERED ACCOUNTANTS
Barodawala Mansion, B-Wing, 3rd Floor,
81, Dr. Annie Besant Road,
Worli, Mumbai – 400 018.

Bankers

HDFC Bank Ltd
YES Bank Ltd

Register and Share Transfer Agents

Link Intime India Private Limited
C-101, 1st Floor, 247 Park,
L.B.S. Marg, Vikhroli (West),
Mumbai 400 083, Maharashtra

Registered Office

A-801, 8th Floor, Thane One DIL Complex, Ghodbunder Road Majiwade, Thane (West),
Maharashtra, India, 400610
CIN: 29268MH2009PLC190522
Website: www.galagroup.com

NOTICE is hereby given that the **SIXTEENTH (16TH) ANNUAL GENERAL MEETING (“AGM”)** of **GALA PRECISION ENGINEERING LIMITED** will be held at 04.30 P.M on September 30, 2024 through video conferencing (“**VC**”) or other audio-visual means (“**OAVM**”), for which purpose the Registered office of the Company situated at A-801, 8th Floor, Thane One DIL Complex, Ghodbunder Road Majiwade, Thane (West) Thane 400610 shall be deemed venue for the AGM and the proceedings of the AGM shall be deemed to be made thereat, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2024 together with the Reports of the Board of Directors and the Auditors thereon.
2. To re-appoint a Director in place of Mr. Rajendra Vallabhaji Gogri (Din: 00061003), Non-Executive Non-Independent Director, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. SCA and Associates, Chartered Accountants as Statutory Auditors of the Company and in this regard, to consider, and if thought fit, pass the following Resolution as an **ORDINARY RESOLUTION:**

“**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, M/s. SCA and Associates Chartered Accountants (Firm Registration No. 101174W), be and are hereby appointed as Statutory Auditors of the Company for a term of 5 (five) consecutive years commencing from the conclusion of this 16th Annual General Meeting (AGM) till the conclusion of the 21st AGM of the Company to be held in the year 2029 on such remuneration as may be fixed by the Board of Directors of the Company (or any committee thereof) and reimbursement of out of-pocket expenses incurred for the purpose of audit and applicable taxes.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to perform all such acts, deeds, things and matters as may be necessary to give effect to this Resolution.”

SPECIAL BUSINESS:

4. To ratify remuneration of M/s. Shekhar Joshi & Co. (Membership Number-10700) Cost Auditors of the Company for the financial year 2024-25, and in this regard, to consider, and if thought fit, pass the following Resolution as an **ORDINARY RESOLUTION:**

“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, Companies (Cost Records and Audit) Rules 2014 and the Companies (Audit and Auditors) Rules, 2014 (including statutory modifications or re-enactment thereof, for the time being in force), payment of remuneration of ₹75000 (Seventy Five Thousand) per annum plus applicable taxes and reimbursement of out of pocket expenses incurred for the purpose of Audit to M/s Shekhar Joshi & Co. Cost accountant, (Membership Number: 10700) the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year from April 1, 2024 to March 31, 2025, be and is hereby approved and ratified.”

NOTICE



RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to perform all such acts, deeds, things and matters as may be necessary to give effect to this Resolution.”

By order of the Board of Directors
For **GALA PRECISION ENGINEERING LIMITED**

Kirit V. Gala
DIN: 01540274
Chairman and Managing Director

Place: Thane

Date: September 5, 2024

Registered Office:

A-801, 8th Floor, Thane One DIL Complex,

Ghodbunder Road Majiwade,

Thane (west), Thane – 400610. India

Tel: +91 022-69309224

Email Id: info@galagroup.com, website: www.galagroup.com

CIN: U29268MH2009PLC190522

NOTES:

1. The Ministry of Corporate Affairs ('MCA') has, vide its circular dated September 25, 2023, allowed companies to convene Annual General Meeting ('AGM') through VC / OAVM till September 30, 2024 in accordance with relevant provisions of other applicable Circulars (collectively referred as 'MCA Circulars'). Accordingly, in compliance with the provisions of the Companies Act, 2013 ('the Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and MCA Circulars, the AGM of the Company is being held through VC / OAVM, without the physical presence of the Members at a common venue. The deemed venue of the AGM shall be the Registered Office of the Company. The procedure for joining the AGM through VC / OAVM is mentioned in this Notice.
2. A Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. However, since the AGM is being held in accordance with the MCA Circulars through VC / OAVM, the facility for appointment of proxies by the Members will not be available.
3. As this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Hence, the Attendance Slip and Route Map for the venue of the Meeting are not annexed to this Notice.
4. Members attending the AGM through VC / OAVM shall be reckoned for quorum as per Section 103 of the Act.
5. All Members, including Institutional Investors, are encouraged to attend and vote at the AGM. An Institutional / Corporate Member (i.e., other than individuals / HUF, NRI, etc.) is required to send a scanned document (PDF/JPG Format) of the certified true copy of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to dmz@dmzaveri.com with a copy marked to info@galagroup.com or uploaded by clicking on "**Upload Board Resolution / Authority Letter**" displayed under "**e-Voting**" tab in their login.
6. In line with MCA Circulars and SEBI circulars, the Annual Report including the Notice calling the AGM FY 2023-24 is being sent through the electronic mode to those Members whose e-mail addresses are registered with the Company /Depositories. The cut-off date for receiving Annual Report including the Notice through e-mail is Thursday, September 5, 2024. A Member can request for a copy of the Annual Report by sending an e-mail to the Company at info@galagroup.com. Members may note that the Annual Report including the Notice will also be available on the website of the Company at www.galagroup.com/investor-relations/. The same can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and

www.nseindia.com respectively and on the website of Link Intime InstaVote website (agency for providing the Remote e-Voting facility) i.e. <https://instavote.linkintime.co.in/>

7. Any person, who acquires shares of the Company and becomes Member of the Company after sending of the Notice and holding shares as on cut-off date i.e. Friday, September 20, 2024 (“cut-off date”), may obtain login ID and password by writing to Registrar & Share Transfer Agent of the Company (“RTA”), Link Intime India Private Limited at email rnt.helpdesk@linkintime.co.in
8. For the purpose of receiving the Annual Report including the Notice of the AGM through electronic mode in case the e-mail address is not registered with the respective Depository Participants / Company / RTA, the members may register their e-mail addresses by sending an e-mail to the Company at info@galagroup.com with the following details mentioned in e-mail: DP ID & Client ID, name of the shareholder and PAN.

DOCUMENTS RELATING TO NOTICE AND AGM:

9. Explanatory Statement setting out material facts concerning the business in respect of Item Nos. 4 mentioned in the above Notice is annexed to the Notice.
10. Brief profile of the Directors seeking appointment as per Regulation 36(3) of SEBI Listing Regulations and Secretarial Standard - 2 issued by the Institute of Company Secretaries of India and duly notified by the Central Government is annexed to the Notice.
11. Members seeking to inspect the Registers required to be maintained under the Act and all documents referred to in the Notice and Explanatory Statement can send an email to info@galagroup.com.

SHARES RELATED INFORMATION:

12. As per Section 72 of the Act, Members are entitled to make nomination in respect of shares held by them. Members who have not yet registered their nomination are requested to register the same by duly submitting Form No. SH-13. Members holding shares in electronic form may submit the same to their respective DPs.
13. As on the date of this Notice all the shares of the Company are held in dematerialized form.
14. SEBI has mandated the submission of copy of Permanent Account Number (PAN) card by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the copy of PAN card to their DPs with whom they are maintaining their demat accounts.
15. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat accounts dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified

16. Members are requested to intimate changes, if any pertaining to change of name / address, email address, telephone / mobile numbers, Permanent Account Number (PAN), Nomination, power of attorney, bank account details or any other information to their respective depository participant(s) (DP) in case the shares are held in electronic mode or to RTA.
17. All the investor related communication and grievances may be addressed to the Registrar and Transfer Agent of the Company at their following address:

LINK INTIME INDIA PRIVATE LIMITED

Address: C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai, Maharashtra, India, 400083.
Website: <https://linkintime.co.in/home.html> Email: rnt.helpdesk@linkintime.co.in
Telephone: +91 810 811 4949

INSTRUCTIONS FOR REMOTE E-VOTING AND JOINING THE AGM ARE AS FOLLOW:

18. Pursuant to Section 108 of the Act read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI Listing Regulations, e-voting facility is being provided to the Members for all business to be transacted at the AGM.
19. Members shall have the option to vote electronically (“e-voting”) either before the AGM (“remote e-voting”) or during the AGM. Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 and any amendments thereto, Secretarial Standard on General Meetings (“SS-2”), Regulation 44 of the SEBI Listing Regulations and MCA Circulars, the facility for remote e-voting and e-voting in respect of the business to be transacted at the AGM is being provided by the Company through Link Intime India Private Limited. Necessary arrangements have been made by the Company with Link Intime India Private Limited to facilitate remote e-voting and e-voting during the AGM.
20. The Members can join the AGM in the VC / OAVM mode 15 minutes before the scheduled time of the commencement of the AGM and while the AGM is in progress, by following the procedure mentioned in this Notice. The facility of participation at the AGM through VC / OAVM will be made available to at least 1000 members on first come first serve basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first serve basis. Institutional Investors who are Members of the Company, are encouraged to attend the AGM and vote.
21. The voting rights of the Members shall be in proportion to their share in paid-up equity share capital as on the Cut-Off Date. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
22. The Company has appointed Mr. Dharmesh M. Zaveri, of D. M. Zaveri & Co, Practicing Company Secretary, as the scrutinizer for conducting the e-voting process in a fair and transparent manner for the businesses to be transacted at the AGM.

Remote e-Voting Instructions for shareholders:

- i) The e-voting facility (remote e-voting and e-voting at the AGM) will be provided by Link Intime India Private Limited
- ii) The remote e-voting period commences on September 26, 2024 (9:00 a.m. IST) and ends on September 29, 2024 (5:00 p.m. IST). The remote e-voting module shall be disabled by Link Intime India Private Limited for voting thereafter. During this period, Members of the Company, holding shares as on the cut-off date, may cast their vote electronically.
- iii) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- iv) A person who is not a Member as on the Cut-Off Date should treat this Notice of AGM for information purpose only.

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

Login method for Individual shareholders holding securities in demat mode is given below:

Individual Shareholders holding securities in demat mode with NSDL:

METHOD 1 - If registered with NSDL IDeAS facility

Users who have registered for NSDL IDeAS facility:

- a) Visit URL: <https://eservices.nsdl.com> and click on “Beneficial Owner” icon under “Login”.
- b) Enter user id and password. Post successful authentication, click on “Access to e-voting”.
- c) Click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

OR

User not registered for IDeAS facility:

- a) To register, visit URL: <https://eservices.nsdl.com> and select “Register Online for IDeAS Portal” or click on <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp> “
- b) Proceed with updating the required fields.
- c) Post registration, user will be provided with Login ID and password.
- d) After successful login, click on “Access to e-voting”.
- e) Click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

METHOD 2 - By directly visiting the e-voting website of NSDL:

- a) Visit URL: <https://www.evoting.nsdl.com/>
- b) Click on the “Login” tab available under ‘Shareholder/Member’ section.
- c) Enter User ID (i.e., your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.
- d) Post successful authentication, you will be re-directed to NSDL depository website wherein you can see “Access to e-voting”.
- e) Click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

Individual Shareholders holding securities in demat mode with CDSL:

METHOD 1 – From Easi/Easiest

Users who have registered/ opted for Easi/Easiest

- a) Visit URL: <https://web.cdslindia.com/myeasitoken/Home/Login> or www.cdslindia.com.
- b) Click on New System Myeasi
- c) Login with user id and password
- d) After successful login, user will be able to see e-voting menu. The menu will have links of e-voting service providers i.e., LINKINTIME, for voting during the remote e-voting period.
- e) Click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

OR

Users not registered for Easi/Easiest

- a) To register, visit URL: <https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration> / <https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration>
- b) Proceed with updating the required fields.
- c) Post registration, user will be provided Login ID and password.
- d) After successful login, user able to see e-voting menu.
- e) Click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

METHOD 2 - By directly visiting the e-voting website of CDSL.

- a) Visit URL: <https://www.cdslindia.com/>
- b) Go to e-voting tab.
- c) Enter Demat Account Number (BO ID) and PAN No. and click on “Submit”.



- d) System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account
- e) After successful authentication, click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

Individual Shareholders holding securities in demat mode with Depository Participant:

Individual shareholders can also login using the login credentials of your demat account through your depository participant registered with NSDL/CDSL for e-voting facility.

- a) Login to DP website
- b) After Successful login, members shall navigate through “e-voting” tab under Stocks option.
- c) Click on e-voting option, members will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting menu.
- d) After successful authentication, click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Visit URL: <https://instavote.linkintime.co.in>
2. Click on “**Sign Up**” under ‘**SHARE HOLDER**’ tab and register with your following details: -

A. User ID:

Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

Shareholders holding shares in **physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above*

Shareholders holding shares in **NSDL form, shall provide 'D' above*

- ▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).
- ▶ Click “confirm” (Your password is now generated).

3. Click on 'Login' under '**SHARE HOLDER**' tab.
4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on '**Submit**'.

Cast your vote electronically:

1. After successful login, you will be able to see the notification for e-voting. Select '**View**' icon.
2. E-voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option '**Favour / Against**' (If you wish to view the entire Resolution details, click on the '**View Resolution**' file link).
4. After selecting the desired option i.e. Favour / Against, click on '**Submit**'. A confirmation box will be displayed. If you wish to confirm your vote, click on '**Yes**', else to change your vote, click on 'No' and accordingly modify your vote.

Guidelines for Institutional shareholders (“Corporate Body/ Custodian/Mutual Fund”):

STEP 1 – Registration

- a) Visit URL: <https://instavote.linkintime.co.in>
- b) Click on Sign up under “Corporate Body/ Custodian/Mutual Fund”
- c) Fill up your entity details and submit the form.
- d) A declaration form and organization ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to insta.vote@linkintime.co.in.
- e) Thereafter, Login credentials (User ID; Organization ID; Password) will be sent to Primary contact person's email ID.
- f) While first login, entity will be directed to change the password and login process is completed.

STEP 2 –Investor Mapping

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) Click on “Investor Mapping” tab under the Menu Section
- c) Map the Investor with the following details:
 - a. ‘Investor ID’ -
 - i. *Members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID i.e., IN00000012345678*
 - ii. *Members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.*
 - b. ‘Investor’s Name - Enter full name of the entity.
 - c. ‘Investor PAN’ - Enter your 10-digit PAN issued by Income Tax Department.
 - d. ‘Power of Attorney’ - Attach Board resolution or Power of Attorney. File Name for the Board resolution/Power of Attorney shall be – DP ID and Client ID. Further, Custodians and Mutual Funds shall also upload specimen signature card.
- d) Click on Submit button and investor will be mapped now.
- e) The same can be viewed under the “Report Section”.

STEP 3 – Voting through remote e-voting.

The corporate shareholder can vote by two methods, once remote e-voting is activated:

METHOD 1 - VOTES ENTRY

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) Click on ‘Votes Entry’ tab under the Menu section.
- c) Enter Event No. for which you want to cast vote. Event No. will be available on the home page of Instavote before the start of remote evoting.
- d) Enter ‘16-digit Demat Account No.’ for which you want to cast vote.
- e) Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the '**View Resolution**' file link).
- f) After selecting the desired option i.e., Favour / Against, click on 'Submit'.
- g) A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

OR

VOTES UPLOAD:

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) You will be able to see the notification for e-voting in inbox.
- c) Select '**View**' icon for '**Company's Name / Event number**'. E-voting page will appear.
- d) Download sample vote file from 'Download Sample Vote File' option.
- e) Cast your vote by selecting your desired option 'Favour / Against' in excel and upload the same under 'Upload Vote File' option.
- f) Click on 'Submit'. 'Data uploaded successfully' message will be displayed. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

Helpdesk:

Helpdesk for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

Forgot Password:

Individual shareholders holding securities in physical form has forgotten the password:

If an Individual shareholders holding securities in physical form has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- Click on ‘Login’ under ‘**SHARE HOLDER**’ tab and further Click ‘**forgot password?**’
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”.

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain a minimum of 8 characters, at least one special character (@!#\$%), at least one numeral, at least one alphabet and at least one capital letter.*

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

User ID for Shareholders holding shares in NSDL demat account is 8 Character DP ID followed by 8 Digit Client ID

User ID for Shareholders holding shares in CDSL demat account is 16 Digit Beneficiary ID.

Institutional shareholders (“Corporate Body/ Custodian/Mutual Fund”) has forgotten the password:

If a Non-Individual Shareholders holding securities in demat mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- Click on ‘Login’ under ‘**Corporate Body/ Custodian/Mutual Fund**’ tab and further Click ‘**forgot password?**’
- Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”.

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain a minimum of 8 characters, at least one special character (@!#\$%), at least one numeral, at least one alphabet and at least one capital letter.*

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular “Event”.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

Process and manner for attending the Annual General Meeting through InstaMeet:

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in> & Click on “Login”.

- ▶ Select the “**Company**” and ‘**Event Date**’ and register with your following details: -

A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Shareholders/ members holding shares in **physical form shall provide Folio Number** registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/

Company shall use the sequence number provided to you, if applicable.

C. Mobile No.: Enter your mobile number.

D. Email ID: Enter your email id, as recorded with your DP/Company.

▶ Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

Instructions for Shareholders/ Members to Speak during the General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request with the company.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Shareholders/ Members to Vote during the General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
4. Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from

doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the General Meeting will be eligible to attend/ participate in the General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

DECLARATION OF RESULTS:

23. The scrutiniser will submit his report to the Chairman or to any other person authorised by the Chairman, after the completion of scrutiny of e-voting (votes cast through remote e-voting and votes cast during the AGM), not later than 48 hours from the conclusion of the AGM. The result declared along with the scrutiniser's report will be placed on the website of the Company www.galagroup.com/investor-relations/ and on the website of Link Intime InstaVote at <https://instavote.linkintime.co.in/>. The result will simultaneously be communicated to the Stock Exchanges.

By order of the Board of Directors
For **GALA PRECISION ENGINEERING LIMITED**

Kirit V. Gala
DIN: 01540274
Chairman and Managing Director

Place: Thane
Date: September 5, 2024

EXPLANATORY STATEMENT

The following explanatory statement pursuant to section 102 of the Companies act, 2013 sets out all material facts relating to the business mentioned under Item Nos. 3 and 4 of the accompanying Notice of AGM.

ITEM NO.3:

At the Annual General Meeting (AGM) held on September 30, 2019, shareholders of the Company have Re-appointed M M Nissim & Co LLP., Chartered Accountants (Firm Registration No. 107122W/W100672) as Statutory Auditors of the Company from the conclusion of such Meeting till the conclusion of this 16th AGM of the Company.

Based on receipt of the consent and eligibility letter from M/s SCA and Associates and upon recommendation of the Audit Committee, the Board of Directors at its Meeting held on September 5, 2024 approved and recommended to the shareholders, appointment of M/s. M/s SCA and Associates, Chartered Accountants (Firm Registration No. 101174W) as Statutory Auditors of the Company for a term of 5 Years(Five years) from the conclusion of the ensuing 16th Annual General Meeting (AGM) till the conclusion of 21st AGM of the Company.

M/s. SCA and Associates is a reputed firm of Chartered Accountants registered with the Institute of Chartered Accountants of India ('ICAI') having its office address 501D 5th Floor Poonam Chambers A Opp Atria Mall Dr. Annie Besa, Worli, Mumbai, Maharashtra 400018

Accordingly, the Board of Directors recommends passing of the Ordinary Resolution at Item No. 3 of the Notice.

None of the Directors, Key Managerial Personnel and/or their relatives, are in anyway deemed to be concerned or interested in the Resolution.

ITEM NO.4:

Pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Cost Audit and Records) Rules, 2014 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications thereof, for the time being in force), the Board at its meetings held on August 1, 2024, had appointed M/s. Shekhar Joshi & Co (Membership Number-10700) as the Cost Auditors to conduct an audit of the Cost Records of the Company for the Financial Years 2024-25, at remuneration of ₹75000 (Seventy Five Thousand) per annum plus applicable taxes and reimbursement of out of pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Remuneration of the Cost Auditors is required to be approved and ratified by the shareholders of the Company.

Accordingly, the Board of Directors recommends passing of the Ordinary Resolution at Item No. 4 of the Notice.

NOTICE



None of the Directors, Key Managerial Personnel and/or their relatives, are in anyway deemed to be concerned or interested in the Resolution.

By order of the Board of Directors
For **GALA PRECISION ENGINEERING LIMITED**

Kirit V. Gala
DIN: - 01540274
Chairman and Managing Director

Place: Thane

Date: September 5, 2024

Registered Office:

A-801, 8th Floor, Thane One DIL Complex,

Ghodbunder Road Majiwade,

Thane (west), Thane – 400610. India

Tel: +91 022-69309224

Email Id: info@galagroup.com, website: www.galagroup.com

CIN: U29268MH2009PLC190522

ANNEXURE TO NOTICE

Particulars of Director seeking re-appointment pursuant to Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standards – 2

Name of the Director	Mr. Rajendra Vallabhaji Gogri
Age	64 years
Director's Identification Number	00061003
Item No	2
Date of Birth	December 15,1959
Date of first appointment on Board	August 08, 2018
Brief Resume – Qualification	A rank holder from UDCT, Mumbai, he possesses a master's degree in chemical engineering from USA. He was honoured with the ' Hurun Most Respected Entrepreneur of the Year – India ' award in the year 2019. In the same year, he was also presented by Indian Chemical Council with the ' Lala Shriram National Award ' for leadership in the chemical industry.
Experience	He possesses a keen understanding of the finance and commercials. He has around 37 years of experience as an entrepreneur in the chemical industry
Expertise in Specific Functional Areas	
Terms and Conditions of Re-appointment along with details of remuneration sought to be paid and last drawn remuneration	As per letter of Appointment.
Other Directorships	<p>LISTED COMPANIES:</p> <ol style="list-style-type: none"> 1. Aarti Industries Ltd 2. Prince Pipes And Fittings Limited 3. Aarti Pharmalabs Limited <p>UNLISTED PUBLIC COMPANIES:</p> <ol style="list-style-type: none"> 1. Anushakti Chemicals And Drugs Limited 2. Anushakti Holdings Limited <p>PRIVATE COMPANIES:</p> <ol style="list-style-type: none"> 1. Gogri And Sons Investments Pvt Ltd 2. Crystal Millennium Realtors Private Limited 3. Kutchi Angel Network Private Limited 4. Alchemie Finserv Private Limited 5. Safechem Enterprises Private Limited 6. Aarti Polychem Private Limited 7. Gloire Trusteeship Services Private Limited 8. Relacion Trusteeship Services Private Limited
Listed entities from which he has resigned in the past three years	Nil
Chairmanship/ Membership of Committees	AARTI INDUSTRIES LTD

	<p>Chairman:</p> <ol style="list-style-type: none"> 1. Risk Management Committee 2. Finance and Investment Committee <p>Member:</p> <ol style="list-style-type: none"> 1. Audit Committee 2. Nomination and remuneration Committee 3. Stakeholders Relationship Committee 4. Corporate Social Responsibility Committee <p>PRINCE PIPES AND FITTINGS LIMITED</p> <p>Chairman:</p> <ol style="list-style-type: none"> 1. Nomination and remuneration Committee <p>Member:</p> <ol style="list-style-type: none"> 1. Audit Committee <p>AARTI PHARMALABS LIMITED</p> <p>Chairman:</p> <ol style="list-style-type: none"> 1. Stakeholders Relationship Committee <p>Member:</p> <ol style="list-style-type: none"> 1. Risk Management Committee 2. Corporate Social Responsibility Committee 3. Finance and Investment Committee
<p>In case of Independent Directors –</p> <p>the skills and capabilities required for the role and the manner in which the proposed person meets such requirements</p>	Not Applicable
<p>Disclosure of Relation with other Directors & Key Managerial Personnel (KMP) of the Company</p>	Mr. Rajendra Vallabhaji Gogri is not related to any of the other Directors & KMP
<p>Shareholding in the Company held by him including shareholding as a beneficial owner (as on March 31, 2024)</p>	Shares held by Pooja Unichem LLP & Mr Rajendra Gogri is the designated Patner.
<p>Number of Board Meetings attended in the Financial Year 2023-2024</p>	11

DIRECTORS' REPORT

To
The Members,
Gala Precision Engineering Limited

Your Directors have pleasure in presenting the 16th Annual Report of your Company together with the Audited Standalone and Consolidated Financial Statements of Accounts and the Auditors' Report of your Company for the financial year ended, 31st March, 2024.

1. HIGHLIGHTS OF FINANCIAL RESULTS:

The Financial performance of the Company for the year under review as compared to the previous financial year are summarized below for your consideration:

Particulars	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
	(Amt in Millions)		(Amt in Million)	
Revenue from Operations(Net)	1,999.11	1,634.30	2,025.46	1,654.65
Other Income	22.90	16.16	18.32	16.17
Total Revenue	2,022.01	1,650.46	2,043.78	1,670.82
Total Expenses	1,733.98	1,460.34	1,767.90	1,493.84
Profit Before Exceptional items and Tax	288.03	190.12	275.88	176.98
Add: Exceptional Items	(37.78)	24.02	(23.09)	97.59
Profit Before Tax	250.25	214.14	252.79	274.57
Tax Expense				
Less: (a)Current Tax	54.09	30.00	54.09	30.00
(b) MAT Entitlement	-	-	-	-
(c) Deferred Tax Charge	(28.42)	(6.18)	(28.42)	(6.18)
(d)Deferred Tax Earlier years	-	-	-	-
(e) Current tax adjustments of earlier years	7.19	8.63	7.19	8.63
Total Tax Expense	32.86	32.45	32.86	32.45
Non-Controlling Interest	-	-	(3.40)	-
Profit After Taxes(217.40	181.69	223.33	242.12

2. UPDATE ON INITIAL PUBLIC OFFER:

The shareholders of the Company are hereby informed that during the year under review, the Company had filed its Draft Red Herring Prospectus (“DRHP”) with SEBI dated 14 February 2024, and filed an In-Principal Approval application with the Stock Exchanges (i.e. BSE Limited [“BSE”] and National Stock Exchange of India Limited [“NSE”]) where the securities were proposed to be listed. We are pleased to announce that the Company received the in-principle approval from BSE and NSE on 20 June 2024. Furthermore, we have received clearance from SEBI to proceed with the IPO on 28th June 2024. We are now preparing to list our Company on both the Exchanges on 9th September 2024.

3. REVIEW OF OPERATIONS AND FUTURE PROSPECTS :

A. India Operations: (April 2023 to March 2024)

The company achieved a net turnover of ₹2025.46 million in the fiscal year 2023-24, compared to ₹1654.65 million in 2022-23, resulting a growth of 22.41%.

Our profit before exceptional items has grown significantly, reaching ₹275.88 million from ₹176.98 million, representing an increase of 55.88.%.

We incurred an extraordinary expense of ₹23.09 million, primarily due to the write-off of old carry-forward items in Gala China.

Including the exceptional item, our profit after tax decreased significantly from ₹223.33 million to ₹242.12 million, representing a decrease of 7.89%.

Our Profit After Tax excluding Exceptional item increased significantly from ₹144.53 million to ₹243.02 million.

B. China's Operations:

The Holding Company has undergone a strategic transfer of its investments in subsidiary Gala Precision Components (Shanghai) Private Limited (Gala China) to its group company Gala Springs LLP at a nominal value of Rs. 10 lakhs. The holding company has invested in Gala Springs LLP for 92% stake at Rs. 24 Lakhs. Simultaneously, the company has taken proactive steps to transfer its China business to its distributor. Going forward, the company will sell products to the local distributor who will then sell to Chinese customers.

C. Capital Expenditure in existing & New Product Line & Automation:

The Capital expenditure incurred in last few years has resulted in capacity enhancement, better utilization of resources for new product development & regular operations. As a result, we could get faster customer approvals & ramping up of sales for these products in 2023-24. The Capital expenditure during the year 2023-24 though was controlled but expected to enhance existing capacities further.

Capex during 2023-24 including expenditure on construction of Building for upcoming plant at Vallam Vadaghal Site ,near Sriperumbuddur, at the outskirts of Chennai, amounting to Rs.54.2 Millions.

4. STATE OF COMPANY'S AFFAIRS:

During the year:-

- The Company has executed the Purchase Agreement on May 12, 2023 for purchase of the electric energy produced from the construction, operation and maintenance of solar power generating from GSE Renewables India Private Limited for the Plot No. 295, Village Vadavli, Musarne Road, Post MET, Wada, Palghar, Maharashtra.
- Sale Agreement dated October 2, 2023 between our Company, Gala Precision Engineering Private Limited ("Seller") and Gala Finishing Solutions Private Limited ("Purchaser") for the sale of manufacturing of and activities relating to Surface Engineering Solutions ("SES"), including technical knowhow in relation to supplies to Public Sector Undertakings and Government Organizations, and intangible assets of mass finishing equipments and parts cleaning equipments against an aggregate consideration of ₹3.5 million plus applicable taxes.
- For the expansion of business opportunities and to enable the Company to raise fund from large pool of investors, the members of the Company in the extra-ordinary general meeting of the Company held on 3 October 2023 accorded its approval for conversion of the Company from private limited to public limited and consequential change in the name of the Company from "Gala Precision Engineering Private Limited" to "Gala Precision Engineering Limited"

5. CHANGE IN NATURE OF BUSINESS:

During the year, there has been no change in the nature of business of the Company.

6. DIVIDEND:

The strength of the Company lies in identification, execution and successful implementation of business projects. To strengthen the long term prospectus and sustainable growth in assets and revenue, it is important for the Company to evaluate various opportunities in the different vertical in which Company operates.

The Board of Directors consider this to be in the strategic interest of the Company and believe that this will greatly enhance the long term shareholder value. The Company expects better results for the coming year. In order to fund this development and implementation projects, conservation of fund is of vital importance. Therefore, Directors have not recommended any dividend for the financial year 2023-24.

The Company has in place a Dividend Distribution Policy duly adopted by the Board on November 30, 2023 in accordance with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same is available on the Company's website at <https://www.galagroup.com/wp-content/uploads/2024/01/Dividend-Distribution-Policy.pdf>

7. AMOUNT TRANSFERED TO RESERVES:

The Company has not transferred any amount out of the Current year profits to the General Reserve of the Company.

8. ANNUAL RETURN:

Pursuant to section 134(3)(a) and Section 92(3) of Companies Act, 2013 read with relevant Rules framed thereunder, The Annual Return of the Company is available on the website of the Company at <https://www.galagroup.com/investor-relations/>

9. NUMBER OF MEETINGS OF THE BOARD:

The Board of Directors met 12 (Twelve) times in the financial year 2023-24 i.e. on the following dates:

Sr. No.	Date of the Board Meeting
1.	April 20, 2023
2.	June 12, 2023
3.	June 30, 2023
4.	August 17, 2023
5.	September 5, 2023
6.	September 27, 2023
7.	October 9, 2023
8.	November 2, 2023
9.	November 30, 2023
10.	December 26, 2023
11.	February 14, 2024

During the period, your Company has complied with the Secretarial Standards 1 related to Board Meetings and Secretarial Standards 2 related to General Meetings issued by the Institute of Company Secretaries of India respectively

The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

10. DETAILS OF DIRECTORS/ KEY MANAGERIAL PERSONNEL:

DIRECTORS:

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. Rajendra Vallabhaji Gogri (Din: 00061003), Director of the Company, retires by rotation at the forthcoming Sixteenth Annual General Meeting and being eligible has offered himself for re-appointment.

COMPOSITION OF BOARD OF DIRECTORS:

The composition of Board of Directors of the Company as on March 31, 2024 is as follows:

Sr. No.	Name of the Director	DIN	Category	Period of Appointment
1.	Kirit Vishanji Gala	01540274	Chairman and Managing Director	Five years commencing from November 30, 2023 to November 29, 2028

2.	Balkishan Shyamsunder Jalan	02876873	Whole-time director(Executive)	Five years commencing from November 30, 2023 to November 29, 2028
3.	Satish Dayaldas Kotwani	03154231	Whole-time director(Marketing)	Five years commencing from November 30, 2023 to November 29, 2028
4.	Rajendra Vallabhaji Gogri	00061003	Non-Executive Non-Independent Director	Not applicable
5.	Snehal Bhupendra Shah	00128595	Non-Executive Independent Director	Three years commencing from November 30, 2023 to November 29, 2026
6.	Varsha Rajaram Galvankar	00124603	Non-Executive Independent Director	Two years commencing from November 30, 2023 to November 29, 2025
7.	Neha Rajen Gada	01642373	Non-Executive Independent Director	Three years commencing from November 30, 2023 to November 29, 2026
8.	Sudhir Tokarshi Gosar	10460551	Non-Executive Independent Director	Three years commencing from January 11, 2024 to January 10, 2027

The Company has received a Declaration in Form DIR-8 from all the Directors stating that they are not disqualified under section 164 of Companies Act, 2013. The Company has also received Form MBP-1 from all the Directors under Section 184 of the Companies Act, 2013.

CHANGES THAT TAKEN PLACE IN THE DIRECTOR AND KMP(S) DURING THE YEAR:

<u>Sr. No.</u>	<u>Name of the Director/ KMP</u>	<u>Designation</u>	<u>Date of Appointment/ Change in Designation / Cessation</u>	<u>Appointment / Change in Designation / Cessation</u>
1.	Pooja Ladha	Company Secretary & Compliance Officer#	October 9, 2023	Appointment
2.	Vishanji Harshi Gala	Director	November 30, 2023	Cessation
3.	Taramati Vishanji Gala	Director	November 30, 2023	Cessation
4.	Balkishan Shyamsunder Jalan	Whole-time director	November 30, 2023	Change in Designation
5.	Satish Dayaldas Kotwani	Whole-time director	November 30, 2023	Change in Designation
6.	Kirit Vishanji Gala	Chairman and Managing Director*	November 30, 2023	Change in Designation
7.	Giridhar Srinivasan	Chief Financial Officer	November 30, 2023	Appointment
8.	Varsha Rajaram Galvankar	Additional Director	November 30, 2023	Appointment

9.	Varsha Rajaram Galvankar	Director	January 15, 2024	Change in Designation
10.	Neha Rajen Gada	Additional Director	November 30, 2023	Appointment
11.	Neha Rajen Gada	Director	January 15, 2024	Change in Designation
12.	Snehal Bhupendra Shah	Additional Director	November 30, 2023	Appointment
13.	Snehal Bhupendra Shah	Director	January 15, 2024	Change in Designation
14.	Sudhir Tokarshi Gosar	Additional Director	January 11, 2024	Appointment
15.	Sudhir Tokarshi Gosar	Director	January 15, 2024	Change in Designation

* Change in Designation to Chairman & Managing Director.

Appointed as Compliance officer of the Company with effect from November 2, 2023.

KEY MANAGERIAL PERSONNEL (KMP):

The key managerial personnel(s) of the Company as on March 31, 2024 is as follows:

<u>Sr. No.</u>	<u>Name of the KMP</u>	<u>Designation</u>
1.	Kirit Vishanji Gala	Managing Director
2.	Balkishan Shyamsunder Jalan	Whole-time director Executive
3.	Satish Dayaldas Kotwani	Whole-time director- Marketing
4.	Giridhar Srinivasan	Chief Financial Officer
5.	Pooja Ladha	Company Secretary & Compliance Officer

11. DECLARATION GIVEN BY INDEPENDENT DIRECTOR:

The Company has received necessary declarations and disclosures from the Independent Directors under Section 149(7) and Section 184(1) of the Companies Act, 2013 stating that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and under the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**the Listing Regulations**”) and disclosing their interest in form MBP-1. All the Directors have certified that the disqualifications mentioned under sections 164, 167 and 169 of the Companies Act, 2013 do not apply to them. The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act.

The Board of the Company has taken the disclosures on record after verifying the due veracity of the same. In the opinion of the Board, all the Independent Directors possess the integrity, expertise and experience including the proficiency required to be Independent Directors of the Company, fulfill the conditions of independence as specified in the Act and the SEBI Listing Regulations and are independent of the management and have also complied with the Code for Independent Directors as prescribed in Schedule IV of the Act. The Directors and the senior management personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management Personnel.

12. DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and information obtained by them, your Directors make the following statement in terms of Section 134 (3) (c) read with Section 134 (5) of the Companies Act, 2013 (“the Act”):

- a) In the preparation of the annual accounts for the year ended 31st March, 2024, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Director's had prepared the annual accounts on a going concern basis and,
- e) They had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

13. PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS UNDER SECTION 186:

The Particulars of Loans, Guarantees and Investments made by the Company as at 31 March, 2024 covered under the provision of Section 186 of the Companies Act, 2013, if any, are given in the Notes forming part of the Financial Statements.

14. PARTICULARS OF CONTRACT AND ARRANGEMENT UNDER SECTION 188:

All related party transactions that were entered into during the year under report were on an arm's length basis and in the ordinary course of business.

The Disclosures as required under Indian Accounting Standard – 24 (Ind AS-24) “**Related Party Disclosures**” as notified under Rule 7 of the Companies (Accounts) Rules, 2014 have been provided in Note No. 32 forming part of the Standalone Financial Statements.

15. SHARES:

a) BUY BACK OF SECURITIES:

The Company has not Bought Back Shares during the year under review.

b) SWEAT EQUITY:

The Company has not issued any Sweat Equity Shares during the year under review.

c) BONUS SHARES:

During the financial year 2023-24, your Company has issued bonus shares in the proportion of 3 (Three) equity shares each for every 1 (One) existing fully paid-up equity share (i.e. 1:3) in the month of September, 2023. As a result of bonus issue, paid-up share capital of the Company has increased to ₹ 10, 11,15,840 from ₹ 2,52,78,960.

d) RECLASSIFICATION OF SHARES:

During the financial year 2023-24, your Company reclassified its existing Authorised Share Capital of the Company from ₹18,00,00,000 divided into ₹11,00,00,000 comprising of 1,10,00,000 Equity shares of ₹10/- each and ₹7,00,00,000 comprising of 70,00,000 Preference shares of ₹10 to ₹18,00,00,000 divided into 1,80,00,000 Equity Shares of ₹10 each which was duly approved by member's in the Annual General meeting of the Company held on September 5, 2023.

e) EMPLOYEES STOCK OPTION PLAN:

The Board of Directors at its meeting held on 24th December, 2021 approved an Employee Stock Option Plan called as the 'Gala Employees Stock Option Plan 2021' ("**ESOP 2021**" / "**Plan**") and the shareholders of the Company approved the said Scheme at the Extra Ordinary General Meeting held on 14th January 2022.

The details of the ESOP under Scheme as on March 31, 2024 is annexed as **Annexure A** to this Report and also disclosed in the accompanying financial statements.

f) DEMATERIALIZATION OF SHARES:

During the year, the Board has decided to dematerialize the equity shares of the Company which were in physical mode and accordingly started the process by which all the shareholders of the Company can hold the equity shares in demat mode. In that regard Board has appointed Central Depository Services (India) Limited ("**CDSL**") having its registered office at A Wing, 25th Floor, Marathon Futorex, Mafatlal Mills Compounds, N M Joshi Marg, Lower Parel (E) Mumbai – 400013 and National Securities Depository Limited ("**NSDL**") having its registered office at 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013 as depositories and accordingly appointed as Link Intime India Private Limited having its registered office at C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai, Maharashtra, India, 400083 as Registrar and Share Transfer Agents ("**RTA**"). Further the Equity shares of the Company were dematerialized and Company has obtained ISIN of its equity shares which is **INEORE001014**

16. MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There have been no material changes affecting the financial position of the Company between the end of the Financial Year of the Company to which the Financial Statements relate and to the date of Report .

17. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

During the period under review, our Company, Gala Precision Engineering Limited, has been involved in a significant civil litigation concerning a patent infringement suit filed by Nord-Lock AB and Nord-Lock (India) Private Limited before the Hon'ble High Court of Delhi on December 14, 2023. The suit alleges infringement of patents related to Wedge-Lock technology washers used in our 'Gallock Washers' products. The Plaintiffs seek a permanent injunction and ₹20.00 million in damages, with potential for increased claims based on our sales revenues from the infringing products. Gala Fasteners Private Limited has been removed from the suit. The matter is currently pending before the Hon'ble High court."

18. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES:

Your Company has adopted a policy relating to appointment of Directors, payment of managerial remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under section 178 (3) of the Companies Act, 2013.

19. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company is committed to provide a healthy environment to all the employees and thus does not tolerate any sexual harassment at workplace. The Company has in place a "policy against Sexual Harassment" of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees are covered under the policy. There was no complaint received from any employee during the financial year 2023-24 and hence no complaint is outstanding as on March 31, 2024 for redressed. Also the Internal Complaints Committee as required to be constituted by the Company has been duly constituted as per policy under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, are as follows:

Conservation of energy

A. Energy Conservation measures taken:

Particulars	2023-24 (Amt in Million)	2022-23 (Amt in Million)
Power Consumption	55.16	49.00
Fuel & Diesel Consumption	4.35	4.48
Generator Hire Charges	0.07	NIL

Technology absorption

A. Future plan of action:

1.	Continuous New Product Development in Spring and fastening Solution.
2.	To Continue Investment in Machineries for new product Lines in 2024-25
3.	Hot forgings & Bolt developments.

B. Technology absorption, adaptation and innovation:

1.	Efforts in brief, made:	Continuous technology development & improvement in the process to enhance fatigue life of springs.
2.	Benefits derived as a result of above efforts:	Better springs with high performance/fatigue life. Several customer approvals received.
3.	Technology imported	NIL

Foreign exchange earnings and Outgo-

With regard to foreign exchange earnings and outgo for the year 2023-24, the position is as under:

Particulars	2023-24 (Amt in Million)	2022-23 (Amt in Million)
Income in foreign currency	720.67	593.74
Expenditure in foreign currency	9.39	12.52
Purchase in foreign currency	210	200.83

21. RISK MANAGEMENT POLICY:

Risk management includes identifying types of risks and its assessment, risk handling and monitoring and reporting. The Company has laid down a well-defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitor the principal risks that can impact its ability to achieve its strategic objectives. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework.

The Company has in place a Risk Management Policy duly adopted by the Board on November, 30 2023 in accordance with Regulation 17(9)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Listing Regulations and (“the Listing Regulations”) and provisions of the Companies Act, 2013 (“the Act”) the same is available on the Company’s website at <https://www.galagroup.com/wp-content/uploads/2024/01/Risk-Management-Policy-1.pdf>

22. CORPORATE SOCIAL RESPONSIBILITY:

As a part of its Corporate Social Responsibility (CSR) initiative, the Company has undertaken CSR projects and programs. These activities are in accordance with CSR activities as defined under the Act. The Company has a CSR Committee of Directors. Details about the Committee, CSR activities and the amount spent during the year, as required under section 135 of the Act and the related Rules and other details are given in the CSR Report as **Annexure B** forming part of this Report.

The Company has framed a CSR Policy in compliance with the provisions of the Act and the same is placed on the Company’s website at <https://www.galagroup.com/wp-content/uploads/2024/01/CSR-Policy-Gala.pdf>. The CSR Policy lays down areas of activities, thrust areas, types of projects, programs, modes of undertaking projects/ programs, resources etc.

23. AUDITORS:

i. STATUTORY AUDITOR:

In line with the requirements of the Companies Act, 2013, Statutory Auditors, M M Nissim & Co LLP., Chartered Accountants (Firm Registration No. 107122W/W100672) were Re-appointed as Statutory Auditor of the Company on September 30, 2019 for a term of 5 years and to hold the office from the conclusion of that Annual General Meeting until the conclusion of the Annual General Meeting to be held for financial year 2023-24.

In terms of provisions of Section 139 of the Act and the Companies (Audit and Auditors) Rules 2014, their term of 5 (five) years concludes at the ensuing Annual General Meeting.

The Board at its meeting held on September 5, 2024 upon recommendation of Audit Committee has approved and recommended to the shareholders, appointment of M/s. SCA, Chartered Accountants (Firm Registration No. 101174W) as Statutory Auditors of the Company for a term of 5 (Five) consecutive years commencing from the conclusion of the ensuing 16th Annual General Meeting (AGM) till the conclusion of 21st AGM of the Company.

There are no qualifications, reservations or adverse remarks made by M/s. M M Nissim & Co LLP, in their report on Standalone and Consolidated Financial Statements and hence do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

The Notes on financial statements referred to in the Auditor’s Report are self-explanatory and do not call for any further comments.

ii. **SECRETARIAL AUDIT**

Pursuant to Section 204 of the Companies Act 2013, your Company had appointed Mr. Dharmesh Zaveri, a Company Secretary in Whole-time Practice having Certificate of Practice No. 4363 and Membership No. 5418 as its Secretarial Auditor to conduct the secretarial audit of the Company for the Financial Year 2023-24. The Company provided all assistance and facilities to the Secretarial Auditor for conducting their audit. The Secretarial Audit Report is included as an separate annexure and forms an integral part of this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

During the year, the Secretarial Auditors had not reported any matter under Section 143(12) of the Companies Act, 2013. Therefore, no detail is required to be disclosed under Section 134(3) (ca) of the Companies Act, 2013.

iii. **COST AUDITOR:**

Pursuant to Section 148 and other applicable provision if any, of the Companies Act, 2013 along with Companies (Cost Records and Audit) Rules, 2015 and the Companies (Audit and Auditors) Rules, 2014, the Company needs to maintain Cost records for the financial year 2023-24. Hence, M/s. M/s. Shekhar Joshi & Co. (Membership Number-10700) is duly appointed to conduct audit of cost records maintained by the Company pertaining to Disc Springs parts & Assemblies, Coil & Spiral Spring & Special Fastening Solutions business for the financial year 2023-24 at a remuneration of ₹ Rs. 75,000 (Rupees Seventy Five Thousand only) per annum plus Taxes and reimbursement of out of pocket expenses.

As required under the Companies Act, 2013, remuneration of Cost Auditors is required to be placed before the Members in the General Meeting for their approval. Your Directors propose ratification of remuneration of M/s. Shekhar Joshi & Co. (Membership Number-10700) is, for the financial year 2024-25.

iv. **INTERNAL AUDITOR:**

M/s. ASKA & Co, formerly known as Ambekar Shelar Karve & Ambardekar has been appointed as its Internal Auditor for conducting the internal audit functions of the Company and submitted their report thereon for the financial year 2024-2025 to the Board and committee for its review.

24. STATUTORY AUDITORS' REPORT:

The Auditors' Report on the Financial Statements (Standalone and Consolidated) of the Company for the year under review, is "with an unmodified opinion", as given by the Statutory Auditors. Also, no frauds in terms of the provisions of Section 143(12) of the Act have been reported by the Statutory Auditors in their report for the year under review.

25. EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARKS MADE, IF ANY:

There are no qualifications, reservations or adverse remarks or disclaimers made by the Auditors in their report on the Financial Statement of the Company for the financial year ended 31 March 2024.

26. INTERNAL FINANCE CONTROL:

The Board has adopted the policies and procedure for ensuring the orderly and efficient conduct of its business, including adherence to the Company's Policies, the safeguarding of its assets, the prevention and detection of fraud and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

Further, the Board reviews the internal control systems at regular intervals internally, the adequacy of internal audit function and significant internal audit findings with the management and update the same to the Audit Committee for their review and for their recommendation to the Board.

27. SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES:

A. SUBSIDIARY:

As on March 31, 2024, the Company had 1 (One) subsidiary, the details of the Subsidiary is as follows:

Sr. No.	Name of the LLP/Company
1.	Gala Springs LLP

Further, the Company has 1 step down subsidiary as on the Financial Year end date i.e. March 31, 2024 which is **Gala Precision Components (Sanghai) Private Limited**

B. ASSOCIATE AND JOINT VENTURE COMPANY:

As on March 31, 2024, there are no Associate Companies or Joint Venture within the meaning of Section 2(6) of the Companies Act, 2013.

28. PERFORMANCE AND FINANCIAL HIGHLIGHTS OF SUBSIDIARY COMPANIES AND THEIR CONTRIBUTION TO OVERALL PERFORMANCE OF THE COMPANY:

A Statement containing salient features of the financial statement of subsidiaries pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 are enclosed as **Annexure C** to this report.

29. CODE OF CONDUCT:

The Board of Director has approved a Code of Conduct which is applicable to the members of the Board of Directors and Senior Management Personnel. It is confirmed that all Directors and Senior Management Personnel have affirmed their adherence to the provisions of the Code of Conduct during the financial year 2023-24.

30. POLICIES AND DISCLOSURE REQUIREMENTS

In terms of provisions of the Act and provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted the following Policies. The policies are available on Company's website – <https://www.galagroup.com/investor-relations/>

31. PUBLIC DEPOSITS:

During the year, your Company has not accepted any Public Deposits under Chapter V of the Companies Act, 2013. However the Company has accepted unsecured loans from its members and in compliance with Rule (2) (1) (c) (viii) of the Companies (Acceptance of Deposits) Rules, 2014 read with amendment rules thereto, during the year under review, the Company also accepted unsecured loans from the relative of the Directors in tranches for business purpose along with a declaration in writing from him/her to the effect that the said loan amount is not being given out of funds acquired by borrowing or accepting loans or deposits from others, details of same are given below:

(Amt in Million)

Sr. No.	Name of the person	Relation with the Company	Opening as on April 1, 2023	Received during the year	Repaid during the year	Outstanding as on March 31, 2024
1.	Mr. Vishanji Gala	Director	0	3.65	3.65	0
2.	Ms. Taramati Gala	Director	0	1.65	1.65	0
3.	Mr. Kirit v. Gala	Managing Director	0	91.10	91.10	0
4.	Ms. Rumie Gala	Relative of Directors	0	4.75	4.75	0
5.	Kirit V. Gala (HUF)	Entity in which Director having substantial interest	0	0.90	0.90	0
6.	Vishanji Gala (HUF)	Entity in which Director having substantially interest	0.33	0.25	0.58	0
7.	Madhu Ashar	Member	2.7	35	37.70	0
8.	Manisha Ashar	Member	8.39	0	8.39	0
9.	Vasanji Mamania	Member	40	0	40	0
10.	Kiran Chheda (HUF)	Member	6.9	0	6.9	0
11.	Paresh Dhirajlal Gala	Member	2.5	0	2.5	0
12.	Jayshri Sudhir Gosar	Member	3.5	0	3.5	0
13.	Sudhir Tokarshi Gosar	Member	2.5	0	2.5	0

14.	Rupa Mehta	Member	2.5	0	2.5	0
15.	Alpa Kiran Chheda	Relative of Directors	9.20	0	9.20	0

32. PARTICULARS OF EMPLOYEES:

The disclosure required in terms of Section 197(12) of the Companies Act 2013 read along with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as **Annexure D** and forms part of this Report.

33. WHISTLE BLOWER POLICY / VIGIL MECHANISM:

Pursuant to Section 177(9) of the Act and read with Regulation 22 of the SEBI Listing Regulations, your Company has duly established Whistle Blower Policy /Vigil Mechanism Policy ("Policy") to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct. Functioning of the Policy is reviewed by the Audit Committee / Board on periodical basis. During the financial year ended March 31, 2024, the Company has not received any complaint under the Whistle Blower Policy of the Company.<https://www.galagroup.com/wp-content/uploads/2024/01/Whistle-Blowing.pdf>

34. MAINTAINANCE OF COST RECORDS:

Maintenance of cost records as specified by the Central Government under section 148(1) of the Companies Act, 2013, is required to be maintained by the Company and accordingly such accounts and records are made and maintained.

35. OTHER DISCLOSURES:-

No disclosures are required in respect of sub rule xi & xii of Rule 8(5) of The Companies (Accounts) Rules, 2014 read with Section 134(3)(q) as the same is not applicable to the Company during the financial year.

36. ACKNOWLEDGEMENTS:

Your Directors thank the various Central and State Government Departments, Organizations and Agencies for the continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz. customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year.

The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

**For and on behalf of the Board
Gala Precision Engineering Limited**

**Sd/-
Kirit V. Gala
Chairman & Managing Director
DIN: 01540274**

**Sd/-
Balkishan S. Jalan
Whole-time Director
DIN: 02876873**

**Place: Thane
Date: September 5, 2024**

ANNEXURE – A

DISCLOSURES ON EMPLOYEE STOCK OPTION PLAN FOR THE FINANCIAL YEAR ENDED
31 MARCH 2024

Name of Plan: Gala Employees Stock Option Plan 2021

Nature of Disclosures	Particulars		
Options at the Beginning of the year	1,78,400		
Options Granted	1,500		
Add: Bonus Issue	4,500		
Options vested	-		
Options exercised	-		
Less: Options lapsed\Forfeited	38,200		
Total Option:	146,200		
The total no of shares arising as a result of exercise of options	-		
Exercise price	87.5		
Variation of terms of options	Nil		
Money realized by exercise of options	-		
Total no of Options in force	-		
Employee wise details of options granted to:	Name of employee	Options granted	
	FY-2023-24		
a. Key Managerial Personnel	1.Balkishan Jalan 2.Satish Kotwani	25,000 25,000	
b. Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year.	Sl No.	Name of the Employee	Options granted
	1	Mahesh Patil	12,000
	2	Rajesh Charjan	11,500
	3	Agadh Chukewar	11,500
	4	Krishna Bharadwaj	11,000
	5	Avadhut Panshikar	13,200
	6	Tukaram Behere	11,000
	7	Prasad Gore	10,000
	8	Sunilkumar Pathak	10,000
	9	S. Giridhar	6,000
	Total		96,200
	Other(Pending Allotment)		
c. Identified employees who were granted option, during any one year, equal to or			

exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.		
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**For and on behalf of the Board
Gala Precision Engineering Limited**

Kirit V. Gala
Chairman and Managing Director
DIN: 01540274

Balkishan S. Jalan
Whole-time Director (Executive)
DIN: 02876873

Place: Thane
Date:September 5, 2024

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

- Brief outline on CSR Policy of the Company:** Your Company is committed to operate and grow its business in a socially responsible way. The Company's vision is to grow its business, whilst reducing the environmental impact of its operations and increasing its positive social impact. Your Company has embraced some of the activities listed in the Schedule VII of Section 135 of the Companies Act, 2013. Pursuant to Section 135(1) of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rule, 2014, the board of Directors have constitute a CSR Committee. The board also framed CSR Policy in compliance with the provision of Section 135 of Companies Act, 2013.
- Composition of CSR Committee:**

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Kirit Vishanji Gala	Director (Chairman-CSR Committee)	2	2
2.	Mr Vishanji Harshi Gala*	Director (Member-CSR Committee)	2	1
3.	Mr. Satish Dayaldas Kotwani**	Director (Member-CSR Committee)	2	1
4.	Ms. Varsha Rajaram Galvankar***	Director (Member-CSR Committee)	2	1

*Vishanji Harshi Gala resigned w.e.f 30th Novemeber 2023

**Satish Kotwani become member w.e.f 30th Novemeber 2023

***Varsha Rajaram Galvankar become member w.e.f 30th Novemeber 2023

- Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company – <https://www.galagroup.com/investor-relations/>
- Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable – **N.A.**

Amount in Million

5.(a)	Average net profit of the company as per section 135(5)	116.06
(b)	Two percent of average net profit of the company as per	2.32

	section 135(5)	
(c)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	-
(d)	Amount required to be set off for the financial year, if any	-
(e)	Total CSR obligation for the financial year (5b+5c-5d)	2.32

6. (a) - Amount spent on CSR Projects (Both Ongoing Project and other than Ongoing Project) – **INR in Million - 2.32**

Details of CSR amount spent against **ongoing projects** for the financial year - **NIL**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)		
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Sta	Distr	Location of the project.	Project duration.	Amount allocated for the project (Amt in Million).	Amount spent in the current financial Year (Amt in Million).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (Amt in Million)	Mode of Implementation- Direct (Yes/No).	Mode of Implementation – Through Implementing Agency	
				te.	ict.							Name	CSR Registration number.
1.													
Total													

Details of CSR amount spent against **other than ongoing projects** for the financial year: **INR in Million - 2.32**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
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Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (Amt in Million)	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR Registration number
1.	Training to promote rural sports	as per schedule VII (vii)	Yes	Maharashtra	Thane	0.125	No	Shree Dombivali Kutchi Visa Oswal Seva Samaj	CSR00036072
2.	Promoting Healthcare including preventive health care	as per schedule VII (i)	Yes	Maharashtra	Mumbai	0.1	No	Aids Combat International	CSR00013381
3.	Rural development projects	as per schedule VII (x)	Yes	Maharashtra	Thane	0.5	No	Gramseva Pratishthan	CSR00007975
4.	Promoting Healthcare including preventive health care	as per schedule VII (i)	Yes	Maharashtra	Mumbai	0.18	No	Muskan Charitable Trust	CSR00025688

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (Amt in Million)	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR Registration number
5.	Rural development projects	as per schedule VII (x)	Yes	Maharashtra	Mumbai	0.05	No	Shrihari Satsang Samiti Mumbai	CSR000 03396
6.	Promoting Education	as per schedule VII (ii)	Yes	Maharashtra	Mumbai	0.23	No	Shri Kutchhi Visa Oswal Seva Samaj	CSR000 12937
7.	Promoting Education	as per schedule VII (ii)	Yes	Maharashtra	Mumbai	0.06	No	Shri Kutchhi Visa Oswal Seva Samaj	CSR000 12937
8.	Training to promote rural sports	as per schedule VII (vii)	Yes	Maharashtra				Shri Kutchhi Visa	CSR000

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (Amt in Million)	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR Registration number
					Mumbai	0.118	No	Oswal Seva Samaj	12937
9.	Training to promote rural sports	as per schedule VII (vii)	Yes	Maharashtra	Mumbai	0.1	No	Shri Kutchhi Visa Oswal Seva Samaj	CSR000 12937
10.	Training to promote rural sports	as per schedule VII (vii)	Yes	Maharashtra	Mumbai	0.65	No	Shri Kutchhi Visa Oswal Seva Samaj	CSR000 12937
11.	Training to promote rural sports	as per schedule VII (vii)	Yes	Maharashtra	Mumbai	0.23	No	Shri Kutchhi Visa Oswal	CSR000 12937

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (Amt in Million)	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR Registration number
								Seva Samaj	
Total						2.32			

(b) Amount spent in Administrative overheads - **NIL**

(c) Amount spent on Impact Assessment, if applicable – **NA**.

(d) Total amount spent for the Financial Year (6a+6b+6c) – **2.32 (INR in Million)**

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (Amt in Million)	Amount Unspent (Amt in Million)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
2.32	-	-	-	-	-

(f) Excess amount for set off -

Sl. No.	Particular	Amount (Amt in Million)
(i)	Two percent of average net profit of the company as per section 135(5)	2.32
(ii)	Total amount spent for the Financial Year	2.32
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

(7) Details of Unspent Corporate Social Responsibility amount for the preceding three financial years: -
NA

(8) Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year). Yes No

If yes, enter the Number of capital Assets created / Acquired: **NA**

(9) Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) – **NA**

For and on behalf of the Board
Gala Precision Engineering Limited

Kirit V. Gala
Chairman CSR Committee
DIN: 01540274

Satish Dayaldas Kotwani
Member CSR Committee
DIN: 03154231

Place: Thane
Date: September 5, 2024

"ANNEXURE - C"
Form AOC-I

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries															
Sr No	Name of the subsidiary	Reporting period	Currency	Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investment	Turnover	Profit Before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of Shareholding
1	Gala Springs LLP	31-Mar-24	INR	-	12,46,000	-11,86,696	3,78,774	3,19,470							92
2															

- Names of Subsidiaries which are yet to commence operations - NIL
- Names of Subsidiaries which have been liquidated or sold during the year - NIL
- Gala Precision Components (Shanghai) Private Limited became stepdown subsidiary company from Subsidiary company in the preceeding financial year.

Part "B": Associated and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Not Applicable

- Names of associates and joint ventures which are yet to commence operations - NIL
- Names of associates and joint ventures which have been liquidated or sold during the year - NIL

For and on behalf of the Board
Gala Precision Engineering Limited

Mr. Kirit V. Gala
Chairman & Managing Director

DIN : 01540274

Mr. Balkishan Jalan
Whole-time Director

DIN : 02876873

Place: Thane
Date: September 5, 2024

DETAILS OF THE REMUNERATION OF DIRECTORS, KMP AND EMPLOYEES AND COMPARATIVES

[Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company and the percentage increase in remuneration of Directors, in the FY 2023-24:

Name of Director(s)	Designation	Remuneration of Director for financial year 2023-24 (₹/Million)	Ratio of Remuneration of each Director to the median remuneration of employees for financial year 2023-24
Kirit Vishanji Gala	Chairman & Managing Director	9.44	15.99
Balkishan Jalan	Whole Time Director(Executive)	9.59	16.25
Satish Kotwani	Whole Time Director (Marketing)	7.52	12.74

2. The percentage increase in the median remuneration of employees in the financial year:
3. The number of permanent employees on the rolls of Company:**284**
4. Average percentage increase already made in the salaries of employees other than the Managerial Personnel in the last Financial Year is 15%,
5. Affirmation that the Remuneration is as per the Remuneration Policy of the Company:

The remuneration for MD/KMP/rest of the employees is as per the remuneration policy of the Company.

**For and on behalf of the Board
Gala Precision Engineering Limited**

Kirit V. Gala
Chairman & Managing Director
DIN: 01540274

Balkishan S. Jalan
Whole-time Director
DIN: 02876873

Place: Thane
Date: September 5, 2024

DETAILS OF THE REMUNERATION OF DIRECTORS, KMP AND EMPLOYEES AND COMPARATIVES

[Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

1. Top 10 employees in terms of remuneration drawn during the financial year 2023-24:

Sr. No.	Name	Designation- Nature of Duties	Designation	Qualification and Experience	Age	Date of Joining	Remuneration Received (₹)in Millions	Particulars of last employment Organization & Designation
1	Kirit Gala	Business strategies & Marketing	Chairman & Managing Director	BE Mech + MBA, 40 Years	57	01-06-1989	9.44	NA
2	Balkishan S. Jalan	Operation, Finance, overall Management	Whole Time Director- Executive	CA, 32 years	53	07-09-1998	9.59	Numero Uno Finance Ltd-Vice President
3	Satish Kotwani	Marketing & Sales	Whole Time Director - Marketing	DME, 33 Years	50	10-06-1993	7.52	Audel (I) Pvt Ltd-Supervisor- Production
4	Avadhut Panshikar	Operation	Chief Operating Officer	BE Mech, 32 years	49	05-06-2014	3.23	Bharat Bijlee Ltd - Deputy General Manager - Operations
5	S Giridhar	Finance	Chief Finance Officer	CA, 30 years	58	01-04-2022	2.71	Alkyl Amines Chemicals Ltd - General Manager - Finance & Accounts
6	Agadh Chukewar	Purchase & Vendor Development	Vice President	PGDM-SCM + B Mech, 24 years	45	08-05-2010	2.67	Stromag India Pvt Ltd - Assistant Manager - Sourcing
7	Rajesh Charjan	Marketing & Sales	Vice President	MBA - Marketing, 20 years	45	07-05-2007	2.56	Jost's Engineering Co. Ltd.- Executive - Business Development
8	Nataraja B K	Quality Assurance	Associate Vice President	Diploma - Mech Eng. + B. Tech -	55	01-12-2014	2.40	Mubea Surpesion India Ltd - Manager & Head Quality

				Mech Engineering, 30 years				
9	Sunil Pathak	Operation	Associate Vice President	Dilpoma - Autocad, 15 years	38	01-04-2019	2.37	ACG World Wide's Custom Capsules Pvt. Ltd - Head - Production
10	Smeet Gala	Marketing & Sales	Vice President	BE Production, 8 years	30	19-04-2021	2.34	WorkAmp Spaces Pvt Ltd - CEO

2. Particulars of the employees in receipt of remuneration not less than ₹1.02 crores per annum. during the financial year 2023-24: **Nil**
3. Employees employed for part of year and in receipt of remuneration of not less than ₹8.50 lakhs per month: **Nil**
4. Employees employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company. Nil
5. Affirmation that employees mentioned above is related to any Director of the Company and if yes, name of the such Director or manager: Smeet Gala is the son of Kirit Gala.

**For and on behalf of the Board
Gala Precision Engineering Limited**

Kirit V. Gala
Chairman & Managing Director
DIN: 01540274

Balkishan S. Jalan
Whole-time Director
DIN: 02876873

Place: Thane
Date: September 5, 2024

Secretarial Audit Report

Form No. MR-3

For the Financial year ended 31st March 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Gala Precision Engineering Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Gala Precision Engineering Limited** (hereinafter called '**the Company**'). Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Gala Precision Engineering Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
(To the extent applicable)
- (iii) The Depositories Act, 1996 and the Regulations and the Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992('The SEBI') :- **(Not relevant / applicable, since Company is not listed with any of the Stock Exchanges)**
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018.

- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I have also examined compliance with the applicable clauses to the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreements: - Since Company is not listed with any Stock Exchange and hence it need not to follow compliances of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive, Non – Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the directors to schedule the Board Meeting, agenda and detailed notes on agenda were sent at least seven days in advance or in compliance with the Act, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the period under review;

1. Pursuant to resolutions passed at 15th Annual General Meeting of the Company held on 5th September 2023, the consent of members was obtained for the following;
 - a) Re-classification of Authorized Share Capital from ₹18,00,00,000 (Rupees Eighteen Crores Only) divided into ₹11,00,00,000 (Eleven Crores Only) comprising of 1,10,00,000 Equity shares of ₹10 (Rupees Ten only) each and ₹7,00,00,000 (Rupees Seven Crores Only) comprising of 70,00,000 Preference shares of Rs.10 (Rupees Ten only) each to ₹18,00,00,000 (Rupees Eighteen Crores Only) divided into 1,80,00,000 Equity Shares of ₹10 (Rupees Ten only) each and Amendment in the Capital Clause of the Memorandum of Association of the Company;
 - b) Adoption of New Set of Articles of Association in line with provisions of Companies Act, 2013;
 - c) Issue up to 75,83,688 equity shares of ₹10 each as Bonus Shares, by capitalization of a sum not exceeding ₹ 7,58,36,880 /-.
2. The Board of Directors of the Company in their meeting held on 27th September 2023 allotted 75,83,688 equity shares of ₹10 each as fully paid up Bonus Shares by capitalization of a sum not exceeding ₹7,58,36,880/- in the proportion of 3 (Three) equity shares of ₹10 (Ten only) each for every 1 (One) existing fully paid-up equity share of ₹10 (Ten only) each.
3. Pursuant to Special resolutions passed at the Extra-General Meeting of the Company held on 03rd October 2023, the consent of members was obtained for the following;

- Conversion of the Company from Private Limited Company to a Public Limited Company and the change in the name of the Company from “Gala Precision Engineering Private Limited” to “Gala Precision Engineering Limited”;
 - Adoption of New Set of Articles of Association consequent to Conversion of the Company from Private Limited Company to a Public Limited Company.
4. The Board of Directors of the Company in their meeting held on 30th November 2023 approved Initial Public Offer of the Equity Shares of the Company.
 5. Pursuant to Special resolutions passed at the Extra-General Meeting of the Company held on 15th January 2024, the consent of members was obtained for Raising of Capital through an Initial Public Offering up to an aggregate of ₹ 200 Crores.
 6. The Board of Directors of the Company in their meeting held on 14th February 2024 approved draft Red Herring Prospectus in relation to the Initial Public Offer of the Equity Shares of the Company.

**For D. M. Zaveri & Co
Company Secretaries**

**Dharmesh Zaveri
(Proprietor)
FCS No.: 5418
CP No.: 4363**

**Place: Mumbai
Date: 05 September 2024**

ICSI UDIN: F005418F001142158

Peer Review Certificate No.: 1187/2021

This report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A

To,
The Members,

Gala Precision Engineering Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For D. M. Zaveri & Co
Company Secretaries

Dharmesh Zaveri
(Proprietor)
FCS. No.: 5418
CP No.: 4363
Place: Mumbai
Date: 05 September 2024

Corporate Governance Report

1. GPEL'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance pertains to the system by which companies are directed and controlled ethically, keeping in mind the enhancement of long-term sustainable interests of stakeholders. It refers to blend of law, regulations, ethical and voluntary practices, which enable the Company to attract financial and human capital, perform efficiently and thereby perpetuate it into generating long-term economic value for its shareholders, while respecting and balancing the interests of other stakeholders and the society at large.

It aims to align interests of the Company with its shareholders and other stakeholders. The incentive for companies and those who own and manage them, to adopt global governance standards, is that these standards will help them to achieve a long-term partnership with its stakeholders and achieve its corporate objectives efficiently. The principal characteristics of corporate governance are transparency, independence, accountability, responsibility, fairness, and social responsibility.

A good governance process provides transparency of corporate policies and the decision making process and also strengthens internal systems and helps in building good relationship with all stakeholders. We at Gala believe in being transparent and commit ourselves to adherence to good corporate governance practices at all times as we believe that good governance generates goodwill among business partners, customers and investors and helps the Company to grow.

Corporate Ethics

The Company adheres to the highest standards of business ethics, compliance with statutory and legal requirements and commitment to transparency in business dealings.

Code of Conduct for Board Members and Senior Management

The Code of Conduct highlights Corporate Governance as the cornerstone for sustained management performance, serving all the stakeholders instilling a spirit of ethical and proper conduct in those dealings. The Code is, inter alia, applicable to all directors and senior management executives. The Code impresses upon directors and senior management to uphold the interest of the Company and its stakeholders and to endeavor to fulfill all the fiduciary obligations. The Code is available on the Company's website at: <https://www.galagroup.com/wp-content/uploads/2024/01/Code-of-Conduct-for-Directors-Senior-Management-Independent-Directors.pdf>

The Company has received a declaration of compliance with the Code of Conduct from Directors and Senior Management Personnel. The declaration by the Managing Director affirming compliance of the Board of Directors and Senior Management Personnel to the Code of Conduct is appended to this Report.

2. BOARD OF DIRECTORS

a) Composition of the Board, category:

The Board of the Company (the “**Board**”) comprised of eight Directors as on March 31, 2024 with an optimum combination of executive and non-executive directors, of which four are Independent Directors, one Director being Non-executive Non-Independent Director, two whole-time Directors and one is a Managing Director. Independent Directors are renowned professionals with specialization in their respective fields, having varied skills and expertise and not related to promoters of the Company.

The Company is in compliance of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “**Listing Regulations**”) and the Companies Act 2013 (the “**Act**”).

The composition of the Board and other details as on March 31, 2024 are as below. Changes after the end of the year are also provided wherever applicable.

<u>Sr. No.</u>	<u>Name of the Director</u>	<u>DIN</u>	<u>Category</u>	<u>No. of Directorship in other Companies^[1]</u>	<u>Position in outside Committees^[2]</u>	
					<u>Chairperson</u>	<u>Member</u>
1.	Kirit Vishanji Gala	01540274	Chairman and Managing Director	3	0	0
2.	Balkishan Shyamsunder Jalan	02876873	Whole-time director	1	0	0
3.	Satish Dayaldas Kotwani	03154231	Whole-time director	1	0	0
4.	Rajendra Vallabhaji Gogri	00061003	Non-Executive Non-Independent Director	13	3	3
5.	Snehal Bhupendra Shah	00128595	Non-Executive Independent Director	0	0	0
6.	Varsha Rajaram Galvankar	00124603	Non-Executive Independent Director	1	0	0
7.	Neha Rajen Gada	01642373	Non-Executive Independent Director	8	2	5
8.	Sudhir Tokarshi Gosar	10460551	Non-Executive Independent Director	0	0	0

[1] Including private companies or companies registered under section 8 of the Companies Act 2013 or alternate directorship, if any.

[2] Represents Chairmanship / Membership of Audit Committees, Nomination and remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee, Corporate Social Responsibility Committee and Finance and Investment Committee

Details of directorship in other listed Indian companies as on March 31, 2024 are as under.

<u>Name of the Director</u>	<u>Name of the other Listed Companies</u>	<u>Category of Directorship</u>
Mr. Rajendra Vallabhaji Gogri	1. Aarti Industries Ltd	Executive Director, Managing Director
	2. Prince Pipes And Fittings Limited	Non-Executive - Independent Director
	3. Aarti Pharmalabs Limited	Non-Executive - Non Independent Director
Mrs. Neha Rajen Gada	1. Tamboli Industries Limited	Non-Executive - Independent Director
	2. Aarti Drugs Limited	Non-Executive - Independent Director
	3. Asian Star Company Limited	Non-Executive - Independent Director
	4. Sejal Glass Limited	Non-Executive - Independent Director

None of the Directors on the Board are related to each other.

Further, none of the Independent Director of the Company have resigned during the year.

Details of shares held by non- executive Directors of the Company are as follows:

Sr. No.	Name of the Director	No. of shares held in the Company
1.	Mrs. Neha Rajen Gada	NIL
2.	Ms. Varsha Rajaram Galvankar	NIL
3.	Mr. Snehal Bhupendra Shah	30,000
4.	Mr. Sudhir Tokarshi Gosar	400
5.	Mr. Rajendra Vallabhaji Gogri	NIL

None of the non-executive Directors on the Board holds any convertible instruments of the Company

The Board is of the opinion that the independent directors of the Company fulfill the conditions specified in the Listing Regulations and are independent of the management. Independent Directors have confirmed and given declarations in this respect.

b) Board Meetings and attendance:

The Board of Directors met 12 (Twelve) times in the financial year 2023-24 i.e. on the following dates and accordingly the agenda papers along with notes and other supporting were circulated in advance of the Board Meeting with sufficient information.

Sr. No.	Date of the Board Meeting
1.	April 20, 2023
2.	June 12, 2023
3.	June 30, 2023
4.	August 17, 2023
5.	September 5, 2023
6.	September 27, 2023
7.	October 9, 2023
8.	November 2, 2023
9.	November 30, 2023
10.	November 30, 2023
11.	December 26, 2023
12.	February 14, 2024

Directors' attendance in Board Meetings held during the financial year and at the last Annual General Meeting are as under:

Name of Directors	No. of Board Meetings		Attendance at Last Annual General Meeting
	Held	Attended	
Mr. Kirit Vishanji Gala	12	12	Yes
Mr. Balkishan Shyamsunder Jalan	12	12	Yes
Mr. Satish Dayaldas Kotwani	12	12	Yes
Mr. Rajendra Vallabhaji Gogri	12	11	Yes
Mr. Snehal Bhupendra Shah*	12	3	Not Applicable
Ms. Varsha Rajaram Galvankar*	12	3	Not Applicable
Mrs. Neha Rajen Gada*	12	3	Not Applicable
Mr. Sudhir Tokarshi Gosar**	12	1	Not Applicable

* Appointed on the Board with effect from November 30, 2023

** Appointed on the Board with effect from January 11, 2024

c) Familiarization Programme:

The Company's policy on programmes and measures to familiarize Independent Directors about the Company, its business, updates and development includes various measures viz. issue of appointment letters containing terms, duties etc, presentation and other programmes as may be appropriate from time to time. Periodic presentations are made at the Board and Committee meetings on business, performance updates of the Company, global business environment, business strategy and risk involved. The Policy

and programme aim to provide insights into the Company to enable independent directors to understand the business, functionalities, business model and other matters. The Company's Policy and other details in this respect including the familiarization Programme with respect to Independent Directors are posted in the investors section on the Company's website at <https://www.galagroup.com/wp-content/uploads/2024/01/Familiarization-Programme-Policy.pdf>

d) Matrix of expertise/ skill and competence of Directors:

The Board of the Company comprises of Directors having different skills and expertise in their respective domain areas including Strategy, Marketing, Business Management, Finance & Accounts, Governance & Compliance, and Manufacturing.

3. AUDIT COMMITTEE

Audit Committee of the Board is constituted on November 30, 2023 has the same has been constituted in terms of the Listing Regulations and Section 177 of the Act.

The Audit Committee comprises of three Directors. Two-thirds of the members of the Audit Committee are Independent Directors. The Audit Committee met once during the year on February 14, 2024. The Composition of the Audit Committee and the attendance is as under.

<u>Name of Member</u>	<u>Designation in the Committee</u>	<u>No. of Meetings</u>	
		<u>Held</u>	<u>Attended</u>
Mr. Snehal Bhupendra Shah	Chairperson	1	1
Mrs. Neha Rajen Gada	Member	1	1
Mr. Balkishan Shyamsunder Jalan	Member	1	1

The Company Secretary of the Company acts as secretary to the Audit Committee.

Audit Committee meetings are also attended by the Chief Financial Officer, representatives of the Statutory Auditor, Internal Auditors and other executives as and when required. The Committee also invites senior executives, where it considers appropriate, to attend meetings of the Audit Committee.

Terms of reference and the role of the audit committee include the matters specified under the Act and the Listing Regulations. Broad terms of reference includes; oversight of the financial reporting process, review of financial results and related information, approval of related party transactions, review of internal financial controls and risk management, evaluation of the performance of statutory and internal auditors, audit process, relevant compliances, review of compliance relating to insider trading regulations, appointment and payments to statutory auditors, reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary companies.

4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Board (NRC) is constituted on November 30, 2023 and has been constituted in terms of the Listing Regulations and Section 178 of the Act.

The NRC comprises of four Directors. There is an optimum combination of Directors in the Committee and are in compliance with applicable laws.

During the year under review, the NRC met once during the year on November 30, 2023 The Composition of the NRC and the attendance is as under.

<u>Name of Member</u>	<u>Designation in the Committee</u>	<u>No. of Meetings</u>	
		<u>Held</u>	<u>Attended</u>
Mrs. Varsha Rajaram Galvankar	Chairperson	1	1
Mr. Snehal Bhupendra Shah	Member	1	1
Mr. Rajendra Vallabhaji Gogri	Member	1	1
Mr. Kirit Vishanji Gala	Member	1	1

Terms of reference of the NRC include the matters specified under the Act and the Listing Regulations. Broad terms of reference include; formulation of remuneration policy, set criteria for determining qualifications, positive attributes and independence of a director, formulation of criteria for evaluation of independent directors and the Board and criteria for appointment of directors and senior management and recommendation to the Board for all remuneration payable to senior management.

The Company's policy on the appointment of directors provides, inter alia, for the criteria, qualification, experience, independence of a Director and skills in relation to appointment as a director.

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:

Each Independent Director's performance was evaluated as required by Schedule IV of the Act having regard to the following criteria of evaluation viz. (i) qualification, (ii) experience, (iii) availability and attendance, (iv) integrity, (v) commitment, (vi) governance, (vii) independence, (viii) communication, (ix) preparedness, (x) participation and (xi) value addition

In the opinion of the Board, all Independent Directors fulfill the conditions of independence as specified in Regulation 16 of the SEBI Listing Regulations along with Section 149(6) of the Act read with the rules made thereunder; and are independent of the management of the Company.

REMUNERATION OF DIRECTORS

Details of remuneration paid to the Executive Directors and Non-Executive Directors of the Company:
In Millions

<u>Sr. No.</u>	<u>Name of Directors</u>	<u>Salary and Perquisites</u>	<u>Sitting Fees</u>
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1.	Mr. Kirit Vishanji Gala	9.44	
2.	Mr. Balkishan Shyamsunder Jalan	9.59	
3.	Mr. Satish Dayaldas Kotwani	7.52	
4.	Mr. Snehal Bhupendra Shah		0.10
5.	Ms. Varsha Rajaram Galvankar		0.10
6.	Mrs. Neha Rajen Gada		0.10
7.	Mr. Sudhir Tokarshi Gosar		0.05

The remuneration to Executive Directors includes Provident Fund, Superannuation Fund, perquisites, allowances etc. are in accordance with the Company's Policy on Appointment and Remuneration of Directors, Key Managerial Personnel and other Employees.

Performance linked incentives/bonus/variable pay is based on criteria including achievement of performance standards as per the remuneration policy or practice of the Company.

There were no pecuniary relationships or transactions of non-executive Directors vis-à-vis the Company during the year under review, except for payment of sitting fees and remuneration as mentioned above.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee (SRC) of the Board is constituted on November 30, 2023 and has been constituted in terms of the Listing Regulations and Section 178 of the Act. There is an optimum combination of Directors in compliance with applicable laws.

The Stakeholders' Relationship Committee comprises of three Directors. The Chairperson of the committee is Mr. Rajendra Vallabhaji Gogri (non-executive) Director of the Company.

The Composition of the above Committee is as under.

<u>Name of Member</u>	<u>Designation in the Committee</u>
Mr. Rajendra Vallabhaji Gogri	Chairperson
Mr. Balkishan Shyamsunder Jalan	Member
Mrs. Neha Rajen Gada	Member

During the no investor complaints were received. Furthermore no investor complaint was pending as on March 31, 2024. There were no complaint pending at beginning of the financial year 2023-24.

*Ms. Pooja Ladha, Company Secretary has been appointed as compliance officer pursuant to the Listing Regulations. The designated e-mail for investor service and correspondence is investor.relations@galagroup.com

Note: * Ms. Pooja Ladha, was appointed as the Company Secretary of the Company with effect from October 9, 2023 and Compliance Officer of the Company with effect from November 2, 2023.

6. SENIOR MANAGEMENT

According to the provisions of Regulation 16 (1) (d) of SEBI Listing Regulation 2015, as on March 31, 2024, the Core Senior Management Team are as follows:

Sr. No.	Name of the individual forming the part of the team	Designation
1.	Smeet Kirit Gala	Vice President – Marketing & Sales
2.	Rajendra Deshpande	Chief Operating Officer
3.	Avadhut Panshikar	Chief Operating Officer
4.	Prasad Gore	Vice President – Information Technology
5.	Tukaram Behere	Vice President – Hr & Admin
6.	Agadh Chukewar	Associate Vice President – Purchase & VD
7.	Gopal Bhat	Associate Vice President – NPD
8.	Rajesh Charjan	Vice President – Marketing & Sales
9.	Mahesh Patil	Vice President – Operation
10.	Sunilkumar Pathak	Associate Vice President – Operation
11.	Krishna Bhardwaj	Associate Vice President – Marketing & Sales
12.	Nataraja B. K	Associate Vice President – Quality Assurance

Changes since the close of the previous financial year:

During the financial year, Ms. Pooja Ladha was appointed as Company Secretary of the Company with effect from October 9, 2023 and thereafter designated as Compliance officer of the Company on November 2, 2023, Furthermore Mr. Giridhar Srinivasan was appointed as Chief Financial Officer of the Company with effect from November 30, 2023.

7. OTHER COMMITTEES

In addition to the above referred committees, the Board has constituted committees of Directors to look into various business matters. These committees includes the Corporate Social Responsibility (CSR) Committee and the Initial Public Offer (IPO) Committee. Details relating to the Corporate Social Responsibility (CSR) committee are given in the CSR report forming part of the Board's report.

The Initial Public Offer (IPO) Committee comprises of Mr. Kirit Vishanji Gala, Chairperson and Mrs. Neha Rajen Gada and Mr. Balkishan Shyamsunder Jalan, members of the Committee. During the period under review there was no meeting held of the IPO Committee.

8. GENERAL BODY MEETINGS

Details of the last three Annual General Meetings (AGM) are given here below:

<u>Year</u>	<u>Date</u>	<u>Time</u>	<u>Venue/ Location</u>	<u>Special resolutions passed</u>
2020-21	September 30, 2020	3:00 PM (IST)	A-59, Road No. 10, Wagle Industrial Estate, Thane - 400604	No special resolution passed in the AGM
2021-22	November 30, 2021	3:00 PM (IST)	A-59, Road No. 10, Wagle Industrial Estate, Thane - 400604	No special resolution passed in the AGM
2022-23	September 22, 2022	11:30 AM (IST)	A-59, Road No. 10, Wagle Industrial Estate, Thane - 400604	No special resolution passed in the AGM

Resolutions passed through postal ballot: No Special resolution was passed through postal ballot during the financial year ended March 31, 2024. Further, there is no immediate proposal for passing any resolution through postal ballot.

9. MEANS OF COMMUNICATION

Website: The Company's website <https://www.galagroup.com/> contains a separate dedicated "Investor Relation" section wherein shareholders information is available. Financial information, Annual reports, Policies, Industry Report, and Project Report are also available on the website of the Company.

During the year under review, the provisions in respect to publishing of quarterly results in newspaper and publishing of news releases and accordingly displaying presentations made to institutional investors or to the analysts are not applicable to the Company and hence no reporting can be done.

10. GENERAL SHAREHOLDERS' INFORMATION

16TH ANNUAL GENERAL MEETING

<u>Date</u>	<u>Time</u>	<u>Financial Year</u>	<u>Venue/ Location</u>
September 30, 2024	4.30 PM (IST)	April 1, 2024 to March 31, 2025	Virtually through Registered Office

OTHER INFORMATION:

1. There is no proposal from the Board of Director of the Company in respect to declaration of dividend.

2. The shares of the Company are not currently listed on any stock exchange(s) and therefore disclosure in respect to the below appended points are not applicable:

- Disclosure in respect to stock code
- Market price data- high, low during each month in last financial year
- Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc.
- In case the securities are suspended from trading, the directors report shall explain the reason thereof
- Outstanding Global Depository Receipts or American depository receipts or warrants except for convertible instruments in the form of ESOP for which the information is available under the Disclosures on Employee Stock Option Plan forming the part of this annual report.

3. Registrar and Share Transfer Agent:

Link Intime India Private Limited is the Registrar and Share Transfer Agent ('RTA') of the Company. The address for correspondence is as under:

LINK INTIME INDIA PRIVATE LIMITED

C-101, 1st Floor, 247 Park,
Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai,
Maharashtra, India, 400083.
SEBI Registration No: INR000004058
Contact Person: Shanti Gopalkrishnan
Website: <https://linkintime.co.in/home.html>
Telephone: +91 810 811 4949
E-mail: galaprecision.ipa@linkintime.co.in

4. Share Transfer System:

In terms of Regulation 40(1) of the SEBI Listing Regulations as amended, Securities can be transferred only in dematerialized form.

Pursuant to SEBI Circular dated January 25, 2022, securities of the Company shall be issued in dematerialized form only while processing service requests in relation to issue of duplicate securities certificate, renewal / exchange of securities certificate, endorsement, sub-division / splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition.

All the share related activities including redressal of shareholders'/investors' grievances are being handled by the Company's RTA.

5. Distribution of Shareholding as on March 31, 2024:

<u>Slab/ No. of equity shares</u>	<u>No. of shareholders</u>	<u>% of shareholders</u>	<u>No. of shares held</u>	<u>% of total share capital</u>
1-500	7	11.29	2800	0.03
501-1000	0	0.00	0	0.00
1001-5000	6	9.68	22000	0.22
5001-10000	10	16.13	80000	0.79
10001 and above	39	62.90	10006784	98.96
Total		100.00	1,01,11,584	100.00

6. Dematerialization of equity shares and liquidity:

As on March 31, 2024, 96.80% of the Equity Shares of the Company have been dematerialized.

In this context, our Company has entered into the following agreements with the respective Depositories:

- Tripartite Agreement dated October 5, 2023, among CDSL, our Company and the Registrar to the Offer
- Tripartite Agreement dated September 29, 2023, among NSDL, our Company and the Registrar to the Offer

The Equity shares on Allotment in the public issue, shall be traded only in the dematerialized segment of the Stock Exchanges. Therefore, Investors should note that the Equity Shares will be allotted to all successful Bidders only in dematerialized form

7. Commodity price risk or foreign exchange risk and hedging activities:

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018 is not required

8. Plant Locations:

We operate out of two manufacturing facilities in Wada, Palghar, Maharashtra, which are equipped with capabilities to design, develop and manufacture our product portfolio. We are setting up a new

manufacturing facility in Vallam-Vadagal, SIPCOT, Sriperumbuddur, Tamil Nadu for developing high tensile fasteners and hex bolts in order to add to our existing capacity for high tensile fasteners at Wada, Palghar, Maharashtra.

Set forth is brief description of our manufacturing facilities:

Manufacturing units	Address
DSS facility at Wada, Palghar, Maharashtra	Plot No. 302, Part 1 and 2, Musarne Village, Musarne Road, Post MET, Wada, Palghar, Maharashtra
CSS and SFS facility at Wada, Palghar, Maharashtra	Plot No. 295, Village Vadavli, Musarne Road, Post MET, Wada, Palghar, Maharashtra

9. Address for correspondence

Gala Precision Engineering Limited

Registered office:

A-801, 8th Floor, Thane One DIL Complex,
Ghodbunder Road, Majiwade,
Thane (west), Thane – 400610.
Maharashtra, India.

Telephone: +91 22-6930 9224

Website: <https://www.galagroup.com/>

E-mail: investor.relations@galagroup.com

Corporate and Investors contact: Ms. Pooja Ladha, Company Secretary and Compliance Officer, at corporate office.

10. List of Credit rating obtained during the financial year:

During the financial year, the Company has been affirmed / assigned credit rating from below listed credit rating agencies:

<u>Name of Credit Rating Agency</u>	<u>Instrument</u>	<u>Rating</u>
Credit Rating Information Services of India Limited (an S&P Global Group Company)	Long Term Bank facilities	CRISIL BBB/Positive (Outlook revised from “Stable” Rating Reaffirmed)

Credit Rating Information Services of India Limited (an S&P Global Group Company)	Short Term Bank facilities	CRISIL A3+ (Reaffirmed)
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11. OTHER DISCLOSURES

- i. None of the transactions with any of the related parties were in conflict with the interest of the Company. The details of the related party transactions are set out in the notes to financial statements forming part of this Annual Report. Policy on dealing with related party transactions is posted on the website of the Company and can be accessed by following the link: <https://www.galagroup.com/wp-content/uploads/2024/01/RPT-policy.pdf>
- ii. The Company has complied with all applicable provisions of the Listing Regulations and other SEBI Regulations wherever applicable. No penalties have been imposed or stricture issued by SEBI, Stock Exchanges or any statutory authorities on matters relating to capital markets during the last three years.
- iii. In accordance with the requirements of the Act and SEBI Listing Regulations, the Company has a Whistle Blower Policy approved by the Board of Directors and the preface of the Policy are:
 - a. The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior.
 - b. The Company is committed to developing a culture where it is safe for all employees to raise concerns about any poor or unacceptable practice and any event of misconduct.
 - c. "Whistle Blowing Policy" is for employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.
 - d. The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects employees wishing to raise a concern about serious irregularities within the Company.
 - e. The policy neither releases employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation.
 - f. Whistle Blower Policy is available on the Company's website at <https://www.galagroup.com/wp-content/uploads/2024/01/Whistle-Blowing.pdf>.
 - g. The Company confirms that no personnel have been denied access to the Audit Committee pursuant to the whistle blower mechanism.

- iv. The Company has complied with all the mandatory requirements of SEBI Listing Regulations, in respect of corporate governance. The following non-mandatory requirements as specified in Part E of Schedule II of SEBI Listing Regulations have been adopted by the Company:
1. The Internal Auditors report directly to the Audit Committee
 2. The financial statements does not contain any qualification or modified opinion of the Auditor of the Company.
- v. The Company's policy for determining 'Material' Subsidiaries' and policy on dealing with Related Party Transactions are available on the Company's website at: <https://www.galagroup.com/wp-content/uploads/2024/02/Policy-for-determining-materiality-subsiary-1-4.pdf>, and furthermore <https://www.galagroup.com/wp-content/uploads/2024/01/RPT-policy.pdf> respectively.
- vi. The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018 is not required.
- vii. There were no instances of raising of funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the SEBI Listing Regulations.
- viii. The Company has obtained a certificate from Mr. Dharmesh M. Zaveri, of D. M. Zaveri & Co, Practicing Company Secretary, certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by SEBI, Ministry of Corporate Affairs or any such statutory authority.
- ix. In terms of the SEBI Listing Regulations, the Board of Directors confirm that during the year, it has accepted all recommendations received from its mandatory committees.
- x. During financial year 2023-2024, the total fees paid by the Company and its subsidiaries, on a consolidated basis, to M.M Nissim & Co LLP, the Statutory Auditors, and all entities in the network firm/network entity of M.M Nissim & Co LLP was ₹6.30 Lakh per annum.
- xi. The Company is committed to provide a healthy environment to all the employees and thus does not tolerate any sexual harassment at workplace. The Company has in place a "policy against Sexual Harassment" of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees are covered under the policy. There was no complaint received from any employee during the financial year 2023-24 and hence no complaint is outstanding as on March 31, 2024 for redressed. Also the Internal Complaints Committee as required to be constituted by the Company has been duly constituted as per policy under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- xii. Disclosures with respect to Demat suspense account/ unclaimed suspense account:

The Company has no unclaimed suspense account under Regulation 39 and Schedule VI of SEBI Listing Regulations and hence, there is nothing to disclose in this regard.

xiii. Disclosure of certain types of agreements binding listed entities:

The Company is not listed as on the date of this report and hence there is nothing to disclose with respect to agreements under clause 5A of part A of para A of Schedule III of SEBI Listing Regulations.

xiv. During the year review, there is nothing to disclose with respect to loans and advances in the nature of loans to firms/companies in which Directors are interested.

xv. Details of subsidiary and step down subsidiary of the Company are given below:

<u>Name of the Subsidiary and Step down subsidiary</u>	<u>Date of incorporation</u>	<u>Place of incorporation</u>	<u>Name of Statutory Auditor</u>	<u>Date of Appointment of Statutory Auditor</u>
Gala Springs LLP (Subsidiary)	August 5, 2016	India	Not Applicable	Not Applicable
Gala Precision Components Shanghai Limited	April 24, 2006	China	Not Applicable	Not Applicable

xvi. The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C , D and E of Schedule V of the SEBI Listing Regulations, during the year under review.

12. CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT

The Board of Directors has laid down the Code of Conduct for all the Board Members and members of the senior management. The Code is available on the Company's website at the link: <https://www.galagroup.com/wp-content/uploads/2024/01/Code-of-Conduct-for-Directors-Senior-Management-Independent-Directors.pdf>. Further, a certificate from the Managing Director in this regard is annexed separately to this Report.

13. CFO CERTIFICATION

The Chief Financial Officer of the Company have submitted annual certification on financial reporting and internal controls and certification on Financial Results to the Board in terms of SEBI Listing Regulations. The said certificate is annexed and forms part of the Annual Report.

By order of the Board of Directors
For **Gala Precision Engineering Limited**

Kirit Vishanji Gala
Chairman and Managing Director
DIN: 01540274

Date: September 5, 2024
Place: Thane

ANNEXURE TO CORPORATE GOVERNANCE REPORT
DECLARATION REGARDING COMPLIANCE WITH THE CODE OF CONDUCT

In terms of the requirement of Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to confirm that all members of the Board and the senior management personnel have affirmed compliance with Code of Conduct for the financial year ended March 31, 2024

For **Gala Precision Engineering Limited**

Kirit Vishanji Gala
Chairman and Managing Director
DIN: 01540274

Date: September 5, 2024

Management Discussion & Analysis

Global Economic Overview

The reported year witnessed the global economy grappling with various macroeconomic challenges. Despite a tumultuous CY 2023, marked by persistent geopolitical turmoil triggering volatility in energy and food markets and inflation, the global economy showcased remarkable resilience, and expected to increase at CAGR of 5.1% from CY23 to CY28. India is expected to maintain the highest growth rate, with a CAGR of 9.8% between CY23 to CY28. This fueled with other government initiatives like Make in India, Production Linked Incentive (PLI) scheme & others will boost the domestic manufacturing industry. Central banks in major economies resorted to calibrated interest rate hikes to curb inflation. While the strategic monetary policies slowed the global economy, it also aided in avoiding an economic downturn.

The United States, fuelled by robust consumer and government spending and a resurgence in international trade, achieved a growth rate of 2.5%. In contrast, the European Union and the Euro area experienced slower growth rates of 0.8% and 0.9% respectively, as internal policies and external geopolitical risks tempered their economic momentum.

On the other hand, while emerging markets such as India, Vietnam and Mexico experienced positive growth trajectories, China recorded a sluggish growth rate. Owing to gradual recovery from real estate sector challenges, subdued consumer confidence and demographic challenges, China recorded a growth of 5.2%. emerging markets demonstrated commendable growth, supported by diversified economic strategies and foreign investments. Simultaneously, the global economy also drew strength from a resilient labour market, service-driven expansion, strong household and corporate balance sheets and strategic fiscal interventions. Notably, global inflation eased due to declining energy prices and reduced labour shortages, averting a wage-price spiral despite significant banking stress and rapid policy tightening.

The global & Indian economy is poised for strong growth in the next 5 years

➤ HIGH DEMAND FOR DISC & STRIP SPRINGS (DSS) AND WEDGE LOCK WASHERS (WLW) IN INDUSTRIALS WILL LEAD THE MARKET GROWTH FOR DSS & WLW:

The global DSS & WLW market was valued at US\$ 891M in CY23 and is projected to grow at a CAGR of 6.1% during CY23-26. The Indian DSS & WLW market is showing the similar growth trajectory and is expected to register a CAGR of 6.6% during FY24-27, with the market value in FY24 being US\$ 115M. Industrial sector comprising of heavy machinery like equipment's used in manufacturing, infrastructure & others, contribute the maximum revenue share in the DSS & WLW market. The growth is largely accreditable to the increase in steel demand to fulfill the growing urbanization & construction needs. After industrial, mobility sector consisting of automobiles (such as four-wheelers and two-wheelers) & railways is the biggest

contributor to the revenue of DSS & WLW. In automobile sector, demand is fueled by the growing consumption of passenger cars in countries like India & Brazil. The renewable energy sector comprising of wind & hydro energy is another key growing market. Here, the focus on government policies to mitigate international climate change will boost growth.

➤ **THE COIL & SPIRAL SPRINGS (CSS) MARKET WILL WITNESS GROWTH DUE TO THE SURGE IN DEMAND OF EV VEHICLES IN INDIA:**

Reflecting 1Lattice's expert analysis, the Indian market for CSS was valued at ~US\$ 459M in FY24 and is expected to grow at a CAGR of 9.8% during FY24-27. The market growth is credited to factors like growing automobile industry & rapid urbanization.

The major consumption of CSS happens in the mobility largely applied in the commercial vehicles, automobiles & railways. Coil springs are used in EVs to reduce the overall vehicle weight. Penetration of EVs in the 2-wheeler market stands at ~5% and in 4-wheeler market is ~2% as of FY24 in India. This growing penetration will largely increase the demand. After mobility, the major consumption happens in the industrial sector. Here, the focus on Indian government to develop India's industrial participation through schemes like PLI, Urban Infrastructure Development scheme is boosting growth.

➤ **AGEING OF INFRASTRUCTURE & GROWTH IN RENEWABLE ENERGY MARKET WILL LEAD TO HIGH DEMAND FOR SPECIAL FASTENERS (SFS):**

As per Universal Consulting report on "Shortlisting Attractive Global Opportunities: Fasteners", the global market for SFS was valued at ~US\$ 97,326M in CY23 and is expected to grow at a CAGR of 6.7% during CY23-26. The Indian market for SFS was valued at ~US\$ 6,580M in FY24 and is expected to grow at a CAGR of 18.0% between FY24-27.

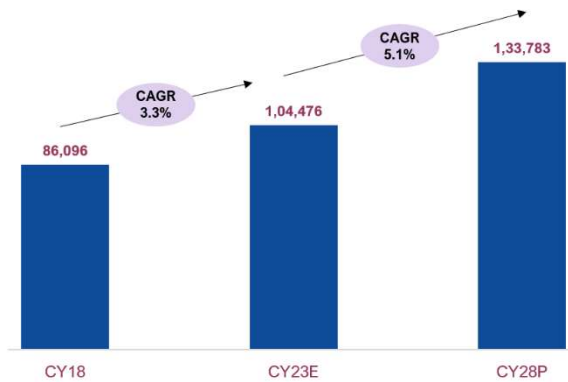
This strong growth in the market can be attributed to different factors like growth in the renewable energy industry & ageing of infrastructure. Globally, most of the revenue is currently contributed by the mobility sector in which demand is majorly in the automobile sector. The industrial sector contributes almost equivalent revenue to the mobility sector, in which the majority of demand comes from heavy machinery. The policy support from different countries focusing on development of clean energy is a key growth driver for the renewable energy sector.

REAL GDP GROWTH (ANNUAL PERCENT CHANGE)

The global GDP is expected to rise at a CAGR of 5.1% from CY23-28, having grown at a CAGR of 3.3% from CY18-23. The global economy has rebounded after the historic economic downturn caused by the COVID-19 pandemic.

Outlook

World GDP at current prices
(US\$ B, CY18-28P)



Real GDP growth – Germany, Italy, USA, China, India, USA, and UK (Y-o-Y growth %, CY18-28P)

Region	CY18	CY19	CY20	CY21	CY22	CY23E	CY28P
World	3.6%	2.8%	-2.8%	6.3%	3.5%	3.0%	3.1%
Germany	1.0%	1.1%	-3.8%	3.2%	1.8%	-0.5%	0.9%
Italy	0.9%	0.5%	-9.0%	7.0%	3.7%	0.7%	0.9%
China	6.8%	6.0%	2.2%	8.5%	3.0%	5.0%	3.4%
India	6.5%	3.9%	-5.8%	9.1%	7.2%	6.3%	6.3%
USA	2.9%	2.3%	-2.8%	5.9%	2.1%	2.1%	2.1%
UK	1.7%	1.6%	-11.0%	7.6%	4.1%	0.5%	1.5%

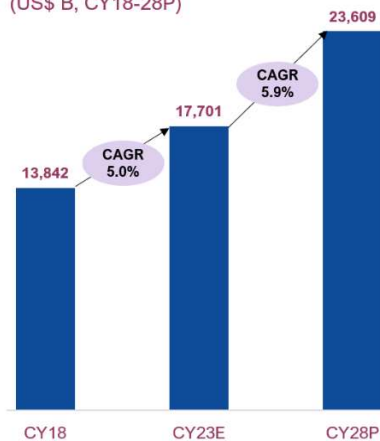
Note(s): In the analysis of global benchmarks, the timeline has been kept as CY and not FY
Source(s): International Monetary Fund

After a significant decline in CY20, recovery was driven by extended fiscal support, adaptation to new work patterns, and vaccine distribution. Global GDP is forecasted to grow at the rate of 3.2% in CY24, slightly lower than expected due to the geopolitical crisis of the Russia-Ukraine war. GDP further growth is projected to average 5.1% from CY23 to CY28. In comparison, India is expected to maintain the highest growth rate, with its current Y-o-Y growth rate standing at 6.3% in CY23 and projected to grow at 6.3% by CY28.

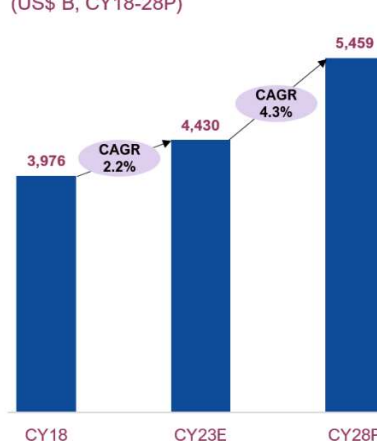
GERMANY IS EXPECTED TO GROW AT A CAGR OF 4.3% FROM CY23-28P; OVER THE SAME PERIOD CHINA AND ITALY ARE EXPECTED TO GROW AT A CAGR OF 5.9% AND 3.3% RESPECTIVELY

China is leading among all the developing economies and is expected to become the top economic power by CY50. China's current GDP is US\$ 17,701B and is expected to be US\$ 23,609B by CY28, growing at a CAGR of 5.9% over CY23-28.

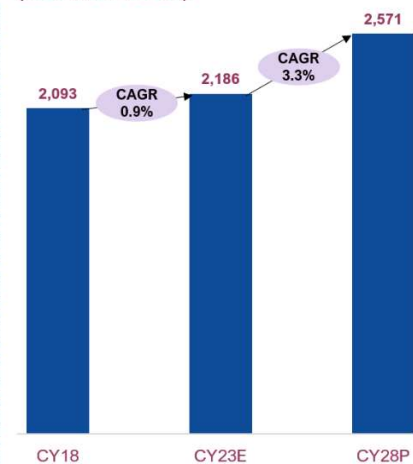
China's GDP at current prices
(US\$ B, CY18-28P)



Germany's GDP at current prices
(US\$ B, CY18-28P)



Italy's GDP at current prices
(US\$ B, CY18-28P)



Source(s): International Monetary Fund

Outlook

Due to its globally acclaimed engineering sector and superior quality exports, Germany's GDP is expected to reach US\$ 5,459B in CY28, growing at a CAGR of 4.3% over CY23-28. Italy, known for its significant contributions to global fashion, automotive industries, and tourism, is expected to reach a GDP of ~US\$ 2,571B, growing at a CAGR of 3.3% over CY23-28.

GLOBAL GDP PER CAPITA IS EXPECTED TO INCREASE AT A CAGR OF 4.1% FROM CY23 TO CY28

GDP Per capita growth (US\$, CY18-28P)

Region	CY18	CY23	CY28P	CAGR (CY18-CY23)	CAGR (CY23-CY28P)
 WORLD	11,457	13,333	16,296	3.1%	4.1%
 CHINA	9,849	12,541	16,803	6.9%	6.0%
 GERMANY	47,961	51,384	60,260	1.4%	3.2%
 ITALY	34,918	36,812	41,660	1.1%	2.5%
 USA	62,788	80,412	95,302	5.0%	3.5%
 UK	43,378	48,913	65,894	1.3%	6.1%

Source(s): International Monetary Fund

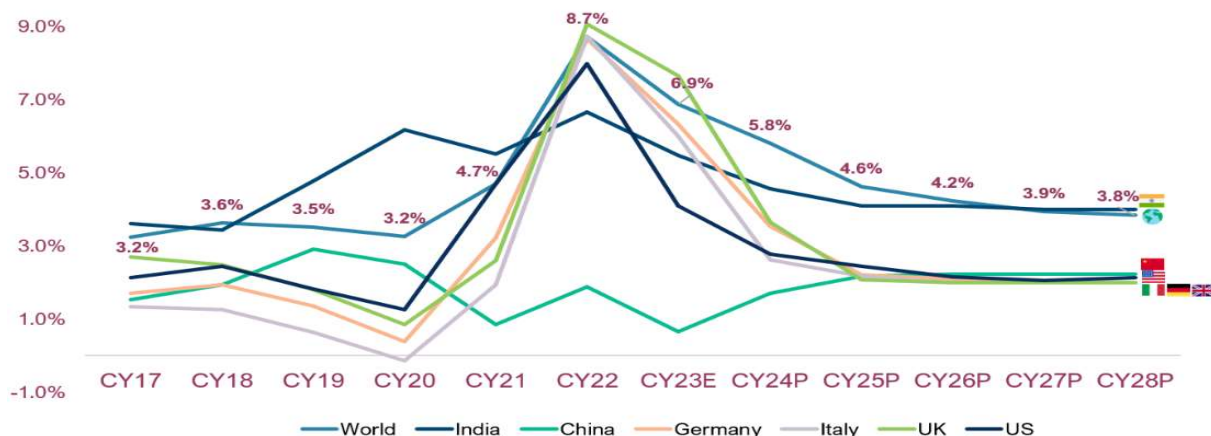
Outlook

The International Monetary Fund (IMF) projects that global GDP per capita will grow at an average rate of 4.1% annually from CY23-28. This rise can be attributed to several key factors, including technological innovation, globalization, and increased educational attainment. China stands out as one of the fastest-growing economies globally, with a rapidly increasing GDP per capita. The IMF forecasts an average CAGR of 6.0% per year for China between CY23 and CY28P. This growth is primarily driven by China's substantial investment in infrastructure, education, and research and development. The IMF predicts Italy's and Germany's GDP per capita to grow at an average rate of 3.2% during the same period.

INFLATION RATE, AVERAGE CONSUMER PRICES (ANNUAL % CHANGE)

Global inflation has reached a peak of 8.7% in CY22 and is expected to eventually normalize to 3.8% in CY28. Global inflation is forecasted to decline steadily, from 8.7% in CY22 to 6.9% in CY23 and 5.8% in CY24, due to tighter monetary policy aided by lower international commodity prices. Core inflation is generally projected to decline more gradually. Although inflation has been high in many countries, it is projected to decrease, with an average global inflation rate of 3.8% in CY28.

Global inflation at avg. consumer prices (%, CY17-28P)



Source(s): International Monetary Fund

Indian Economic Overview

In FY 2023-24, the Indian economy exhibited robust growth, achieving a GDP expansion of 8.2%. This performance positions India as the fastest-growing major economy globally, surpassing the growth rate observed in the previous fiscal year. A significant contributor to this growth was the substantial increase in capital expenditure, rising from ₹10.5 lakh crore in FY23 to ₹12.7 lakh crore in FY24. This further stimulated private investment and widespread economic activity.

India is the fifth largest economy in CY23 and is expected to be the third largest by CY30. India's GDP (at current prices) grew from US\$ 2,651B to US\$ 3,732B between CY17 and CY23. The increase can be attributed to the robust reforms like GST, corporate tax revision, revised FDI limit, and growth across sectors.

TREND IN CAPITAL EXPENDITURE

The government's prudent fiscal management and well-calibrated monetary policies played a pivotal role in effectively managing inflationary pressures. With the decline in inflation, economic activities steadily improved. Additionally, the strategic initiatives undertaken by the Government of India bolstered consumer confidence and created a favourable environment for sustained economic expansion.

Furthermore, the economy benefited from robust domestic demand, driven primarily by private consumption, and strong performance in both the services and manufacturing sectors. Key economic indicators such as credit growth, GST collections and a consistently strong manufacturing PMI, further validate the economy's dynamism and potential for continued growth and stability.

Russia-Ukraine war in CY22 has led to Geopolitical crisis creating energy and food supply distribution and thus led to an unprecedented rise in prices. In India, inflation has become stable, this positive trend is backed by the Consumer Price Index (CPI), which decreased to 5.5% in CY23, down from 6.7% in CY22. The Indian government and the Reserve Bank of India (RBI) have instigated measures to control inflation and improve

the economy's health. RBI has maintained steady repo rates so as not to cause unwanted disruptions in the market.

The government has also taken steps such as reducing the excise duty on petrol and diesel and cutting import duty on key raw materials and crude edible oils. The decrease in inflation rates in future years can be attributed to the government's implementation of economic policies that manage inflation – these include monetary policies, fiscal policies, and supply-side policies.

India's GDP per capita
(US\$, CY17-28P)



Source(s): International Monetary Fund

India's per capita income is expected to climb by almost 7.3% from CY23 to CY28, the expected rise from US\$ 2.6K to US \$3.9K in per capita income is pivotal in India's transformation into a middle-income economy. The importance of external trade and growing household consumption are significant factors contributing to India's economic growth. With a large domestic consumption base, substantial per capita income growth, and a demographic advantage, India is positioned as a market with vast growth opportunities.

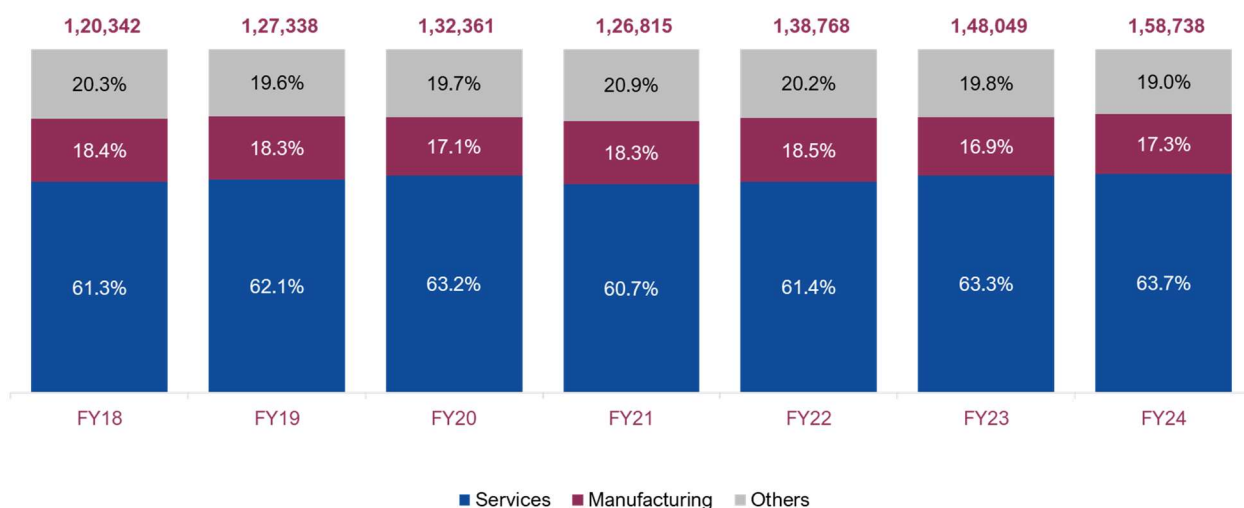
INDIA MANUFACTURING

The Indian manufacturing sector is a vital component of the country's economic landscape, contributing significantly to GDP growth, employment generation, and overall industrial development. Marked by a diverse range of industries, including automobile, textiles, pharmaceuticals, electronics, and more, the sector reflects India's multifaceted industrial prowess. Initiatives like the "Make in India" campaign attracted foreign investment and positioned India as a global manufacturing hub. The government's strategic focus on ease of doing business, policy reforms, and the introduction of schemes such as the Production Linked Incentive (PLI) further emphasizes its commitment to nurturing a robust manufacturing ecosystem.

With a growing emphasis on innovation, sustainability, and technological advancements, the Indian manufacturing sector is on track for dynamic growth, contributing substantially to the nation's economic resilience and competitiveness on the global stage. The overall contribution of India's manufacturing sector

to GVA was 17.3% in FY24. The absolute GVA from manufacturing has increased with a CAGR of 3.7% from FY18 to FY24.

Contribution of manufacturing towards Gross Value Added (FY18-24, INR B)



Source(s): RBI Handbook of Statistics on Indian Economy

Outlook

The Index of Industrial Production (IIP) is a key economic indicator that measures the growth of various sectors in the industrial output of a country. The primary purpose of the IIP is to assess the industrial output and production trends in the manufacturing, mining, and electricity sectors. Post COVID-19, IIP witnessed significant growth in FY22, growing at a rate of ~12%. In FY24, IIP continued its growth and rose by ~5% from FY23.

The growth of Indian manufacturing sector is influenced by several factors, primarily driven by government initiatives. "Make in India", creating a favorable environment for industrial expansion. India's demographic dividend, with a large and skilled workforce, contributes to heightened productivity and innovation. Investments in infrastructure development, technological advancements, and the integration of digital technologies further influence growth.

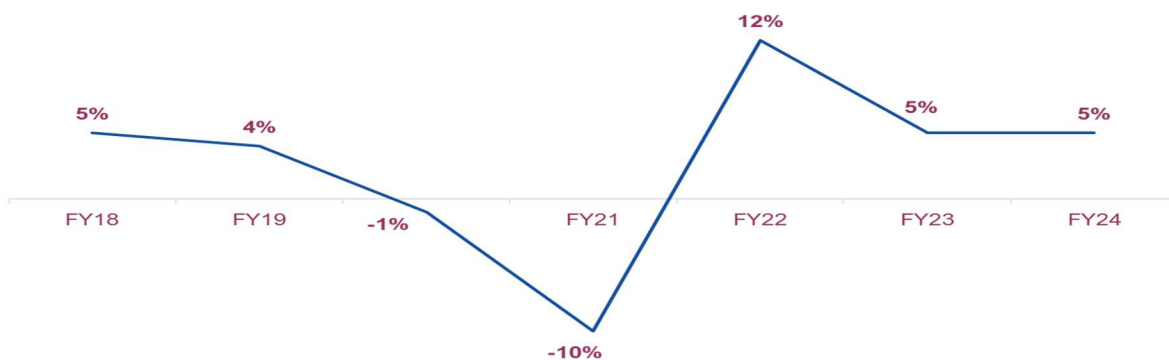
Global companies' "China Plus One" strategy, which involves diversifying supply chains and considering India as an alternative manufacturing hub, makes India more attractive to companies around the world. Collaborative efforts between the public and private sectors, coupled with a focus on sustainable practices, play pivotal roles in enabling the sustained expansion of the Indian manufacturing sector.

The government has set a target to boost India's total exports to US\$ 2T by 2030, with an equal share coming from both the merchandise and services sectors. The policy emphasizes the promotion and development of exports, shifting from incentive-based approaches to a more facilitative system driven by technology and

collaboration principles. FTP 2023 establishes implementation mechanisms within a paperless, online environment, building upon previous initiatives focused on enhancing the “ease of doing business” Reductions in fee structures and IT-based schemes are aimed at simplifying access to export benefits for MSMEs and other stakeholders.

There are initiatives to encourage the internationalization of the Indian Rupee. Additionally, efforts are being made to enhance manufacturing infrastructure through the establishment of additional “Towns of Export Excellence” offering export promotion benefits. The government aims to expand initiatives like “Vivaad se Vishwaa” to minimize potential litigations and foster trust among foreign investors.

Growth rate of manufacturing IIP – India
(FY18-24, Y-o-Y growth %)

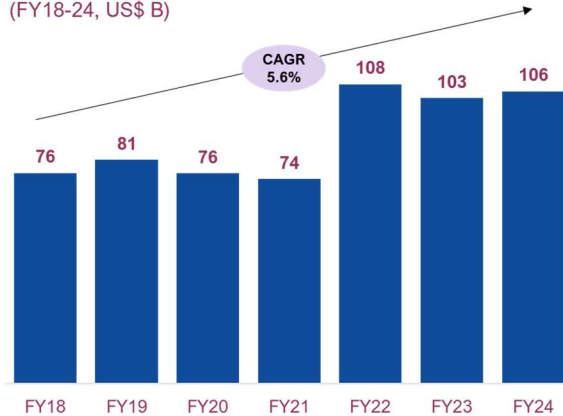


Source(s): Ministry of Statistics and Programme Implementation (MOSPI)

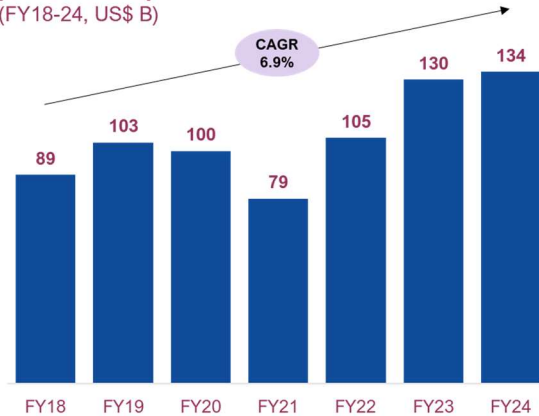
TRENDS IN ENGINEERING PRODUCT

The engineering products segment in India has historically experienced a trade deficit, indicating that the value of high-end engineering goods imported into the country has consistently exceeded the value of the exported goods. In FY22, due to recovery from the pandemic, exports increased to US\$ 108B from US\$ 74B in FY21. The exports have been rising at a CAGR of 5.6% from FY18 to FY24. Imports, on the other hand, have been increasing at a CAGR of 6.9% from FY18 to FY24. India, in FY22, witnessed a surplus as imports only increased to US\$ 105B in FY22. However, due to high inflation rates and elevated commodity prices, the value of imports increased to US\$ 134B in FY24.

Trade statistics for engineering products - Export
(FY18-24, US\$ B)



Trade statistics for engineering products - Import
(FY18-24, US\$ B)



Source(s): Ministry of Commerce and Industry, Dept. of Commerce dashboard

INDUSTRY OVERVIEW

Gala Precision Engineering is positioned as a precision component manufacturer in the supply chain, supplying specialized fastening solutions, disc springs, strip springs, coils, spiral springs, and wedge lock washers. Their primary clientele consists of major OEMs, tier 1 & channel partners, spanning diverse industries including renewable energy, railways, automotive, electrical, and more.



Raw Materials	Component	Part / OEMs	Industries
 Steel sheets Steel rods	 DSS & WLW	<ul style="list-style-type: none"> Renewables: Yaw brakes, thrust bearing mechanism Industrials: Wire spacers, dampening springs, safety fail brake Mobility: Clutch, brake, transaxle, torque limiter, hydraulic motor 	<ul style="list-style-type: none"> Renewables: Wind turbines, & hydroelectric power plants Industrials: Electricals, heavy machinery, & off-highway vehicles Mobility: Automobiles, & railways
 Steel wires	 CSS	<ul style="list-style-type: none"> Industrials: Actuator Mobility: Clutch, engine, suspension 	<ul style="list-style-type: none"> Industrials: Control valves, off-highway vehicles Mobility: Automobiles, commercial vehicles, & railways
 Steel rods	 SFS	<ul style="list-style-type: none"> Renewables: Fastening solution Industrials: Fastening solution Mobility: Fastening solution 	<ul style="list-style-type: none"> Renewables: Wind turbines, hydroelectric power plants & solar panels Industrials: Off highway vehicles, heavy machinery & electricals Mobility: Railways

Gala's position in supply chain

GLOBAL MARKET FOR DISC & STRIP SPRINGS AND WEDGE LOCK WASHERS (DSS & WLW)

DSS & WLW consists of disc springs & strip springs and wedge lock washers represented below: DSS & WLW are spring and fastening solutions used for industrial applications when mechanical devices are required to apply force. Disc springs deliver powerful spring forces in a compact space.

Their unique layouts in stacks boost both forces and deflections. Adjusting component geometry allows precise control of the load/deflection curve—a major advantage. WLW are washers with wedge-lock technology, a cutting-edge solution, transform bolted joints by emphasizing tension over friction. They ensure a secure, vibration-resistant joint with exceptional longevity and reliability. These components are used in different industries like renewable energy, railway infrastructure, automobiles, and others.

The application varies as per the requirement from load control & regulation, vibration dampers or to provide a damping effect in vehicle transmission, braking systems of wind turbines, and shock absorption depending on industry. Gala Precision Engineering's Wedge Lock Washer has been tested successfully in Germany and is in conformity with the requirements of Standard DIN 25201-4 with the clamp force staying constant after almost 2,000 cycles of the Junker test.



Disc Springs



Strip Springs



Wedge Lock Washers

The global DSS & WLW market is valued at ~ US\$ 891M in CY23 witnessing a CAGR of 6.2% during CY20-23. Gala Precision Engineering has a market share of ~2% in the global DSS market as of CY23*. In this, WLW is contributing ~ US\$ 260M as of CY23. The WLW market is mostly dominated by two European manufacturers NordLock (Sweden) & Heico (Germany).

MANUFACTURING PROCESS

1. Cold process of disc springs with thickness <6mm

The manufacturing process starts with rigorous inspection and testing of incoming raw materials to ensure they meet quality standards. The verified materials are stored in a controlled environment. The subsequent stages include shearing, blanking, precision cutting, and heat treatment. Post-treatment, deburring, machining, and bending are performed. The final steps include oiling surface coating as per customer's requirements, followed by a thorough inspection for compliance with specifications, applying identification labels, and securely packaging for dispatch. Below is the manufacturing process for disc springs with cold processing through metal pressing, hammer, or rolling for disc springs of <6 mm. For this thickness hot forging is not required due to the greater malleability of steel.

Gala Precision Engineering has implemented various semi-autonomous manufacturing processes to reduce manual intervention. This has improved efficiency and helped in saving ~100 units of

manpower between FY18-23. Gala Precision Engineering supplies DSS to leading OEMs due to the adoption of various quality standards such as DIN 2093 and certifications such as IATF 16949 and ISO 9001:2015.

2. Hot process of disc springs with thickness >6mm

The manufacturing process starts with rigorous inspection and testing of incoming raw materials to ensure quality and adherence to specifications. Inspected materials are stored in a controlled environment. The process includes rod cutting, forging, annealing, and machining, followed by heat treatment, tempering, and coating in a phosphate solution. Oiling enhances corrosion resistance and finishing. A final inspection ensures compliance before assembling, followed by applying identification labels, and securely packaging for dispatch. Outlined below is the manufacturing process for DSS through hot process for disc springs of >6 mm due to the requirement of hot forging due to reduced malleability of relatively thicker sheets of steel.

MARKET FORECAST AND GROWTH DRIVERS

The DSS & WLW market is expected to reach a value of US\$ 1,065M in CY26 witnessing a growth of 6.1% during CY23-26P. The end-user industry growth will be the key growth driver for the DSS & WLW market. Renewable energy, automobile & infrastructure are some of the key industries showing good growth potential.

Increase in renewable energy capacity: As part of the world's climate goals, the leaders of the G20 summit have pledged to triple their installed renewable energy capacity by CY30 from the current capacity of CY23.

The focus will be on developing wind, hydroelectric power, and solar energy.

1. EU: The European Commission has introduced updated climate change mitigation and adaptation targets for CY30, aiming to raise the current 32% target to a minimum of 40% for renewable energy sources in overall energy composition.

2. US: The US Interior Department, along with federal agencies, has mandated a boost in renewable energy output on public lands and waters. This involves plans to achieve 30 GW of offshore wind by CY30, 15 GW of floating offshore wind by CY35, and permitting at least 25 GW of onshore renewable energy by CY25.

RENEWABLE ENERGY INDUSTRY

In the renewable energy industry, DSS & WLW are used in wind energy and hydroelectricity applications.

Application for disc springs & wedge lock washer in renewable energy industry:



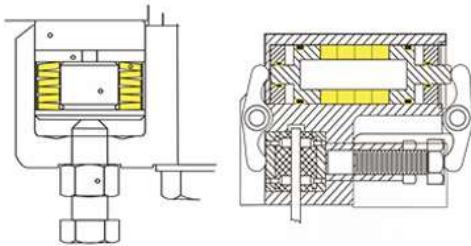
Disc springs

- **Wind turbines:** Disc springs are primarily used in yaw brakes to control nacelles as per the wind direction to maximize energy production
- **Hydroelectricity generators:** Disc springs are used in thrust bearing mechanism, which connects the rotors to the stationary structure



Wedge lock washer

- **Wind turbines:** used in wind turbines to support the fastening of components like nacelle & blade connections
 - Their resistance to loosening in high-vibration environments makes them extremely useful in fastening joints of wind turbines



Disc spring: Yaw bearing and brake system



WLW: Blade & nacelle connections

Essentiality of disc springs & wedge lock washers in renewable energy industry

Disc springs: These are essential for the operation of renewable energy systems, including wind turbines and hydroelectric plants. It plays a crucial role in ensuring structural stability and minimizing the impact of dynamic load. Without these components, the system would be vulnerable to wear and damage, leading to reduced energy production and increased maintenance expenses. Disc springs offer the ability to work with high loads in small spaces.

Wedge lock washers: In renewable energy systems, the structural integrity of various components relies significantly on WLW. Its absence can lead to improperly fastened connections, thus creating safety hazards and possible catastrophic failures in associated structures. The wedge-locking action of these washers ensures that the bolted joints remain secure even in high-vibration environments. WLW reduces the overall cost of OEMs by reducing the maintenance frequency of critical parts including blades.

COMPARISON OF DISC SPRINGS & WEDGE LOCK WASHERS WITH KEY SELECT SUBSTITUTES IN THE RENEWABLE ENERGY INDUSTRY

There are different types of springs available as a substitute for disc springs. However, each type of spring provides some specific support which the other type may not be able to provide effectively and efficiently.

For instance, **wave springs**, which are also known as coiled wave springs or scrowave springs, are a type of spring made up of pre-hardened flat wire in a process called on-edge coiling. Wave springs with multiple

turns can easily replace multiple stacked washers, simply by adjusting the number of turns. They are used as bearing preload across motors, brakes & drives for machines used in producing renewable energy. It offers deflection curves with a wider and flatter linear force region, enabling it to meet specific spring force requirements.

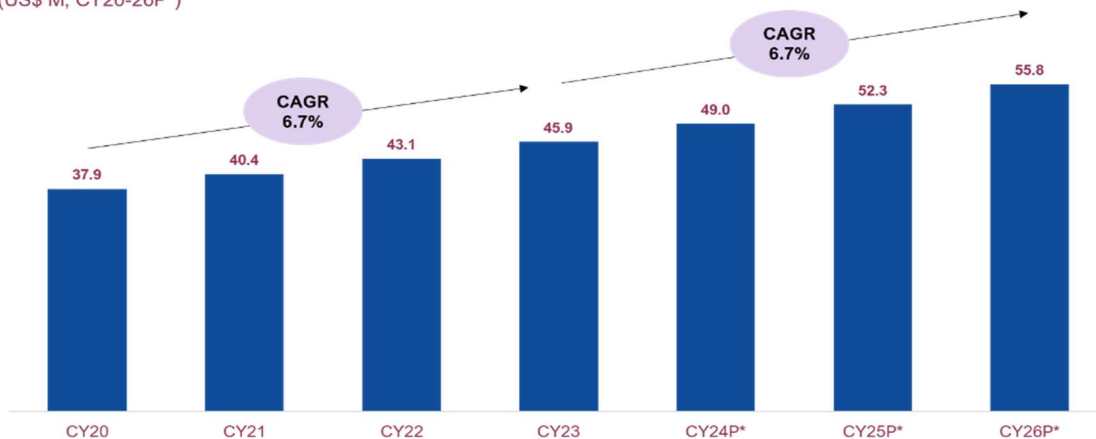
However, one critical disadvantage of using wave springs over disc springs is the risk of deformity when exposed to high loads. This is a frequent situation in renewable energy. The force provided by wave springs is lower compared to disc springs, which may result in brake actuation failure. Another notable advantage that Disc springs offer is that they allow for high loads in small spaces compared to wave springs.

In the renewable energy sector, DSS & WLW are indispensable for ensuring structural integrity and safety. Their applications in yaw brake systems, thrust bearing mechanisms, and structural components are crucial. While substitutes like wave springs offer alternatives, they come with their limitations.

AS A SUBSTITUTE OF WEDGE LOCK WASHERS:

Different types of **standard washers** can be used instead of WLW, but reproducing the wedge-locking mechanism with other alternatives is challenging. WLW offers higher security compared to standard washers because they rely on tension rather than friction. They're specifically employed to secure bolted joints exposed to intense vibration and dynamic loads. Unlike WLW, standard washers spread loads over a larger surface area.

Global renewables DSS & WLW Market size
(US\$ M, CY20-26P*)



Note(s): *Projected
Sources: Universal Consulting report, 1Lattice analysis

GROWTH DRIVERS

The renewable energy industry is subjected to growth due to government policies focusing on mitigating international climate change. Regions like the European Union and China have aimed to increase their renewable energy production capacity significantly. This increase in demand for renewable energy will lead to an increase in consumption of DSS & WLW.

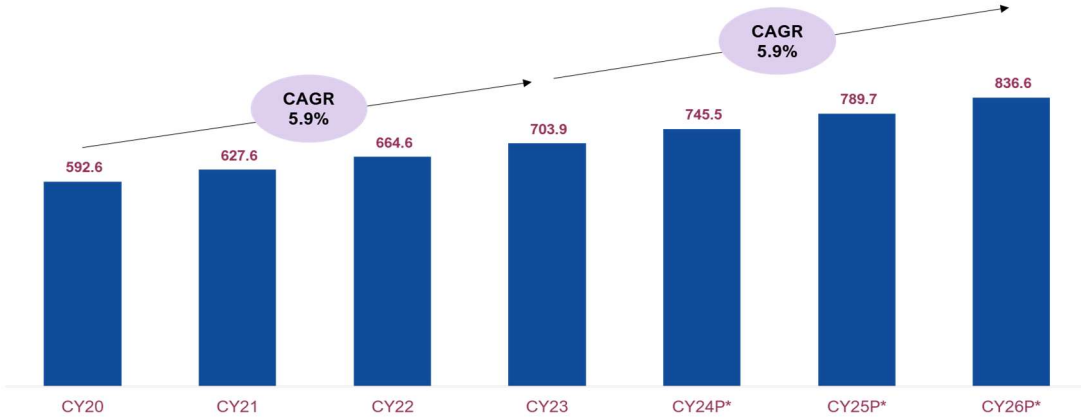
- **Increased energy production:** Compared to CY15-20, onshore wind additions will be 25% higher on average till CY26. IEA forecasted that the annual onshore wind addition will be 75 GW per year on an average from CY21-26. By CY26, the total offshore wind capacity is forecasted to be more than the triple current capacity and will account for one-fifth of the global wind market.
- **Government policy action:**
 - **COP26:** Agreements like COP26 will accelerate the adoption of renewable energy from CY21-26, with a ~95% increase in global power capacity coming from renewable energy. The expansion of renewable energy capacity in the United States is 65% greater than in the previous five years.
 - **USA:** The Inflation Reduction Act of CY22 provides tax incentives for clean energy and extends the Investment Tax Credit to offer a ~30% credit. The act also introduces a Production Tax Credit of US\$ 0.0275/kWh for eligible investments in wind, solar, energy storage, and others, subject to prevailing wage and apprenticeship criteria for projects over 1 MW AC. Additionally, the IRA of CY22 includes federal tax incentives for commercial projects using geothermal water source heat pumps to save energy.
 - **EU:** The EU, in line with the European Green Deal, has raised its targets for renewable energy and energy efficiency. By CY30, it aims for a minimum of 42.5% renewable energy share and a goal of ~45%. Additionally, there's a commitment to improve energy efficiency by 12%.
- **Energy security:** Countries are becoming more inclined towards renewable energy sources like solar and wind due to concerns about energy security arising from Russia's invasion of Ukraine. This shift aims to decrease dependence on imported fossil fuels, the prices of which have experienced significant increases. The global capacity for renewable power is projected to increase by 2,400 GW between CY22-27.

Investment in hydroelectricity: In CY23, hydroelectricity generation stood at 4,210 TWh, contributing 14% of global electricity supply. To achieve Net Zero Emissions by CY50, hydropower aims for a CAGR of 4% from CY23-30, targeting 5,500 TWh yearly. However, recent growth falls short, emphasizing the need for stronger efforts, particularly in permitting and project sustainability. Hydropower, a vital clean energy component, deserves recognition and support. Europe commissioned a record 2 GW of pumped storage hydropower in CY22, however, hydropower generation in CY23 is at comparable levels to CY22, while the U.S. enhanced hydropower support with the Inflation Reduction Act in August CY22.

INDUSTRIALS

The industrial sector encompasses off-highway vehicles, electrical & power equipment, and heavy machinery. DSS & WLW play a crucial role in various internal components of off-highway vehicles, including transaxles, torque limiters, and hydraulic motors. Additionally, DSS & WLW find applications in transmission lines, transformers, and elevators. The projected value of the overall DSS & WLW market for industrials is anticipated to reach US\$ 837M by the end of CY26P. This growth is primarily attributed to substantial investments by governments in infrastructure, construction, and the renewable energy industry. The industrial sector is expected to experience future growth, with a CAGR of 5.9% during the period from CY23-26P.



Global industrial DSS & WLW Market size
(US\$ M, CY20-26P*)



Note(s): *Projected
Sources: Universal Consulting report, 1Lattice analysis

Off-highway vehicle

Off-highway vehicles refer to all types of vehicles utilized for non-transportation-related purposes such as agriculture, construction, and mining. Common uses examples are vehicles such as tractors, combine harvesters, excavators, dozers, dump trucks, etc. DSS & WLW play a critical role in various internal components of off-highway vehicles such as transaxles, torque limiters, and hydraulic motors.

 Disc springs	 Wedge lock washer
<ul style="list-style-type: none"> Plays a crucial role in parts such as transaxles, hydraulic motor, torque limiters, dual-clutch, and hydraulic & boring breaker attachments: <ul style="list-style-type: none"> Play an integral part in handling vibrations, offering stability, and ultimately ensuring the safety and effectiveness of these vehicles Key components in dual-clutch in agricultural vehicles, ensuring a smoother and safer journey for passengers. 	<ul style="list-style-type: none"> Used in accessories, frame connections, and engine connections <ul style="list-style-type: none"> Prevents from loosening up due to the vehicle's constant exposure to vibrations & rough terrain Ensures that connections stay secure and safe.

Application of disc springs and wedge lock washers in off-highway vehicles (industrials)



Disc spring: Transmission axel



Disc spring: Dual clutch



Disc spring: Hydraulic break & motor



WLW: Frame connection



WLW: Engine connection

Essentiality of disc springs & wedge lock washers in off-highway vehicles (industrials)

Disc springs: Disc springs play a crucial role in keeping off-road vehicles stable and safe, especially when operating in rugged and challenging environments. They help manage vibrations, making sure the ride is comfortable and ensuring that key components like brakes function effectively.

Wedge lock washers: WLW are crucial to keeping off-road vehicles strong and safe. When connections get loose, it can cause accidents or equipment breakdowns, especially when these vehicles face heavy loads and rough terrain. That's why WLW are essential for ensuring the safety and dependability of off-road vehicles.

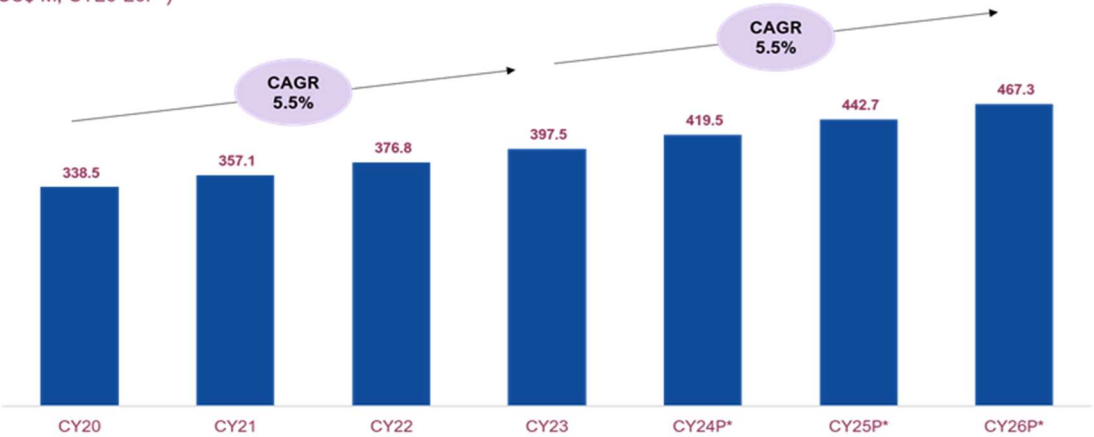
COMPARISON OF DISC SPRINGS WITH KEY SELECT SUBSTITUTES IN OFF-HIGHWAY VEHICLES (INDUSTRIALS)

Wave springs are an alternative to coil springs which are more compact in nature but have lesser travel and can withstand lesser loads compared to disc springs.

There are different types of wave springs available, such as **nested wave springs** that can take the place of a single disc spring. These are pre-stacked in parallel from a single continuous filament of flat wire, eliminating the need to stack individual springs for higher loads. The spring rate of nested wave springs increases with the number of turns.

Interlaced wave springs, on the other hand, are great for providing heavy loads in small spaces, serving as substitutes for heavy-duty coil springs or disc spring assemblies. These springs are created by intertwining two separate wave springs, causing their turns to interlace throughout the entire length. However, it's worth noting that while wave springs are versatile, they may not be as rugged as disc springs. In heavy-use applications like those in off-highway vehicles, disc springs have the advantage of handling higher loads as compared with other alternatives.

Global off-highway DSS & WLW Market size
(US\$ M, CY20-26P*)



Note(s): *Projected
Sources: Universal Consulting report, 1Lattice analysis

Electrical power equipment

Electrical power equipment refers to the critical elements of electricity generation and transmission such as electricity generation plants and transmission lines. DSS & WLW have various use cases such as the dampening of vibrations in high-voltage transformers and as a component of spacers between individual electricity transmission lines.

Application of disc spring and wedge lock washers in electrical & power equipment (industrials)



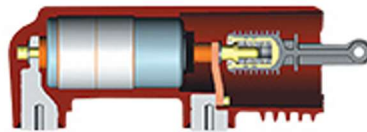
Disc springs

- Used in push rod assembly in switchgears. They are also used in bus bars of low voltage switchgear
- Used in switchgear along with transmission line wire as a spacer and as a dampening spring in transformers



Wedge lock washer

- Used in onshore & offshore oil & gas plants, in walk-away ladders, exhaust ducts, pipe hanging equipment, cranes
 - Help maintain the required tightness, reducing the chances of downtime, maintenance issues, and possible safety concerns
- Used to evenly distribute clamping force over a wider area, necessary for electrical conductivity



Disc Spring: Medium voltage switchgear

Essentiality of disc spring & wedge lock washers in electrical & power equipment (industrials)

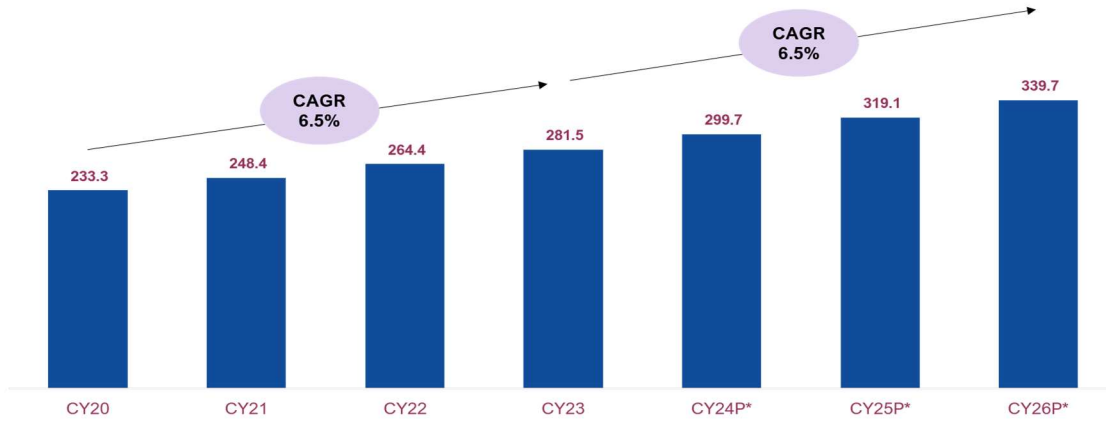
Disc Springs: Disc springs play a crucial role in ensuring stable electrical connections in medium-voltage switchgear.

Wedge lock washers: WLW provides better protection against vibrations compared to regular washers. This helps in decreasing downtime by reducing the need for frequent retightening of fasteners. Additionally, they enhance safety and prevent accidents leading to long-term usage and less maintenance cost.

Comparison of disc springs with key select substitutes in electrical & power equipment (industrials)

Wave springs can be used as substitutes for disc springs in electrical and power equipment, providing similar load-bearing capacity while saving space and reducing torsional loads. However, it's important to note that while wave springs can save space, they have a lower load capacity compared to disc springs. Additionally, their more intricate design and vulnerability to wear and tear could affect their long-term reliability, as discussed earlier.

Global electrical & power equipment DSS & WLW Market size
(US\$ M, CY20-26P*)

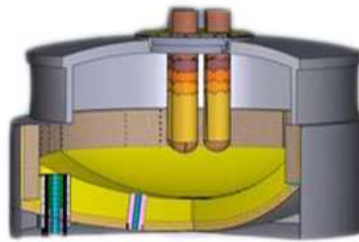


Note(s): *Projected
Sources: Universal Consulting report, 1Lattice analysis

Heavy machinery



Disc spring: Elevator safety breaks



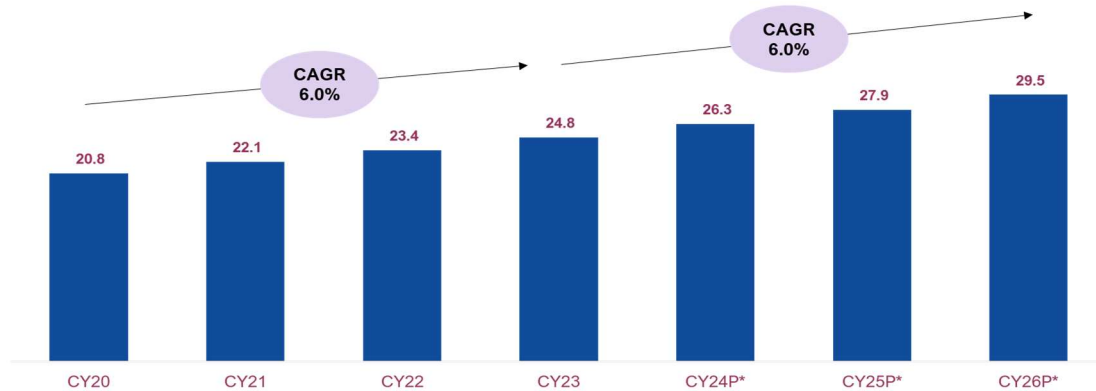
Disc spring: Electric steelmaking furnace



Disc spring: Refining furnace

Heavy machinery refers to various equipment that enables or powers the inner workings of various industries such as manufacturing, infrastructure, and air conditioning. DSS & WLW play multifaceted roles in each of these industries, for instance, disk spring assemblies are used in elevator safety breaks which hold elevators in place in case of failure. The global DSS & WLW for heavy machinery market was valued at ~ US\$ 24M in CY23 witnessing a CAGR of 6.0% during CY20-23.



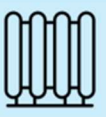
Global heavy machinery DSS & WLW Market size
(US\$ M, CY20-26P*)



Note(s): *Projected
Sources: Universal Consulting report, 1Lattice analysis

GROWTH OVERVIEW:

The heavy machinery industry is poised for robust growth driven by key factors. Heavy machinery is used for steel production, & growing steel demand due to construction needs, and urbanization, Furthermore, heat exchangers benefit from energy-efficient solutions and urbanization-driven HVAC demand. Global infrastructure investments are expected to boost industries, including cement, construction equipment, and components like disc springs & strip springs, during both the construction and operational phases.

Steel processing industry	Elevators	Heat exchangers
 <ul style="list-style-type: none"> Global steel demand is expected to rise in the coming years, with a rate of growth of ~2% in CY24 Industry is expected to grow due to the rapid development of industrial setups, urbanization, & construction sector Steel sector in the EU has an annual turnover of EUR 166B, accounting for 1.3% of the EU GDP and US iron and steel industry accounts for more than ~US\$ 520B in economic output. 	 <ul style="list-style-type: none"> Rate of growth of urban land has exceeded that of population growth by ~50% Increasing demand for land, coupled with limited land resources has resulted in the need for high rise constructions As a result, increasing the need for elevators in modern construction 	 <ul style="list-style-type: none"> Heat exchangers play a crucial role in a wide range of industries, including industrial processes, HVAC systems, automobile, & power generation Rapid urbanization is expected to increase demand for industrialization and HVAC equipment in emerging economies

Railway industry

In the railway industry, DSS & WLW are primarily used for rolling stock & infrastructure.

Applications for disc springs & wedge lock washers in railway industry (mobility)



Disc springs

- **Suspension systems** for railways to help stabilize the rolling stock while moving on tracks
- **Couplers and brakes**, helping to manage the dynamic loads and vibrations experienced by railway vehicles



Wedge lock washer

- To connect crucial railway infrastructure & coaches like pull rods, compressors, traction motors, and the control arm of coaches
- Their ability to remain secure in high-vibration settings proves highly beneficial in railway infrastructure



WLW: Pull rod connection



WLW: Traction motor



WLW: Coach control arm

Essentiality of disc springs & wedge lock washers in the railway industry (mobility)

Disc springs: These are essential for the proper functioning of railway suspension systems and applications where dynamic spring-like motion is required. They are used for bolt loading and shock absorption while ensuring passenger comfort and safety. Without these components, the ride quality of trains would be significantly compromised, with a greater risk of damage or derailment.

Wedge lock washers: WLW is essential for maintaining the reliability of railway infrastructure. They prevent loosening while maintaining bolt preload under the intense vibrations and dynamic loads generated by rail traffic. WLW enhances safety, reduces maintenance costs, and extends the lifespan of essential railway equipment.

COMPARISON OF DISC SPRINGS & WEDGE LOCK WASHERS WITH KEY SELECT SUBSTITUTES IN THE RAILWAY INDUSTRY (MOBILITY):

Wave springs have the capability to dampen vibrations and absorb impact energy within train systems. Additionally, they contribute to minimizing the overall size and weight of an assembly by as much 50%.

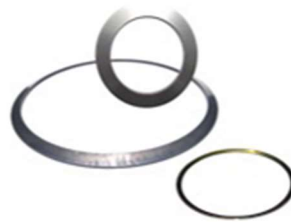
These springs excel in shock absorption, load distribution, and stabilizing rail systems. In comparison, disc springs can deliver a greater force within a confined space when contrasted with wave springs.

As a substitute of wedge lock washers:

Traditional washers, with their thin, often round, or square plates featuring a central aperture, also emerge



Strip springs for brakes



Strip springs for clutch



Strip springs (Slotted Belleville Springs) for clutch

as substitutes. Typically used to evenly distribute force from threaded fasteners like bolts, traditional washers offer an alternative to WLW. These washers play a crucial role in distributing loads while fastening components like push-pull rods, control arms of coaches, and traction motors. However traditional washers fail to encounter challenges in high-vibration environments, potentially loosening up and posing risks to cargo and lives.

AUTOMOBILE INDUSTRY:

The automobile industry consists of 4-wheeled & 2-wheeled vehicles powered by internal combustion engines and electric drivetrains, along with heavy commercial vehicles. Various types of strip springs such as clip springs, etc. play a critical role in the functioning of the vehicle's clutch and & brake mechanism.

Application of strip spring in the automobile industry (mobility)



Strip springs

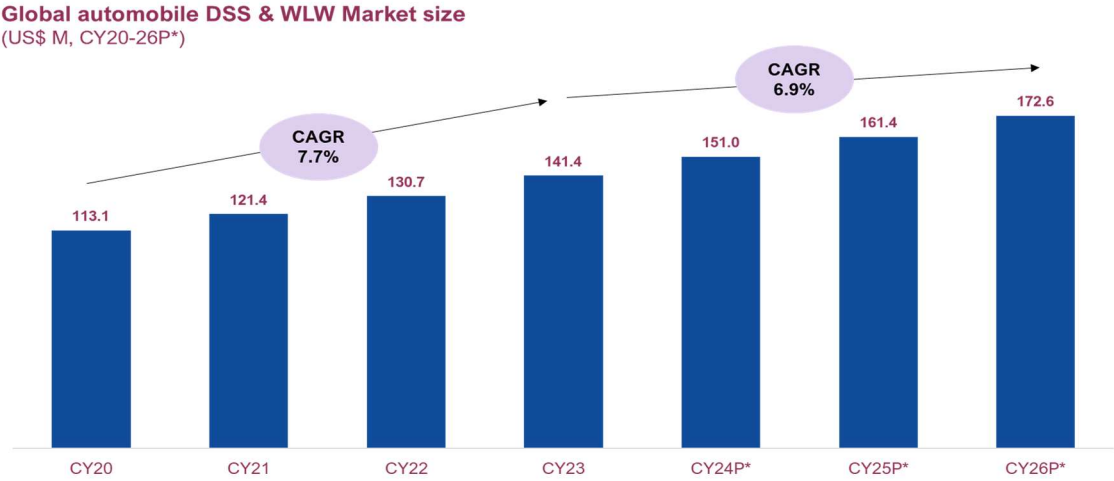
- They find widespread utility in the automobile sector:
 - Commonly employed in brake and clutch assemblies to optimize performance
 - Can be used in mechanisms that assist in engaging or disengaging the regenerative braking system in EVs

Essentiality of strip spring in the automobile industry (mobility)

Strip springs are crucial for the proper operation of clutch and brake systems. Without them, a vehicle would have difficulty changing gears and stopping effectively, jeopardizing both driver safety and the overall functionality of the automobile.

COMPARISON OF STRIP SPRINGS WITH KEY SELECT SUBSTITUTES IN AUTOMOBILE INDUSTRY (MOBILITY):

Strip springs are highly customizable as they are built as per specifications and owing to this high flexibility in terms of applications and use cases met, strip springs are the go-to choice for a high number of applications. Wave springs may be able to meet certain application requirements where strip springs are used, however, their relatively higher manufacturing cost and sensitivity to misalignment may leave them at a disadvantage. Coil springs may also be used to replace stacks of strip springs; however, coil springs take up more space and may be prone to buckling.



Note(s): *Projected
Sources: Universal Consulting report, 1Lattice analysis

1. Indian market for Disc & Strip Springs and Wedge Lock Washers (DSS & WLW)

DSS & WLW serve as spring and fastening solutions employed in industrial settings where mechanical devices are needed to exert force. These elements find application across diverse industries such as renewable energy, infrastructure, automobiles, and more.

Their usage spans a range of applications, including pressure controls and regulators, vehicle braking systems, valves, and shock absorbers, tailored to the specific needs of each industry. The Indian DSS & WLW market is valued at ~ US\$ 115M in FY24 witnessing a CAGR of 6.0% during FY21-24. Gala Precision Engineering is a major DSS manufacturer & has 10% market share in the Indian disc spring market as of FY24.

2. Indian market for Coil & Spiral Spring (CSS)

CSS consist of coil spring and spiral spring, represented below:



Spiral Springs



Coil Springs

A coil spring is a mechanical device with a helical shape, and it can be either close-wound or open-wound. Spiral springs, on the other hand, are a specific type of spring made from rectangular metal strips that are wound into a flat spiral. While coil springs store mechanical potential energy, spiral springs are designed to store and release rotational energy in the form of torque. These types of springs find applications in various areas such as automotive suspensions, electronic devices, valves, switches, machinery, and more. The effectiveness of coil and spiral springs depends on how and where they are used. The Indian CSS market is valued at US\$ 459M in FY24 witnessing a CAGR of 9.8% during FY24-27P.

Gala Precision Engineering is positioning itself as a key import substitution opportunity for European spring suppliers looking to take advantage of government schemes such as the production-linked incentives scheme. It has also entered a new related product category called retractor springs. These springs are a critical component for increasing vehicle safety.

3. Indian market for Special Fasteners (Studs, Nuts, & Bolts)

The fastener industry in India is vital for renewable energy, construction, and electrical equipment. As the economy grows and industrialization increases, there's a rising demand for fasteners. Indian manufacturers serve both domestic and international markets, contributing to exports. Fasteners are crucial in the expanding renewable energy sector, and the construction boom drives the need for reliable solutions. Challenges like fluctuating raw material prices and global quality standards persist, but the industry's resilience positions it as a key player in India's manufacturing.

The Indian SFS market size stands at US\$ 6.6B as of FY24, growing at a CAGR of 18.0% between FY24-27. This market consists of renewable energy, mobility, industrials & others.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

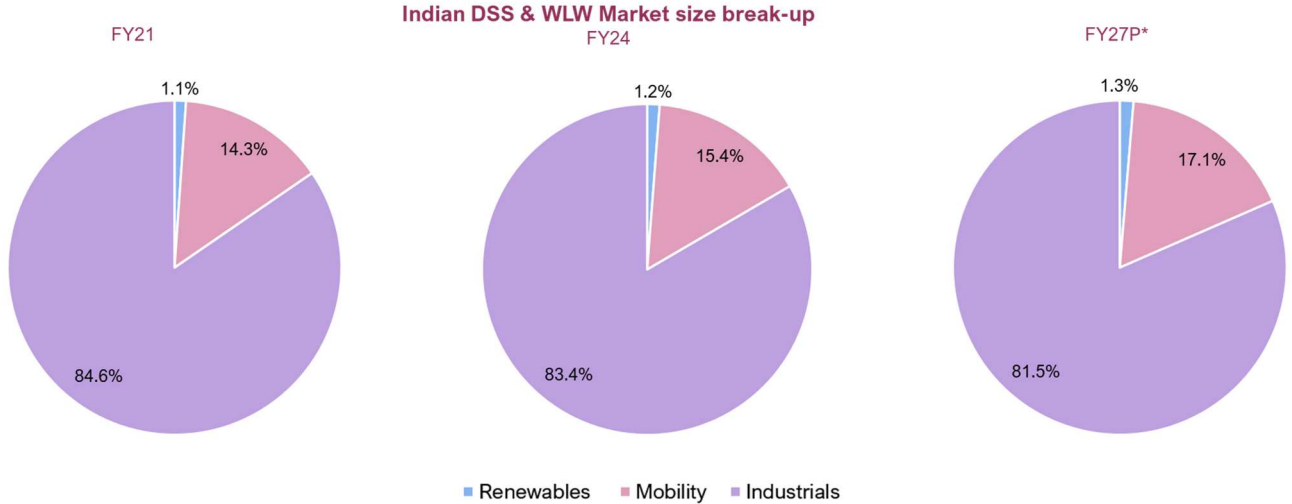
Indian market size for DSS & WLW				
Industry		Market size (US\$ M)		
		FY21	FY24	FY27P*
Renewables		1.1	1.4	1.8
Industrials	Off-highway	66.7	77.4	89.9
	Electrical & power	14.2	17.5	21.6
	Heavy machinery	0.7	0.9	1.1
Mobility	Automobiles	13.8	17.7	23.7
Total		96.5	114.8	138.1

Note(s): *Projected

India has been actively working to achieve its climate change mitigation and adaptation targets by implementing various policies and making substantial investments (~INR 20,000 Cr). It is one of the largest countries in hydro and solar power, continually increasing its capacity through various projects. DSS & WLW play a crucial role in ensuring the structural integrity of wind energy and hydroelectricity plants. These technologies share the same applications, essentiality, and alternatives as previously mentioned in the global section, possessing similar quality and functionality. The market for DSS & WLW in the Indian renewable energy industry was valued at US\$ 1.4M in FY24 and is expected to increase at a CAGR of ~9% during FY24-27.

GROWTH DRIVERS

The renewable energy sector is experiencing growth thanks to increased investments and policies aimed at addressing international climate change. The rising demand for electricity and the cost advantages of establishing renewable energy infrastructure are also contributing to this growth. As the demand for renewable energy continues to increase, there will be a corresponding rise in the consumption of DSS & WLW.



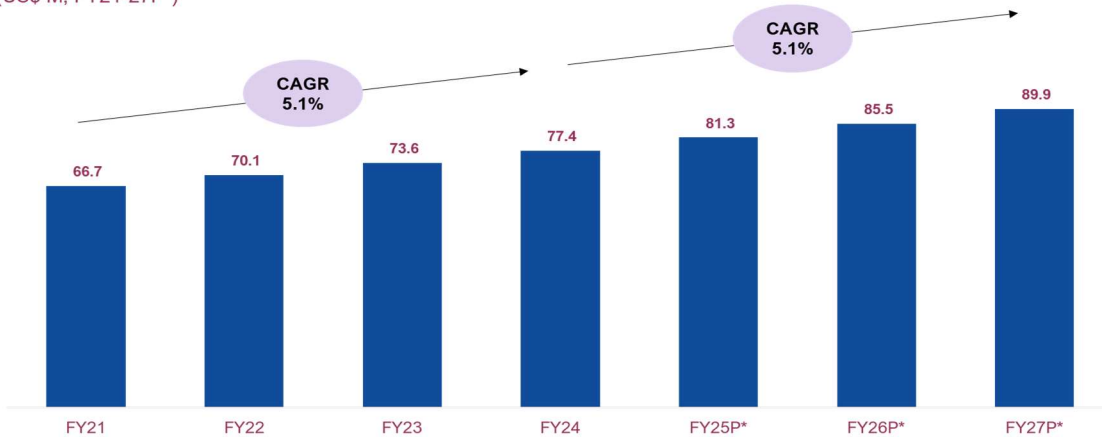
Note(s): *Projected

Off-highway vehicles include things like tractors, harvesters, excavators, and more, used for jobs like farming and construction. India is expected to see a rise in demand for these vehicles due to increased agricultural and construction activities. DSS & WLW plays a crucial role in internal components like transaxles, torque limiters, and hydraulic motors in these vehicles as mentioned in the application and essentiality part of global. The Indian DSS & WLW market for off-highway vehicle industry was valued at ~ US\$ 77M in FY24 witnessing a CAGR of 5.1% during FY21-24.

Growth Drivers

The off-highway vehicle industry is set to experience substantial growth due to several factors. The increased investment in infrastructure is anticipated to stimulate the sales of construction vehicles. Worldwide, the demand for agricultural machinery is being fueled by large farms, and the growing awareness of mechanization in emerging economies is expected to further improve the market. Additionally, government policy decisions that prioritize infrastructure development and farmer welfare are fostering a favorable environment for the expansion of off-highway vehicles.

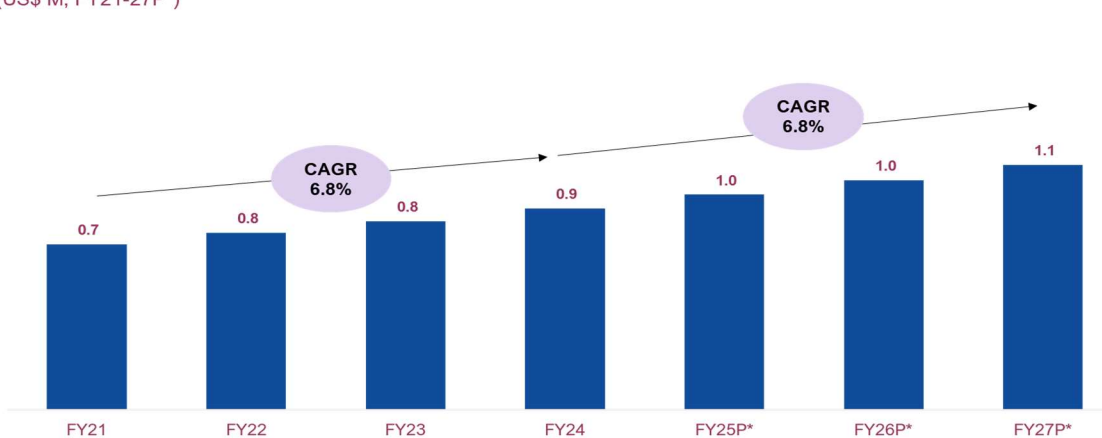
Indian off-highway DSS & WLW Market size
(US\$ M, FY21-27P*)



Note(s): *Projected
Sources: Universal Consulting report, 1Lattice analysis

Heavy machinery refers to various equipment that enable or power the inner workings of various industries such as manufacturing, infrastructure, and HVAC. DSS & WLW play multifaceted roles in each of these industries as mentioned in global section detail. For instance, disk spring assemblies are used in elevator safety breaks which hold elevators in place in case of failure. The Indian DSS & WLW market for heavy machinery industry was valued at US\$ 1M in FY24 witnessing a CAGR of 6.8% during FY21-24.

Indian heavy machinery DSS & WLW Market size
(US\$ M, FY21-27P*)



Note(s): *Projected
Sources: Universal Consulting report, 1Lattice analysis

Growth Drivers

The heavy machinery industry is set to grow strongly because of key factors. Heavy machinery is essential for steel production, and the increasing demand for steel, driven by construction and urbanization, contributes to this growth. Additionally, energy-efficient solutions for heat exchangers and the demand for HVAC systems due to urbanization further fuel this expansion. Investments in domestic infrastructure are expected to support

various industries, including cement, construction equipment, and components like disc springs, both during construction and operations.

CSS usage & criticality among different end users		
Industry	End-user	Uses & Criticality
Mobility	Commercial vehicle	<ul style="list-style-type: none"> • Coil springs are integral components in commercial vehicle (such as light, medium & heavy commercial vehicles) clutch assemblies, facilitating the smooth engagement & disengagement of clutch plates; Additionally, they play a crucial role in cabin shock absorption, effectively isolating the engine from vibrations & shocks to enhance ride comfort & minimize stress on engine components; They are also a key component of fuel injection systems, braking systems; In light commercial vehicles they are used in suspension systems as well
	Automobiles	<ul style="list-style-type: none"> • Coil springs support the weight & absorb shocks in the engine, clutch, & suspension of both four-wheelers & two-wheelers, minimizing disturbances to the vehicle's frame & body caused by bumps & dips in the road • Spiral springs is used in vehicle seat recline mechanisms store & release energy, optimizing functions like energy absorption, retraction, flexibility, & durability
	Railway	<ul style="list-style-type: none"> • Coil springs serve various purposes in railway systems, including in locomotives, wagons, transit, tracks, & signaling; They are utilized to absorb shocks & vibrations, ensuring a comfortable journey for passengers & protecting cargo from potential damage
Industrial	Off-highway	<ul style="list-style-type: none"> • Coil springs in off-highway vehicles serve dual roles: facilitating smooth clutch operation in transmissions & are a critical part in the fuel injection system of the engine; They absorb shocks from crankshaft vibrations, sudden clutch engagement, & driveline impacts for a smoother overall usage experience
	Industrial infrastructure	<ul style="list-style-type: none"> • Coil springs are employed in control valves to exert force, enabling valve movement by overcoming friction & resistance; Additionally, they play a role in actuators by storing energy when compressed & releasing it to activate valves

Indian market size for CSS				
Industry		Market size (US\$ M)		
		FY21	FY24	FY27P*
Industrials	Off-highway	18.3	21.2	24.5
	Industrial infrastructure	9.1	10.8	12.7
Mobility	Commercial vehicles	19.3	22.6	26.4
	Automobiles	315.1	404.1	544.0
Total		361.8	458.5	607.6

Note(s): *Projected

GLOBAL MARKET FOR SPECIAL FASTENERS (STUDS, NUTS, & BOLTS)

Special fasteners consist of studs, nuts, bolts, Gala Precision Engineering's global serviceable addressable market (SAM) consists of 9 application segments (agricultural, construction, mining and material handling equipment, renewable energy, railways, warehousing, electrical and general engineering equipment including machine building) and consists of 7 product categories (hex bolt, Allen bolt, hex nut, flange bolt, flange nut, self-locking nut, and castel nut). The SAM is valued at US\$ 25,613M as of CY23.



Bolt



Studs



Nut

The fastener industry is crucial across sectors, supplying essential components like screws, bolts, nuts, and rivets for construction, renewable energy, and aerospace. Growth is fueled by increased construction, railway development, and the rising need for electrical equipment. As global infrastructure projects increase, there's a growing demand for fasteners to ensure assembly and structural integrity. The global market size for SFS currently stands at ~US\$ 97B as of CY23 and is growing at a CAGR of 6.7% between CY23-26. This market comprises of renewable energy, industrials and mobility industry along with others.

SFS usage & criticality among different end users		
Industry	End-user	Uses & Criticality
Renewable	Hydroelectricity	<ul style="list-style-type: none"> SFS are crucial for hydroelectric plants constructing dams, penstocks, & turbines; They ensure reliable seals, prevent leaks, & withstand & water, moisture, & intense pressures, offering protection against corrosion, erosion, & fatigue
	Solar	<ul style="list-style-type: none"> SFS secure PV modules to the mounting structure, protecting electrical components & preventing movement; They are vital for maintaining structural stability & withstanding significant vibrations in harsh weather
	Wind turbines	<ul style="list-style-type: none"> SFS are essential for connecting the flange, blades, rotor, hub, & tower in wind turbines. They secure the blades to maintain the tower's strength & durability, ensuring the structural integrity of the turbine & preventing damage or disassembly
Mobility	Railway	<ul style="list-style-type: none"> SFS play a vital role in securing rails to sleepers, attaching bridges & gantry trolleys to aluminum frames, & connecting intersecting barrier sections in traffic control products. They ensure stability, alignment, & absorb forces & vibrations from moving trains
Industrials	Off-highway	<ul style="list-style-type: none"> SFS are essential for maintaining the stability of a vehicle's suspension system, securing various components like trim, panels, dashboards, door cards, & wheels. They ensure a dependable connection between parts, preventing wobbling or accidental detachment, thereby ensuring safety during vehicle operation
	Electrical & power	<ul style="list-style-type: none"> SFS play a vital role in connecting pole line hardware for transmission lines, securing pipes & equipment in oil & gas plants, & holding together various parts in coal power plants. Their importance lies in supporting components, facilitating assembly & disassembly, & ensuring strength, safety, electrical insulation, & overall quality
	Infrastructure & heavy machinery	<ul style="list-style-type: none"> SFS are essential for heavy machinery, connecting structural elements like beams & panels to create a robust framework. These fasteners also play a crucial role in securing components such as gearboxes, engines, & hydraulic systems, ensuring the durability & structural integrity of industrial settings

Gala Precision Engineering offers high tensile large fasteners sizes M24 to M72, which have applications in renewable energy industry. The renewable energy sector has a strong outlook due to government's focus on non-carbon emissions.

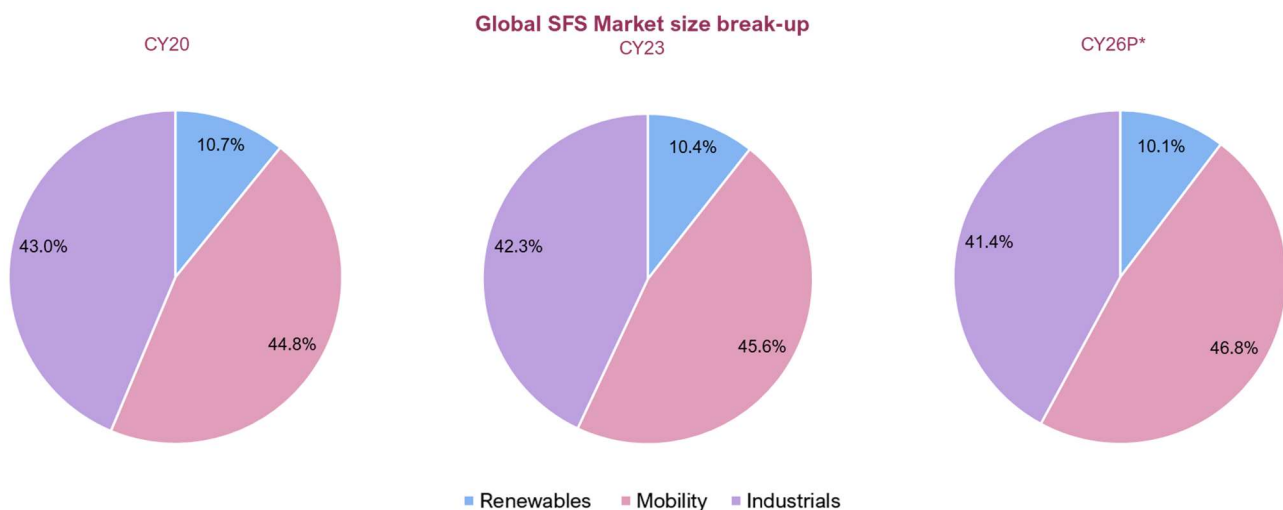
The renewable energy SFS market size stands at US\$ 10B as of CY23, growing at CAGR of 6% between CY23-26. The market consists of solar, wind, nuclear and hydroelectricity power generation units.

Global market size for SFS				
Industry		Market size (US\$ M)		
		CY20	CY23	CY26P*
Renewables		8,599.8	10,154.6	12,008.7
Industrials	Off-highway	3,440.8	3,953.8	4,549.1
	Electrical & power	1,022.3	1,226.1	1,472.5
	Infrastructure & heavy machinery	30,197.1	36,004.4	43,010.8
Mobility	Railway	4,735.9	5,561.1	6,530.0
	Automobiles	31,368.4	38,866.8	48,911.0
Others		1,296.7	1,558.8	1,873.7
Total		80,661.0	97,325.5	1,18,355.8

Note(s): *Projected

Industrials encompass off-highway vehicles, electrical and power equipment, and heavy machinery. In off-highway vehicles, fasteners are utilized in key areas such as chassis, engines, and suspension. These components play a crucial role in connecting and securing various parts, including panels, cabinets, and motors within electrical systems. Their significance extends to critical applications in construction, mining, and other heavy industries. The overall market for SFS in the industrial sector is projected to achieve a value of US\$ 41B in CY23. This growth is primarily attributed to increased investments from regions such as Europe, the US, and China, coupled with heightened construction activity. Anticipated growth in the mobility industry is forecasted, with a CAGR of 6.0% expected during the period from CY23-26P.

COMPARISON OF SPECIAL FASTENERS WITH KEY SELECT SUBSTITUTES IN THE OFF-HIGHWAY VEHICLE INDUSTRY (INDUSTRIALS)



Note(s): *Projected

Welding: Welding is a simpler method to permanently join parts in off-road vehicles. It's easier and faster, but it's costly because it needs special equipment and trained professionals. On the other hand, fasteners offer flexibility with lower structural stress but may loosen up due to vibrations.

Adhesives: Adhesives spread stress across the whole bonding surface, being much lighter than fasteners and cutting weight by 15%. Fasteners are relatively simple to install, can be disassembled, and require less maintenance. On the other hand, adhesives provide advantages like corrosion reduction and vibration dampening.

GROWTH DRIVERS

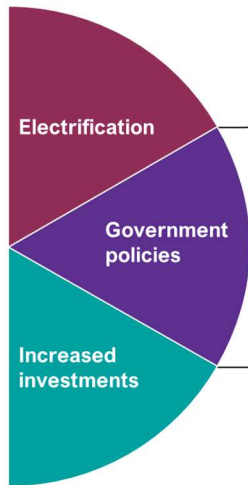
The rising interest in battery-operated electric vehicles (EVs) due to environmental concerns, is boosting the demand for fasteners. Additionally, the resurgence in construction activity, fuelled by the return to office work, is spurring the need for construction materials and off-duty vehicles like forklifts, cranes, and backhoes, further increasing the demand for fasteners to ensure structural stability and safety.

The fastener industry in India is vital for renewable energy, construction, and electrical equipment. As the economy grows and industrialization increases, there's a rising demand for fasteners. Indian manufacturers serve both domestic and international markets, contributing to exports. Fasteners are crucial in the expanding renewable energy sector, and the construction boom drives the need for reliable solutions. Challenges like fluctuating raw material prices and global quality standards persist, but the industry's resilience positions it as a key player in India's manufacturing.

The Indian SFS market size stands at US\$ 6.6B as of FY24, growing at a CAGR of 18.0% between FY24-27. This market consists of renewable energy, mobility, industrials & others.

Outlook

Indian government is taking significant steps to improve its railway infrastructure, as outlined in the National Rail Plan (NRP) and backed by substantial budget allocations. With a focus on high-speed rail, increased investments, and electrification of the railway network, there is a growing demand for fasteners in the industry, crucial for ensuring the structural integrity of railway infrastructure.



- By February 2024, ~94% of India's Broad-Gauge network has been electrified
 - Indian Railways achieved complete electrification for 7 zonal railways and aims for 100%, making it the world's largest eco-friendly railway
 - Vision 2024, part of the NRP, includes measures like budgeting for 3000 electric locomotives and getting 55,000 wagons through PPP.
 - The increased electrification and locomotive production will lead to heightened demand for fasteners used to secure running rails into various components, ensuring stability and proper alignment.
-
- The government is boosting railway infrastructure in India for a more efficient transportation system
 - The NRP aims to make the railway system 'future-ready' by the end of the decade. ~US\$ 5B is allocated to the NHSRC for the flagship project, a high-speed rail line from Mumbai to Ahmedabad
 - The budget also covers 1000 smaller eight-car Vande Bharat EMUs, 25 hydrogen-powered trains, and 150 air-conditioned EMUs for mainline duties, called the Vande Metro
 - With increased funding, there will be a rising demand for fasteners to ensure structural integrity in railway infrastructure
-
- Indian government's investor-friendly policies have boosted FDI in railways, reaching ~US \$1.4B from FY01-24. The (NIP) foresees investments of ~US\$ 200B by FY25, constituting ~12% of total planned investments
 - Projects valued at ~US\$ 23M will operate under the PPP model
 - This increased investment will create opportunities and manufacturing demands in railway infrastructure, particularly for fasteners crucial in securing rails to sleepers, bearers, or other supports, playing a vital role in railroad construction

COMPANY OVERVIEW

Gala Precision Engineering is a key Indian manufacturer of high tensile fasteners and technical springs. Gala Precision Engineering also offers disc springs under the Gala brand & wedge lock washers under the Gallock brand. These products are as per German DIN standards and can be customized to meet the requirements of 175+ active global customers. Gala Precision Engineering has a strong global presence across 25+ global export countries with an office in Frankfurt Germany to better service their European clientele.

Gala Precision Engineering has 30+ years of experience in understanding spring material behavior and has tie ups with global research institutes in Germany and India for new product testing and process validation.

Gala Precision Engineering has alliances with steel mills in India, Europe, Brazil, Korea, etc. from which it acquires 30% of its raw materials. Such alliances are key for maintaining consistency in quality and delivery.

Product development takes 3 to 9 months, followed by a 3 to 12-month testing and validation phase incurring significant costs. Plant audits by clients occur during this period. The process concludes with a 12 to 18-month supply ramp-up and quality stabilization, showcasing Gala's meticulous and time-consuming operations that prioritize thorough testing, validation, and quality assurance for reliable product delivery to clients. In addition to its facilities in India, Gala Precision Engineering maintains an office in Germany as well. Gala Precision Engineering is adding new customers for disc springs in high-value markets such as Europe and USA and is mainly competing with German producers to improve its market share.

With a global clientele, Gala's exports reach 25+ countries, encompassing major markets such as Germany, Denmark, China, Italy, Brazil, USA, Sweden, Switzerland and others contributing 40% to total sales.

Gala is setting up a new facility in Chennai dedicated to the production of special fastening solutions.

Gala specializes in Strip Springs designed for high fatigue applications in two-wheelers, four-wheelers, and off-highway vehicles. Their product range also includes disc springs conforming to DIN 2093 standards, Bearing Series, and customized variants featuring a variety of raw materials and surface coating options. Gala is a supplier for global and Indian players like Brembo Brake India Pvt Ltd., Bufab India Fasteners Pvt Ltd., Vestas Wind Technology India Pvt. Ltd., Endurance Technologies Ltd., Exedy Clutch India Pvt Ltd., Larsen & Toubro Electrical Automation (L&T Electrical Automation), Schneider Electric SE, MSL Driveline Systems Ltd. (formerly Mahindra Sona Limited), Wuerth Industrial Services Pvt Ltd., General Electric Vernova (GE Vernova), Enercon Global GmbH, Servion S.A., Schaeffler Technologies AG & Co. KG, Hitachi Astemo Ltd., Altra Industrial Motion, Webtec Products Limited, LPS Bossard Pvt. Ltd. And Legrand India Pvt. Ltd.

Gala Precision Engineering has a significant presence in the disc spring market for renewable energy industry with 85% share in the Indian market as of FY24 and 5% share in the global market as of CY23.

Gala Precision Engineering has 15% market share in the Indian SFS market for wind turbines as of FY24. (Note: *Gala Precision Engineering's revenue taken for FY24)

PRODUCTS

DISC & STRIP SPRINGS AND WEDGE LOCK WASHERS (DSS & WLW)

Gala Precision Engineering offers disc springs as per DIN 2093 standard or as per custom requirements to the client needs. Within groups of DIN 2093, standard sizes as per series A, B and C are provided. Gala Precision Engineering has built-up in-house expertise and cooperates with German universities to develop high performance disc springs which offer high fatigue life at high stress levels. Furthermore, the size of the disc springs can be reduced while meeting the same load / deflection requirements due to Gala Precision Engineering's improved manufacturing technology. Other advantages of Gala Precision Engineering's disc springs include 100+ standard sizes available ex-stock, ISO 9001:2015 / IATF16949 certified manufacturing facilities and the availability of disc spring selection software online. Gala Precision Engineering is competing domestically with International Industrial Springs, while internationally with Muhr und Bender KG, Schnorr GmbH & Christian Bauer GmbH + Co. KG.

Gala Precision Engineering manufactures an extensive range of strip springs for Indian and global OEMs across automotives, off-highway vehicles, and more industries. Some key applications for these strip springs are two wheelers, four wheelers and off highway vehicles. Gala is the partner of various notable OEMs such as Brembo Brake India Pvt Ltd., and Endurance Technologies Ltd.

COIL & SPIRAL SPRINGS (CSS)

In 2015, Gala Precision Engineering commenced the production of CSS, drawing upon its extensive manufacturing expertise to provide springs tailored for diverse critical applications. The company boasts IATF16949 and ISO 9001:2015 certified manufacturing facilities, ensuring high-quality standards.

Gala Precision Engineering has various advance manufacturing processes in the manufacturing of coil springs, including the usage of CNC Wafios machine from Germany, Wheelabrator shot peening machine, spring grinding and chamfering CNC machine & multi station automatic scragging and load testing machine. They even offer various types of surface coatings.

Gala Precision Engineering's spiral springs offer high durability, optimum design for space saving, capability to offer variety of surface treatments and coatings which are capable of meeting stringent tolerances.

Gala Precision Engineering's CSS solutions have found adoption across numerous industries such as automobiles, off-highway vehicles, commercial vehicles & industrial infrastructure.

Within the CSS category, Gala faces competition from industry players like Stumpp Schuele & Somappa Springs Pvt. Ltd., NHK Springs India Ltd., and Muhr und Bender KG.

SPECIAL FASTENING SOLUTIONS (SFS)

Gala Precision Engineering manufactures special fastening solutions such as anchor bolts and studs from various materials such as alloy steel / high tensile steel (as per ISO 890-1, DIN & ISO series standard), and structural steel. These come with various coatings such as zinc flake coating, delta tone, geomet, magni, mechanical zinc plating (Cr 6 free), and hot dip galvanizing.

Gala Precision Engineering is mainly competing with Randack Fasteners India Pvt. Ltd., Sundram Fasteners Ltd. & Hiten Fasteners Pvt. Ltd. in the Indian SFS market. In the global segment they are competing with Cooper & Turner Ltd., Rose Holm A/S, & August Freidberg GmbH.

Gala Precision Engineering's SFS are used across various applications such as wind energy, hydro electricity generation, railways, off highway vehicles, heavy machinery & electricals.

THREATS AND OPPORTUNITIES

The precision engineering components industry serves as a critical enabler for various high-value sectors, primarily focusing on mobility, industrials, and renewable energy. In the mobility sector, these components are essential for both rail systems and vehicles, ensuring safety and performance. The industrial segment encompasses a broad range of applications including power transmission & infrastructure, off-highway vehicles, construction equipment, mining operations, oil and gas exploration, and infrastructure development. In the rapidly growing renewable energy sector, precision components play a crucial role in wind and hydroelectric power systems.

Precision Engineering Components

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- Precision engineering components are essential in multiple industries due to their critical tolerances & specific material properties; They ensure proper functionality, safety & efficiency in applications ranging from automobiles to oil and gas, where even minor deviations can lead to significant performance issues or failures
- Technological advancements like CNC machining, 3D scanning, **shot peening**, **scragging** & others creating high-quality, corrosion resistant & durable products
- Renewable energy capacity is expected to increase as global leaders pledged to triple renewable energy capacity by CY30, with focus on wind, hydroelectric & solar; Precision engineering components used extensively in renewable sector
- Precision components like springs & fasteners play vital roles in load bearing, energy absorption, & vibration damping; Engineered designs accommodate specific stress levels, fatigue resistance, & thermal expansion, maintaining structural integrity & operational stability

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- Price of steel susceptible to varying factors of demand & supply forces & international prices, events like geopolitical tension / higher global demand create demand-supply imbalance, driving steel prices up & impacting profitability
- Precision component manufacturing faces high initial investment costs & a lack of skilled workforce in many regions, leading to capacity constraints & quality inconsistencies
- Manufacturing process of industrial goods like disc springs, fastening solutions, etc. is energy & resource intensive, with governments across the globe pledging for climate action, the industry needs to rethink & redesign the manufacturing process
- Precision components often require expensive materials & advanced machining techniques, balancing cost-effectiveness with quality & precision is a constant challenge

O

- With **rising global competition** & stringent quality standards, precision engineering is becoming essential, improving product quality & reducing waste
- New technologies like additive manufacturing reduce costs of **prototyping & small-batch production** for complex components; Growing aerospace & defense sectors in India are driving adoption of advanced **CNC machines** to manufacture high-tolerance parts, boosting market with increased exports & domestic demand
- In CY23, Government of India passed a quality control order for the fastener industry, fixing several standards & specifications for nuts, bolts & fasteners, making it difficult to import inferior quality products, especially from China & opening opportunity for domestic precision product manufacturers
- **Oil & gas industry's** focus on deepwater exploration creating opportunities for **corrosion-resistant, high-strength fasteners & springs** designed to perform in harsh environments

T

- Rapid technological shifts in **end-use sectors** (e.g., transition to electric vehicles) threaten to **obsolete** existing component designs & manufacturing processes
- Alternative joining technologies such as **structural adhesives** & innovative **welding techniques** in key industries present a significant threat to traditional fastener & spring markets; These substitutes offer advantages in weight reduction & assembly simplification
- With <10% of India's labor force receiving any kind of skill training, shortage of skilled technicians & designers can be a critical hindrance to manufacturing process of precision engineering components & other equipment requiring high level of expertise
- Lack of product differentiation & elasticity of prices of raw materials like alloys, stainless steel, etc. are hindering growth of the market

These precision-engineered parts, such as springs and fasteners, are fundamental to the functionality, efficiency, and reliability of complex mechanical systems across these sectors. The industry is characterized by its emphasis on tight tolerances, specialized material properties, and advanced manufacturing techniques.

EMERGING TRENDS

Gala Precision Engineering is a key Indian manufacturer of high tensile fasteners and technical springs. Gala Precision Engineering also offers disc springs under the Gala brand & wedge lock washers under the Gallock brand. These products are as per German DIN standards, and these market is witnessing exciting new trends that are shaping its future:

1. Technological Advancements in Production: The industry is embracing advancements in production processes to enhance efficiency and product quality.

3. Expanding Applications in Consumer Goods: These Products are finding their way into an increasing variety of consumer products. Their durability, corrosion resistance, and aesthetics make them ideal for everything from household appliances and cookware to building materials and automotive parts.

4.

Outlook

The market is poised for continued growth, driven by its versatility, growing demand across diverse sectors, and ongoing advancements in production technology. The vast potential for new product applications and the increasing emphasis on sustainability, with stainless steel's inherent longevity, further bolsters the market's optimistic outlook. As the world continues to urbanise and technological innovation accelerates, we can expect the stainless steel strip market to play an increasingly vital role in shaping our built environment and everyday lives.

RISKS AND MITIGATION STRATEGIES

- 1. Cyclical Nature of End-User Industries:** Demand for these products can fluctuate with economic cycles, government incentives and technological shifts.
- 2. Diversified Product Portfolio:** GPEL has strategically diversified its products portfolio, going beyond washers. The Company's product portfolio includes Disc & Strip Springs and Wedge Lock Washers, coil and includes spring coils , Gala Precision Engineering manufactures special fastening solutions such as anchor bolts and studs from various materials such as alloy steel / high tensile steel
- 3. Raw Material Price Volatility:** Supply chain disruptions can trigger fluctuations in raw materials. Volatility in nickel and chromium prices can significantly impact the Company's profitability.
- 4. Strategic Sourcing and Hedging:** The Company actively engages in long-term contracts with suppliers and explores alternative sourcing options to mitigate price volatility.
- 5. Different financial risks:** A web of financial risk can affect the working of the Company. These risks might include everything from credit risks and interest rate risk (borrowing cost fluctuations) to liquidity risk (cash flow shortfalls) and foreign exchange risk (currency swings).
- 6. Proactive Management-** The Company ensures each of the potential risks are monitored thoroughly. A dedicated pool of experts regularly gauges the Company's financial health and take proactive steps in case of any discrepancies
- 7. Regulatory Changes (Environmental, Trade):** Evolving environmental regulations or changes in trade policies, particularly concerning stainless steel imports and exports, can disrupt operations. Failure to adhere to the regulations have the potential to tarnish the Company's image.
- 8. Proactive Compliance and Advocacy:** The Company maintains a proactive approach to regulatory compliance, investing in eco-friendly technologies and participating in industry advocacy efforts to address potential trade barriers.
- 9. Technological Disruption:** With advancements in manufacturing techniques or the emergence of alternative materials, existing processes or products obsolete. If the Company is not able to remain abreast with the latest technological advancements, it is likely to lose competitive advantage.
- 10. Continuous Innovation:** The Company's dedicated in-house research and development facility focuses on staying at the forefront of technological advancements, continuously refining product designs and manufacturing processes.
- 11. Competition (Domestic and International):** Intense Competition from established players and new entrants can put pressure on pricing and impact the Company's market share.

12. Focus on Quality and Differentiation: The Company maintains stringent quality standards, focusing on product differentiation through customization and value-added services. This enables the Company to foster strong, long-term relationships with its customers.

13. Operational Risks: Production downtime due to equipment malfunctions or disruptions in the supply chain can impact delivery schedules and affect customer satisfaction.

14. Preventive Maintenance and Supplier Diversification: The Company implements robust preventive maintenance programmes and has developed contingency plans to address potential supply chain disruptions. The Company also establishes healthy relationships with multiple suppliers to ensure a reliable supply of raw materials.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal control framework is designed to safeguard assets, maintain accurate accounting records, and ensure the reliability of financial information and data. This framework is supplemented by internal audits, management reviews, and documented policies and procedures. The Company has a well-defined organizational structure, clear authority levels, and established internal rules and guidelines for conducting business transactions. The Company remains committed to implementing further measures as necessary to adhere to all applicable procedures, guidelines, and regulations in a transparent manner.

The internal audit department conducts periodic reviews of the Company's operations, reporting its findings to the audit committee. This process includes evaluating the functionality and quality of internal controls, providing assurance of their adequacy and effectiveness. Internal audits are carried out as per a risk-based plan, which is reviewed by the audit committee. The committee regularly assesses the findings and recommendations for improvement, and is kept informed of the implementation status of actionable items.

Outlook

The Company's strategy to develop a varied clientele base has significantly reduced geographical concentration risks and ensured a steady stream of revenue. The Company's commitment to introducing new product designs and retaining existing customers, is expected to further enhance its market reach and cater to evolving demands.

Gala Precision Engineering is adding new customers for disc springs in high-value markets such as Europe and USA and is mainly competing with German producers to improve its market share.

FINANCIAL OVERVIEW

The Financial performance of the Company for the FY 2023-24 under review as compared to the previous FY 2022-23 are summarized below for your consideration:

Particulars	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
	(Amt in Millions)		(Amt in Million)	
Revenue from Operations(Net)	1,999.11	1,634.30	2,040.19	1,654.65
Other Income	22.90	16.16	18.32	16.17
Total Revenue	2,022.01	1,650.46	2,058.51	1,670.82
Total Expenses	1,733.98	1,460.34	1,782.63	1,493.84
Profit Before Exceptional items and Tax	288.03	190.12	275.88	176.98
Add: Exceptional Items	(37.78)	24.02	(23.09)	97.59
Profit Before Tax	250.25	214.14	252.79	274.57
Tax Expense				
Less: (a)Current Tax	54.09	30.00	54.09	30.00
(b) MAT Entitlement	-	-	-	-
(c) Deferred Tax Charge	(28.42)	(6.18)	(28.42)	(6.18)
(d)Deferred Tax Earlier years	-	-	-	-
(e) Current tax adjustments of earlier years	7.19	8.63	7.19	8.63
Total Tax Expense	32.86	32.45	32.86	32.45
Non-Controlling Interest	-	-	(3.40)	-
Profit After Taxes	217.40	181.69	223.33	242.12

KEY FINANCIAL RATIOS

Particulars	Numerator	Denominator	As at 31 March 2024	As at 31st March 2023
a) Current ratio	Current assets	Current liabilities	1.69	1.82
b) Debt equity ratio	Long Term Borrowings	shareholders' equity	0.53	0.69
c) Debt service coverage ratio	Earnings available for debt service	Debt service = Interest + Principal repayments of Long Term Borrowings	3.06	2.72
d) Return on equity %	Net profits after taxes	shareholder's equity	24.45%	18.68%
e) Inventory Turnover Ratio	Sales	Average inventory	3.71	3.46
f) Trade receivables turnover ratio	Revenue from operations	Average trade receivables	4.78	4.86
g) Trade payables turnover ratio	Purchases	Average trade payables	8.03	6.41
h) Net capital turnover ratio	Revenue from operations	Working capital	4.29	3.53
i) Net profit %	Net Profit After Taxes	Revenue from operations	12.76%	9.65%
j) Return on capital employed %	Earnings after exceptional items before interest and taxes	Capital employed	25.25%	19.25%

HUMAN RESOURCES

The Company acknowledges its employees as its most valuable asset and undertakes several initiatives to promote their overall well-being. The Company's human resource strategy invests in comprehensive training, promotes professional development and provides a holistic environment for the development of its employees.

Our ability to provide engineered products and services and to manage the complexity of our business depends, in part, on our ability to retain and attract semi-skilled and skilled and qualified manpower in the areas of management, product engineering, design, manufacture, servicing, sales, information technology, and finance. Competition for such personnel is intense and the cost of retaining or replacing such personnel may affect our profitability. In addition, our strategies for growth have placed, and are expected to continue to place, increased demands on our managements' and employees' skills and resources

GPEL believes that human potential knows no bound and that optimizing the workforce potential will bolster the Company's growth. This commitment is reflected in a positive employee-management relationship. As of June 30, 2024, the Company employed 294 permanent employees and 390 persons employed as contract employees, out of which we had a permanent workforce of 182 manufacturing workers, 19 permanent employees for stores and logistics, 19 permanent employees for quality assurance staff, 14 permanent employees for tool room development and maintenance staffs and 22 permanent employees for human resources and admin staffs. For further details, see "**Our Business - Human Resources**".

As on March 31, 2024 our employee benefit expenses was ₹ 247.75 million, constituting 14.01% of our total expenses. Our Company's average attrition rate of employees during the last 3 Fiscals (FY 2022, FY2023, and FY 2024) is 10.51%.

The safety of the employees holds paramount importance for the Company. GPEL maintains standard safety protocols and provides regular safety trainings to ensure optimum safety. Through comprehensive HR policies, the Company has cultivated an inclusive work environment that priorities an employee's both personal and professional development. GPEL has nurtured a skilled and adaptable workforce that contributes significantly to the Company's operational success.

Outlook

As on the date of this Prospectus, we have 2 labour unions in our manufacturing facilities located at Wada, Palghar, Maharashtra namely, Shramik Sena and Bharatiya Kamgar Sena. We have entered into wage settlement agreements with our unions. Further, while we have not experienced any strikes or labour unrest at any of our manufacturing facilities in the past, we cannot assure you that we will not experience work disruptions in the future due to disputes or other problems with our work force. Any such event, at our current facilities or at any new facilities that we may commission or acquire in the future, may adversely affect our ability to operate our business and serve our customers, and impair our relationships with key customers and suppliers, which may adversely impact our business and financial condition. Any changes in the existing labour laws of the countries in which we operate may increase our labour cost and may also increase time spent by our management in labour related matters, which could impact our business and results of operations. If labour laws become more stringent or are more strictly enforced, it may become difficult for us to maintain flexible human resource policies, discharge employees or downsize, any of which could have an adverse effect on our business, results of operations, financial condition and cash flows.

INFORMATION TECHNOLOGY

GPEL recognizes the critical role of information technology (IT) in driving the Company towards new heights of success. The Company has invested in a robust IT infrastructure to streamline its business operations. This technology-driven approach enables GPEL to enhance efficiency, optimize resource allocation and improve decision-making, propelling the Company's growth and outperforming its peers.

CAUTIONARY STATEMENT

Some of the statements in this management discussion and analysis describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Key factors that can affect the Company's operations include changes in political and economic environment in India and abroad, tax laws, import duties, litigation, and labour relations.

By order of the Board of Directors
For **Gala Precision Engineering Limited**

Kirit Vishanji Gala
Chairman and Managing Director
DIN: 01540274
Date: September 5, 2024
Place: Thane

Registered Office:

A-801, 8th Floor, Thane One DIL Complex,
Ghodbunder Road Majiwade,
Thane (west), Thane – 400610, India.
Tel: +91 022-69309224
Email Id: info@galagroup.com,
website: www.galagroup.com
CIN: U29268MH2009PLC190522

CFO CERTIFICATION

To,
The Board of Directors,
Gala Precision Engineering Limited

[Pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015]

I, **Giridhar Srinivasan**, Chief Financial Officer of the Company hereby certify that:

- A. We have reviewed the financial statements and cash flow statement for the financial year ended March 31, 2024 and to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have disclosed to the auditors and the Audit Committee, that there is no material deficiency in the design or operation of internal controls.
- D. We have indicated to the auditors and the Audit Committee that:
 - i) There have been no significant changes in the internal control over financial reporting during the financial year under review.
 - ii) There have been no significant changes in the accounting policies during the financial year under review.
 - iii) There are no instances of significant fraud of which we are aware and which involve management or any employees, having significant role in the Company's internal control system over financial reporting.

For **Gala Precision Engineering Limited**

Giridhar Srinivasan
Chief Financial Officer
Date: September 5, 2024
Place: Thane

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GALA PRECISION ENGINEERING LIMITED**

Report on the Standalone Financial Statements

Opinion

We have audited the Separate financial statements (also known as Standalone Financial Statements) of **GALA PRECISION ENGINEERING LIMITED (Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)** (“the Company”), which comprise the Balance Sheet as at 31st March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, and a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31st March 2024, and its profit(financial performance including Other Comprehensive Income), the Changes in Equity and its Cash Flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Information Other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Report on Corporate Governance, Business Responsibility and Sustainability Report, but does not include the Standalone Financial Statements and our auditor's report thereon. Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements.

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, Changes in Equity and Cash Flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the standalone financial statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act we give in the "Annexure A" - a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under section 133 of the Act.

- e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements;
- g) As required by section 197(16) of the Act, based on our audit, we report that the Company has paid and provided for remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 31(i) to the Standalone Financial Statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d. (a) As represented to us by the management and to the best of its knowledge and belief, no funds have been advanced or lend or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (Intermediaries"), with the understanding whether recorded in writing or otherwise that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(b) As represented to us by the management and to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- e. The Company has not declared any dividend during the year.
- f. Based on our examination which included test checks, the company has used an accounting software (SAP) for maintaining its books of account which has a inbuilt feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

For M M NISSIM & CO LLP
Chartered Accountants
(Firm Regn. No. 107122W/W100672)

(N. Kashinath)
Partner
Mem. No.: 036490
Mumbai, 12th June, 2024
UDIN:- 24036490BKGTSY1081

“ANNEXURE A” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF GALA PRECISION ENGINEERING PRIVATE LIMITED

- i) a) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and Right-of-Use assets;
 - B) The company has maintained proper records showing full particulars of Intangible Assets and intangibles under development;
 - b) The Assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion is reasonable, considering the size and the nature of its business. The frequency of verification is reasonable and no material discrepancies have been noticed on such physical verification. All discrepancies have been properly dealt with in the books of accounts;
 - c) Based on our examination of the registered sale deed / transfer deed / conveyance deed / property tax paid documents (which evidences title) provided to us, we report that, the title in respect of self – constructed buildings and title deeds of all other immovable properties, (other than immovable properties where the Company is the lessee and where the lease agreements are duly executed in favour of the Company) disclosed in the standalone financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date.
 - d) The Company has not revalued any of its property, Plant and Equipment (including Right-of-Use assets) and intangible assets during the year.
 - e) No proceedings have been initiated during the year or are pending against the Company as at 31st March 2024 for holding any benami property under the Benami Transaction (Prohibition) Act, 1988, as amended and rules made thereunder
- ii) a) The inventory, except for goods in transit and stocks held with third parties, has been physically verified by the management during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate having regard to the size of the Company and the nature of its operation. For stocks held with third parties at the year end, written confirmations have been obtained and in respect of goods in transit, the goods have been received subsequent to the year-end or confirmation have been obtained. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such physical verification of inventory when compared with books of account.
 - b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs.5 crores, in aggregate, at any point of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the returns or statements comprising stock statements, book debt statements, credit monitoring arrangement reports, statements on ageing analysis of the debtors / other receivables, and other stipulated financial information filed by the Company with such banks are in agreement with the unaudited books of account of the Company for the respective quarters except for the following;

Particulars*	Jun-23	Sep-23	Dec-23	Mar-24
Current Assets as per Statement filed with Bank	853.00	915.80	1,034.75	1,058.08
Add: Reconciliation of Items not considered in the Statement filed with the bank				
Related party debtors & Scrap Debtors	99.73	79.88	45.60	3.09
Advance to debtors	(1.45)	(4.64)	(6.57)	(8.00)
Inventory in Transit	32.07	(22.89)	(25.15)	(29.62)
Valuation Difference	18.06	(12.56)	(15.30)	22.66
Balance as per Standalone Financial Statements	1,001.41	955.59	1,033.33	1,046.21

*Nature of Security - Secured by pari passu charge by way of hypothecation of inventories of raw materials and finished goods and book debts, both present and future.

- iii) The Company has made investments in a subsidiary Company. The Company has not provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year.
- (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee or provided security to any other entity during the year and hence reporting under clauses (iii)(a),(c),(d),(e) and (f) of the order are not applicable.
- (b) In our opinion, the investments made in entities are ,prima facie, not prejudicial to the company's interest.
- iv) The Company has not granted any loan nor given any guarantee or security, during the year, covered by the provisions of Sections 185 of the Act. The Company has complied with the provision of Section 186 of the Act in respect of investment made in a subsidiary company (Refer Note 3 to the Standalone Financial Statements).
- v) In our opinion the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted and amounts deemed to be deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law board or the National Company Law Tribunal or the Reserve Bank of India or any court or any other Tribunal against the Company in this regard.
- vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 (1) of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

vii) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1st July, 2017, these statutory dues has been subsumed into GST.

a) The Company is regular in depositing undisputed statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, duty of customs, cess and any other statutory dues with appropriate authorities, where applicable. There are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2024 for a period of more than six months from the date they became payable.

b) According to the records of the Company, the statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March 2024 on account of any dispute, are as follows:

Statute and nature of dues	Financial year to which the matter pertains	Forum where dispute is pending	Amount in Lakhs
Income Tax Act, 1961	2011-12	CIT -Appeals	39.76
	2014-15	CIT -Appeals	52.75
	2015-16	CIT -Appeals	5.90
	2016-17	CIT -Appeals	11.66
	2017-18	CIT -Appeals	55.30
	2018-19	CIT -Appeals	114.29
	2020-21	CIT - Appeals	1.53

viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

ix) a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority

c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

d) On an overall examination of the standalone financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

- e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.
- f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary.
- x) a) The Company has not raised any moneys by way of Initial public offer or further Public offer (Including debt instruments), during the year and hence reporting under Clause (x) (a) of Para 3 of the Order is not applicable to the Company.
b) The Company has not made any preferential allotment or private placement of share or fully convertible debentures (fully, partially or optionally convertible) during the year and accordingly provisions of clause (x)(b) of Para 3 of the Order are not applicable to the Company.
- xi) a) On the basis of our examination and according to the information and explanations given to us, no fraud by the Company or any material fraud on the Company has been noticed or reported during the year, nor have we been informed of any such case by the management.
b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.
c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable
- xiii) On the basis of our examination and according to the information and explanations given to us, we report that all the transaction with the related parties is in compliance with Section 177 and 188 of the Act, and the details have been disclosed in the Standalone Financial Statements in Note 28(c) as required by the applicable Indian Accounting standards.
- xiv) In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013. Accordingly, provisions of clause (xiv)(b) of Para 3 of the Order are not applicable to the company
- xv) According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non -cash transactions with directors or persons connected with the directors and hence provisions of Sec 192 of the Companies Act, 2013 are not applicable to the company.
- xvi) a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, provisions of clause (xvi)(a) of Para 3 of the Order are not applicable to the Company.

- b) During the year, the Company has not conducted any Non-Banking Financial or Housing Finance activities and accordingly, provisions of clause (xvi)(b) of Para 3 of the Order are not applicable to the Company.
 - c) The Company is not a Core Investment Company (CIC) as defined in the Regulations made by the Reserve Bank of India and accordingly the provisions of clause (xvi)(c) of Para 3 of the Order is not applicable to the Company.
 - d) The group does not have any CIC as a part of the group and accordingly reporting under clause (xvi)(d) of Para 3 of the Order is not applicable to the Company.
- xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors of the Company during the year.
- xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For M M NISSIM & CO LLP
Chartered Accountants
(Firm Regn. No. 107122W/W100672)

(N. Kashinath)
Partner
Mem. No.: 036490
Mumbai, 12th June, 2024
UDIN:- 24036490BKGTSY1081

ANNEXURE - B

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF GALA PRECISION ENGINEERING LIMITED

Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls with reference to Standalone Financial Statements of **GALA PRECISION ENGINEERING LIMITED** ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the internal financial control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over financial reporting issued by the Institute of Chartered Accountants of India (ICAI).

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to Standalone Financial Statements based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over financial reporting (the "Guidance Note") issued by Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls with reference to Standalone Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Standalone Financial Statements and their operating effectiveness.

Our audit of internal financial controls with reference to Standalone Financial Statements includes obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to Standalone Financial Statements

Meaning of Internal Financial Controls with reference to Financial Statements

A Company's internal financial control with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Standalone Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For M M NISSIM & CO LLP

Chartered Accountants

(Firm Regn. No. 107122W/W100672)

(N. Kashinath)

Partner

Mem. No.: 036490

Mumbai, 12th June, 2024

UDIN:- 24036490BKGTSY1081

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
Standalone Balance sheet as at 31 March 2024

(Rupees in Million)

Particulars	Note	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	2 (a)	412.71	381.43	383.26
Right of use assets	2 (b)	45.23	49.67	11.10
Capital Work-in-Progress	2 (c)	32.33	12.50	1.26
Other Intangible Assets	2 (d)	185.98	176.80	168.37
Intangible assets under development	2 (e)	33.34	34.55	29.33
Financial Assets;				
- Investments	3	0.05	2.40	74.57
- Other financial assets	4	11.12	8.98	6.11
Non-Current Tax assets (net)		7.07	10.75	1.31
Other non-current assets	5	15.67	6.91	4.43
Current Assets				
Inventories	6	576.50	501.26	444.41
Financial Assets;				
- Trade Receivables	7	469.68	367.00	305.23
- Cash and cash Equivalents	8	12.32	2.40	2.40
- Bank balances other than cash and cash equivalents	9	27.17	114.69	21.42
- Loans	10	1.22	6.14	2.87
- Others financial assets	4	17.77	3.85	20.78
Other current assets	5	37.39	32.22	47.55
TOTAL ASSETS		1,885.55	1,711.55	1,524.39
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	11	101.11	25.28	25.28
Other Equity	12	942.70	818.97	635.12
Total Equity		1,043.81	844.25	660.40
LIABILITIES				
Non-Current Liabilities				
Financial Liabilities				
- Borrowings	13	92.06	204.99	237.74
- Lease liabilities		11.43	14.89	-
Provisions	14	52.56	45.99	39.64
Deferred Tax Liabilities (Net)	15	9.28	36.94	21.13
Other non-current liabilities		-	-	-
Current Liabilities				
Financial Liabilities				
- Borrowings	13	458.22	380.99	331.18
- Lease liabilities		3.45	2.90	-
- Trade Payables				
(A) total outstanding dues of micro & small enterprises	16	3.28	6.75	3.14
(B) total outstanding dues other than micro & small ente	16	133.42	75.25	136.06
- Other Financial Liabilities	17	63.05	83.44	56.27
Other Current Liabilities	18	10.02	8.95	11.92
Provisions	14	4.97	6.16	9.98
Current Tax Liabilities (Net)		-	0.05	16.93
Total Liabilities		841.74	867.30	863.99
TOTAL EQUITY AND LIABILITIES		1,885.55	1,711.55	1,524.39

Material Accounting Policies

1

Accompanying Notes are an integral part of these Financial Statements

This is the Balance Sheet referred to in our report of even date

For M.M.Nissim & Co LLP

For and on behalf of the Board of Directors

Chartered Accountants

Firm Reg.No. 107122W / W100672

Sd/-

Kirit V. Gala
Chairman and Managing Director
DIN : 01540274

Sd/-

Balkishan S. Jalan
Whole Time Director
DIN : 02876873

Sd/-

N. Kashinath

Partner

Membership No. 036490

Mumbai, 12th June, 2024

Sd/-

S. Giridhar

Chief Financial Officer

Mumbai, 12th June, 2024

Sd/-

Pooja Ladha

Company Secretary

Mumbai, 12th June, 2024

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
Statement of Profit and Loss for the Year ended 31 March 2024

(Rupees in Million)

Particulars	Note	Year Ended 31 March 2024	Year Ended 31 March 2023
I INCOME			
Revenue from Operations	19	1,999.11	1,634.30
Other Income	20	22.90	16.16
TOTAL INCOME		2,022.01	1,650.46
II EXPENSES			
Cost of materials consumed	21	878.84	707.27
Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	22	(72.83)	(45.75)
Employee Benefits expense	23	238.36	221.00
Finance Costs	24	61.40	51.60
Depreciation and Amortisation expense	25	68.62	60.67
Other Expenses	26	559.59	465.55
TOTAL EXPENSES		1,733.98	1,460.34
III PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		288.03	190.12
IV ADD: EXCEPTIONAL ITEMS	27	(37.78)	24.02
V PROFIT BEFORE TAX AND AFTER EXCEPTIONAL ITEMS		250.25	214.14
VI TAX EXPENSE			
- Current tax		54.09	30.00
- Deferred tax		(28.42)	(6.18)
- Tax adjustments of earlier years		7.19	8.63
TOTAL TAX EXPENSE		32.86	32.45
VII PROFIT FOR THE YEAR		217.40	181.69
VIII Profit before tax and after exceptional items for the year from continuing operations		254.10	197.65
IX Tax expense of continuing operations		34.71	32.45
X Profit for the year from continuing operations		219.39	165.20
XI Profit/ (Loss) before tax for the year from discontinuing operations		(3.85)	16.49
XII Tax expense of discontinuing operations		1.85	-
XIII Profit for the year from discontinuing operations		(2.00)	16.49
XIV PROFIT FOR THE YEAR FROM CONTINUING AND DISCONTINUING OPERATIONS		217.40	181.69
XV OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to Profit or Loss			
Remeasurements of Defined benefit plans		0.67	2.88
Income Tax relating to items that will not be reclassified to Profit or Loss		(0.17)	(0.72)
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		0.50	2.16
XVI TOTAL COMPREHENSIVE INCOME FOR THE YEAR		217.90	183.85
XVII EARNINGS PER EQUITY SHARE FOR CONTINUING OPERATIONS	32 (a)(i)		
Basic (in Rs.)		21.70*	16.34*
Diluted (in Rs.)		21.39*	16.05*
EARNINGS PER EQUITY SHARE FOR DISCONTINUING OPERATIONS	32 (a)(ii)		
Basic (in Rs.)		(0.20)	1.63
Diluted (in Rs.)		(0.19)	1.60

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
Statement of Profit and Loss for the Year ended 31 March 2024

(Rupees in Million)

Particulars	Note	Year Ended 31 March 2024	Year Ended 31 March 2023
EARNINGS PER EQUITY SHARE FOR CONTINUING & DISCONTINUING OPERATIONS	32 (a)(iii)		
Basic (in Rs.)		21.50*	17.97*
Diluted (in Rs.)		21.19*	17.66*

* EPS Number including exceptional items

Material Accounting Policies

1

Accompanying Notes are an integral part of these Financial Statements

This is the Statement of Profit and Loss referred to in our report of even date

For M.M.Nissim & Co LLP

For and on behalf of the Board of Directors

Chartered Accountants

Firm Reg.No. 107122W / W100672

Sd/-

Kirit V. Gala

Chairman and Managing Director
DIN : 01540274

Sd/-

Balkishan S. Jalan

Whole Time Director
DIN : 02876873

Sd/-

N. Kashinath

Partner

Membership No. 036490

Mumbai, 12th June, 2024

Sd/-

S. Giridhar

Chief Financial Officer

Mumbai, 12th June, 2024

Sd/-

Pooja Ladha

Company Secretary

Mumbai, 12th June, 2024

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2024

(Rupees in Million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
A. CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT BEFORE TAX	250.25	214.14
Adjustment for :		
Depreciation	68.62	60.67
Unrealised Exchange (Gain) / Loss	(7.88)	15.88
Share in loss of LLP	2.35	-
Finance Cost (including fair value change in financial instruments)	61.40	51.60
Interest Income	(6.00)	(4.97)
Bad Debts	42.18	1.17
Loss on sale of Investment in Wholly owned subsidiary	-	73.57
Porivision for doubtful debts	2.09	-
Profit on Sale of Property, Plant & Equipment	-	(67.59)
Loss / (Gain) on Sale / Disposal of Fixed Assets	2.59	(0.31)
Fair Value changes in Financial Assets	(0.15)	(0.07)
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	415.45	344.08
Trade receivables	(139.07)	(78.83)
Other Financial assets	(15.79)	14.58
Other Non Current Assets	(0.43)	(0.61)
Other Current Assets	(5.17)	15.33
Inventories	(75.24)	(56.85)
Trade Payable	54.70	(57.20)
Provisions	6.05	2.53
Other Current Financial Liabilities	(20.40)	27.18
Other liabilities	1.07	(2.97)
CASH GENERATED FROM OPERATIONS	221.16	207.26
Direct Taxes paid	(57.48)	(44.43)
NET CASH FROM OPERATING ACTIVITIES	163.68	162.82
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(107.46)	(100.89)
Capital Work in Progress And Capital Advance	(26.94)	(18.32)
Proceeds from Sale of ROU Asset	-	78.59
Proceeds from Sale of Investment in Subsidiary	-	1.00
Proceeds from sale of Fixed Assets	(1.01)	6.49
Purchase of Investments	-	(2.40)
Loans (Financial assets)	4.92	(3.27)
Deposits/Balances with Banks	87.52	(93.28)
Interest Income	5.89	4.50
NET CASH USED IN INVESTING ACTIVITIES	(37.08)	(127.57)
C. CASH FLOW FROM FINANCING ACTIVITIES		
(Repayments) / Proceeds from Working Capital Facilities (Net)	61.52	49.31
(Repayments) of Term Loans	3.50	(25.59)
Proceeds from Term Loans	-	34.81
Repayment of Unsecured Loan	(78.51)	(41.45)
Repayment of Inter Corporate Deposit	(22.50)	-
Payment of Lease Liabilities	(2.91)	(1.31)
Initial Public Offer expenses	(18.33)	-
Interest paid	(59.46)	(51.00)
NET CASH FROM FINANCING ACTIVITIES	(116.68)	(35.24)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	9.91	-
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE FINANCIAL YEAR	2.40	2.40
- Cash and cash Equivalents	2.40	2.40
CASH AND CASH EQUIVALENTS AS AT END OF THE FINANCIAL YEAR	12.32	2.40
- Cash and cash Equivalents	12.32	2.40

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2024

(Rupees in Million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Note to Cash Flow Statement:		
1. The above Cash Flow Statement has been prepared under the Indirect Method.		
2.Reconciliation of Financing Liabilities		
	31.3.2024	31.03.2023
Opening Balance	626.74	568.22
Cash inflow/ (outflow) of non-current borrowings	(97.50)	9.22
Cash inflow / (outflow) of current borrowings	61.52	49.31
Closing Balance	590.76	626.74

For M.M.Nissim & Co LLP
Chartered Accountants
Firm Reg.No. 107122W / W100672

For and on behalf of the Board of Directors

Sd/-
Kirit V. Gala
Chairman and Managing Director
DIN : 01540274

Sd/-
Balkishan S. Jalan
Whole Time Director
DIN : 02876873

Sd/-
N. Kashinath
Partner
Membership No. 036490
Mumbai, 12th June, 2024

Sd/-
S. Giridhar
Chief Financial Officer
Mumbai, 12th June, 2024

Sd/-
Pooja Ladha
Company Secretary
Mumbai, 12th June, 2024

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note 1 : Material Accounting Policies

A General Information

Gala Precision Engineering Limited (the 'Company')(formerly known as Gala Precision Engineering Private Limited) is a public limited Company and domiciled in India and is incorporated under the provisions of the Companies Act with its registered office located at A-801, 8th Floor, Thane One DIL Complex, Ghodbunder Road Majiwade, Thane. The Company is engaged in the manufacturing and selling of Springs, Parts, Fasteners and Assemblies with its manufacturing facilities located at Plot No. 295, Village Vadavali at Post Met, Musarne Road, Bhiwandi - Wada Highway, Taluka Wada, Palghar, Maharashtra

Gala Precision Engineering Limited has filed its Draft Red Herring Prospectus (DRHP) with SEBI on February 20, 2024, and is in the process of listing its equity shares on the BSE and NSE

B Material Accounting Policies

Basis of preparation of Financial Statements

The principal accounting policies applied in the preparation of these Financial Statements are set out in Para C below. These policies have been consistently applied to all the years presented

The Company has adopted all the applicable Indian Accounting Standards ('Ind AS') in accordance with Ind AS 101 - First Time Adoption of Indian Accounting Standards. The Company has transited from its previous GAAP as defined in Ind AS 101 with the necessary disclosures relating to reconciliation of Shareholders equity under Previous GAAP and Ind AS and of the net profit as Previous GAAP and Total Comprehensive Income under Ind AS.

Statement of Compliance

In compliance with SEBI's requirements for companies in process of listing, the Company has adopted Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from 1st April, 2020.

The Financial Statements up to year ended 31st March, 2023 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 and other relevant provisions of the Act ('Previous GAAP').

These Separate Financial Statements (also known as Standalone Financial Statements) have been prepared in accordance with IND AS as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto.

Basis of preparation and presentation

The Financial Statements have been prepared on historical cost basis considering the applicable provisions of Companies Act 2013, except for the following material item that has been measured at fair value as required by relevant Ind AS. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

- a) Certain financial assets/liabilities measured at fair value and
- b) Any other item as specifically stated in the accounting policy.

The Financial Statement are presented in INR and all values are rounded off to Rupees Million unless otherwise stated.

The Company reclassifies comparative amounts, unless impracticable and whenever the Company changes the presentation or classification of items in its Financial Statements materially. No such material reclassification has been made during the year.

The Financial Statements of the Company for the year ended 31st March, 2024 were authorised for issue in accordance with a resolution of the directors on 12th June, 2024.

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Major Sources of Estimation Uncertainty

In the application of accounting policy which are described in note (C) below, the management is required to make judgment, estimates and assumptions about the carrying amount of assets and liabilities, income and expenses, contingent liabilities and the accompanying disclosures that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant and are prudent and reasonable. Actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future period.

The few critical estimations and judgments made in applying accounting policies are:

Property, Plant and Equipment:

Useful life of Property, Plant and Equipment and Intangible Assets are as specified in Schedule II to the Companies Act, 2013 and on certain assets based on technical advice which considered the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support. The Company reviews the useful life of Property, Plant and Equipment at the end of each reporting period. This reassessment may result in change in depreciation charge in future periods.

Impairment of Non-financial Assets:

For calculating the recoverable amount of non-financial assets, the Company is required to estimate the value-in-use of the asset or the Cash Generating Unit and the fair value less costs to disposal. For calculating value in use the Company is required to estimate the cash flows to be generated from using the asset. The fair value of an asset is estimated using a valuation technique where observable prices are not available. Further, the discount rate used in value in use calculations includes an estimate of risk assessment specific to the asset.

Impairment of Financial Assets:

The Company impairs financial assets other than those measured at fair value through profit or loss or designated at fair value through other comprehensive income on expected credit losses. The estimation of expected credit loss includes the estimation of probability of default (PD), loss given default (LGD) and the exposure at default (EAD). Estimation of probability of default apart from involving trend analysis of past delinquency rates includes an estimation on forward-looking information relating to not only the counterparty but also relating to the industry and the economy as a whole. The probability of default is estimated for the entire life of the contract by estimating the cash flows that are likely to be received in default scenario. The lifetime PD is reduced to 12 months PD based on an assessment of past history of default cases in 12 months. Further, the loss given default is calculated based on an estimate of the value of the security recoverable as on the reporting date. The exposure at default is the amount outstanding at the balance sheet date

Defined Benefit Plans:

The cost of the defined benefit plan and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. (Refer Note 32 (f))

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Income Taxes

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company concludes that no changes are required to lease period relating to the existing lease contracts.

Allowance for credit losses on receivables:

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates. In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future.

C) Summary of Material Accounting Policies:

Ind AS 1 was amended vide notification no G.S.R.242(E) dated 31st March 2023 to require disclosure of Material Accounting Policy information from accounting periods beginning on or after 1 April 2023 instead of significant accounting policy disclosure by amending paragraph 117, inserting paragraphs 117A to 117E and deleting paragraphs 118 to 121. Paragraph 117 of Ind AS 1 states when an information on accounting policy is considered as 'Material Accounting Policy information' as follows:

Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

Each of the policy disclosed herein below has been tested to determine whether the information disclosed is Material Accounting Policy information.

Property, Plant and Equipment

The Company has elected to continue with the carrying value of Property, Plant and Equipment ('PPE') recognised as of the transition date, measured as per the Previous GAAP and use that carrying value as its deemed cost.

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses except for freehold land which is not amortised. Any gain or loss arising on derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in profit or loss with other income or other expense line item on net basis, respectively

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

The depreciable amount of an asset is determined after deducting its residual value. Depreciation on the property, plant and equipment, is provided over the useful life of assets based on management estimates which is in line with the useful life indicated in Schedule II to the Companies Act, 2013. Depreciation on all assets is provided on straight line basis . Given below are the estimated useful lives for each class of property, plant and equipment:

Particulars	Useful Life
Buildings	
Factory Building	30 Years
Plant and equipment	15 Years
Furniture and fixtures	10 Years
Vehicles	8 Years
Office equipment	5 Years
Computers	3 Years
Spares, tools and equipments	5 Years
Electrical installation	10 Years
Other Assets	
Dies & Moulds	5 Years
Borewell	10 Years
Development cost	10 Years
Lean Improvement	7 Years
Computer Software	6 Years
Leasehold Land	99 Years
Leasehold Building	5 Years

Intangible Assets

For transition to Ind AS, the Company has elected to continue with the carrying value of intangible assets recognised as of 1st April, 2020 measured as per the Previous GAAP and use that carrying value as its deemed cost as on the transition date.

Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Development cost represents expenditure incurred in relation to development of disc springs, Coil spring & Fastening solutions and related process and is amortised over a period of 10 years, being management's estimate of the period over which economic benefit is expected to be derived therefrom.

Lean Improvement represents expenditure incurred in relation to improvisation of business processes and is amortised over a period of 7 years, being management's estimate of the period over which economic benefit is expected to be derived therefrom.

Software (not being an integral part of the related hardware) acquired for internal use are treated as intangible assets.

Any gain or loss arising on derecognition of an intangible asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in profit or loss with other income or other expense line item on net basis, respectively.

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Inventories

Inventories consisting of stores and spares, raw materials, Work in progress, Stock in Trade and finished goods are measured at lower of cost and net realisable value. However, materials held for use in production of inventories are not written down below cost, if the finished products are expected to be sold at or above cost.

The cost is computed on FIFO basis except for Inventory of Raw Material and stores and spares which are on daily moving Weighted Average Cost basis

Inventory obsolescence is based on assessment of the future uses. Obsolete and slow-moving items are subjected to continuous technical monitoring.

Lease

Where the Company is a lessee-

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease term includes extension or termination options when it is reasonably certain that they will be exercised

The right-of-use assets are initially recognized at cost and subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option

Government Grants

The grant relating to export benefits is presented under other income on a systematic basis in the Profit or Loss over the periods necessary to match them with the related costs, which they are intended to compensate

Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when there is a present legal or constructive obligation as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provision for separate sales related obligations is made for probable future claims on sales effected and are estimated based on previous claim experience on a scientific basis. This provision is revised annually.

Contingent liabilities are disclosed on the basis of judgment of management / independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Revenue Recognition and Other Income

The Company derives revenues primarily from sale of goods comprising springs, parts, fasteners, and assemblies. Revenue from contract with customers is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer.

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Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of prompt payment discounts and schemes offered by the company as part of the contract with the customers. The Company recognises changes in the estimated amounts of obligations for discounts in the period in which the change occurs. Revenue also excludes taxes collected from customers.

Revenue in excess of invoicing is classified as contract assets while invoicing in excess of revenues are classified as contract liabilities.

Use of significant judgements in Revenue Recognition :

- Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of consideration or variable consideration with elements such as prompt payment discounts. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer.

Employee Benefits

Short-term Employees Benefits

All employee benefits payable wholly within twelve months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, performance incentives etc., are recognized during the period in which the employee renders related services and are measured at undiscounted amount expected to be paid when the liabilities are settled.

Post-employment benefits

The Company provides the following post-employment benefits:

- i) Defined benefit plans such as gratuity and
- ii) Defined Contribution plans such as provident fund

Defined benefits plans

The cost of providing benefits on account of gratuity are determined using the projected unit credit method on the basis of actuarial valuation made at the end of each balance sheet date

Re-measurements comprising of actuarial gains and losses arising from experience adjustments and change in actuarial assumptions, the effect of change in assets ceiling (if applicable) and the return on plan asset (excluding net interest) are recognised in other comprehensive income (OCI) except those included in cost of assets as permitted in the period in which they occur. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

Defined Contribution Plans

Payments to defined contribution retirement benefit plans, viz., Provident Fund for eligible employees are recognized as an expense when employees have rendered the service entitling them to the contribution.

Income Taxes

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognised in the profit or loss section of the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax

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Current tax is the expected tax payable/ receivable on the taxable income/ loss for the year using applicable tax rates for the relevant period, and any adjustment to taxes in respect of previous years. Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to Income tax is included in Other Income

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, unabsorbed losses and unabsorbed depreciation to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and unabsorbed depreciation can be utilised.

Financial Instruments

Investments in subsidiaries

Investments in subsidiaries are carried at cost

Financial assets other than investment in subsidiaries

Financial assets of the Company comprise trade receivable, cash and cash equivalents, Bank balances, advances to employees, security deposit, claims recoverable etc.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. However, Trade receivables that do not contain a significant financing component are measured at Transaction Price. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in three categories:

- Financial assets measured at amortized cost
- Financial assets at fair value through OCI
- Financial assets at fair value through profit or loss

Financial assets measured at amortized cost

Security Deposits, Rent deposits and Export benefits receivable are measured at amortised cost. Financial assets are measured at amortized cost if the financials asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financials assets are amortized using the effective interest rate (EIR) method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss.

Financial assets at fair value through profit or loss ('FVTPL')

Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income, is classified as financial assets at fair value through profit or loss

Derecognition

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Impairment of financial assets

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The Company assesses impairment based on expected credit loss ('ECL') model on the following:

- Financial assets that are measured at amortised cost; and

ECL is measured through a loss allowance on a following basis:-

- The 12 month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within 12 months after the reporting date)
- Full life time expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments)

The Company follows 'simplified approach' for recognition of impairment on trade receivables or contract assets resulting from normal business transactions. The application of simplified approach does not require the Company to track changes in credit risk. However, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, from the date of initial recognition.

For recognition of impairment loss on other financial assets, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has increased significantly, lifetime ECL is provided. For assessing increase in credit risk and impairment loss, the Company assesses the credit risk characteristics on instrument-by-instrument basis.

Impairment loss allowance (or reversal) recognised during the period is recognised as expense/income in profit and loss.

b) Financial Liabilities

The Company's financial liabilities includes borrowings, trade payable, lease liabilities, accrued expenses and other payables.

Initial recognition and measurement

All financial liabilities at initial recognition are classified as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial Liabilities classified as Amortised Cost:

All Financial Liabilities other than derivatives are measured at amortised cost. Interest expense that is not capitalised as part of costs of assets is included as Finance costs in Profit or Loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged / cancelled / expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Derivatives

Derivative instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument and is recognised in Other Comprehensive Income (OCI).

Borrowing costs

Borrowing cost includes interest, commitment charges, brokerage, underwriting costs, discounts / premiums, financing charges, exchange difference to the extent they are regarded as interest costs and all ancillary / incidental costs incurred in connection with the arrangement of borrowing.

Borrowing costs which are directly attributable to acquisition / construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized as a part of cost pertaining to those assets. All other borrowing costs are recognised as expense in the period in which they are incurred.

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The Company identifies the borrowings into specific borrowings and general borrowings. Specific borrowings are borrowings that are specifically taken for the purpose of obtaining an asset. Borrowing cost incurred on specific borrowings are capitalised to the cost of the qualifying asset. For general borrowings, the Company determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on the qualifying asset based on the weighted average of the borrowing costs applicable to general borrowings. The capitalisation on borrowing costs commences when the company incurs expenditure for the asset, incurs borrowing cost and undertakes activities that are necessary to prepare the asset for its intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development of a qualifying asset is suspended. The capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the od relating to the existing lease contracts.the sale.umptio

Share based Payments

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors identified as chief operating decision maker (CODM). The CODM is responsible for allocating resources and assessing performance of the operating segments. Segments are organised based on type of services delivered or provided. Segment revenue arising from third party customers is reported on the same basis as revenue in the Company Ind AS financial statements. Segment results represent profits before unallocated corporate expenses and taxes. "Unallocated Corporate Expenses" include expenses that relate to costs attributable to the Company as a whole and are not attributable to segments

GALA PRECISION ENGINEERING LIMITED
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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

D First time adoption of Ind AS - mandatory exceptions / optional exemptions

Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2020 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying certain items from Previous GAAP to Ind AS as required under the Ind AS, and applying Ind AS in the measurement of recognised assets and liabilities. However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Company as detailed below.

Deemed cost for PPE, CWIP and Intangible assets

The Company has elected to continue with the carrying value of its PPE, CWIP and Intangible assets recognized as of 1st April 2020 (Transition date) measured as per previous GAAP and use that carrying value as its deemed cost as of the transition date.

Investment in Subsidiaries

The Company has elected to continue with the carrying value of all its investment in subsidiary recognized as of 1st April 2020 (transition date) measured as per previous GAAP and use that carrying value as its deemed cost as of the transition date.

GALA PRECISION ENGINEERING LIMITED
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STATEMENT OF CHANGES IN EQUITY (SOCE) FOR THE YEAR ENDED 31ST MARCH 2024

(Rupees in Million)

EQUITY SHARE CAPITAL	As at 31 March 2024	As at 31 March 2023	As at 31 March 2021
	Amount	Amount	Amount
Authorised Share Capital	180.00	110.00	110.00
Issued Share Capital	25.28	25.28	25.28
Subscribed Share Capital	25.28	25.28	25.28
Fully Paid-up Share Capital	25.28	25.28	25.28
Balance at the beginning of the year	25.28	25.28	25.28
Changes in equity share capital due to prior period errors	-	-	-
Balance as at the beginning of the year	25.28	25.28	25.28
Changes in equity share capital during the year			
Bonus shares issued during the year	75.84	-	-
Balance at the end of the reporting year	101.11	25.28	25.28

OTHER EQUITY	Reserves and Surplus				TOTAL
	Securities Premium	Capital Redemption Reserve	Retained Earnings	Remeasurements of Defined Benefit Plans	
Balance as at 31st March 2021	337.24	15.00	214.11	-0.95	565.40
Ind AS Adjustments for 01/04/2021	-	-	-	-	-
Restated Balance as at 31st March 2021	337.24	15.00	214.11	-	565.40
Profit for the Year ending 31st March 2022	-	-	69.93	-	69.93
Other Comprehensive Income for the Year ending 31st March 2022	-	-	-	-0.21	-0.21
Total Comprehensive Income for the year	-	-	69.93	-0.21	69.72
Transactions with owners in their capacity as owners:					
Balance as at 31st March 2022	337.24	15.00	284.03	-1.16	635.12
Profit for the year ending 31st March 2023	-	-	181.69	-	181.69
Other Comprehensive Income for the year ending 31st March 2023	-	-	-	2.16	2.16
Total Comprehensive Income for the year	-	-	181.69	2.16	183.85
Balance as at 31st March 2023	337.24	15.00	465.72	1.00	818.97
Profit for the year ending 31st March 2024	-	-	217.40	-	217.40
Other Comprehensive Income for the year ending 31st March 2024	-	-	-	0.50	0.50
Total Comprehensive Income for the year	-	-	217.40	0.50	217.90
Transfer to General Reserve	-	-	-	-	-
Issue of Bonus Shares	(60.84)	(15.00)	-	-	(75.84)
Initial Public Offer expenses	-	-	(18.33)	-	(18.33)
Balance as at 31st March 2024	276.40	-	664.78	1.50	942.70

Accompanying Notes are an integral part of these Financial Statements

This is the Statement of Changes in Equity (SOCE) referred to in our report of even date

For M.M.Nissim & Co LLP

Chartered Accountants

Firm Reg.No. 107122W / W100672

For and on behalf of the Board of Directors

Sd/-

Kirit V. Gala

Chairman and Managing Director

DIN : 01540274

Sd/-

Balkishan S. Jalan

Whole Time Director

DIN : 02876873

Sd/-

N. Kashinath

Partner

Membership No. 036490

Mumbai, 12th June, 2024

Sd/-

S. Giridhar

Chief Financial Officer

Mumbai, 12th June, 2024

Sd/-

Pooja Ladha

Company Secretary

Mumbai, 12th June, 2024

GALA PRECISION ENGINEERING LIMITED
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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note 2 (a) Property, Plant and Equipment

Particulars	(Rupees in Million)											Note 2 (d) Intangibles (Rupees in Million)			
	Freehold Land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Spares, tools and equipments	Electrical installation	Other Assets	Total	Development cost	Lean Improvement	Computer Software	Total
Gross Block															
At Deemed cost as at 01 April 2020	8.69	93.28	225.18	25.86	6.76	3.50	3.09	2.21	9.28	26.10	403.95	122.53	15.00	2.34	139.87
Additions	-	0.06	24.62	0.64	-	0.83	0.46	-	0.08	2.25	28.94	56.30	-	1.16	57.46
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At cost as at 31 March 2021	8.69	93.34	249.80	26.50	6.76	4.33	3.55	2.21	9.36	28.35	432.89	178.83	15.00	3.50	197.33
Additions	-	3.24	21.28	0.40	6.76	0.28	0.91	0.01	1.11	4.50	38.49	31.11	-	1.66	32.77
Disposals	-	-0.00	-2.47	-0.16	-2.31	-0.21	-0.12	-0.10	-0.09	-1.86	(7.32)	(24.99)	-	(0.02)	(25.01)
At cost as at 31 March 2022	8.69	96.58	268.61	26.74	11.21	4.40	4.34	2.12	10.38	30.99	464.06	184.95	15.00	5.14	205.09
Additions	-	0.23	32.54	1.95	0.92	1.38	2.24	1.02	0.81	3.38	44.47	29.20	-	0.77	29.96
Disposals / adjustments	-	-4.51	-0.19	-1.10	-1.08	-0.00	-0.09	-	-0.38	-	(7.35)	-	-	(0.00)	(0.00)
At cost as at 31 March 2023	8.69	92.30	300.96	27.59	11.05	5.78	6.49	3.14	10.81	34.37	501.18	214.15	15.00	5.90	235.05
Additions	-	4.25	49.40	3.13	5.74	0.86	1.62	1.06	1.53	6.33	73.92	34.55	-	0.07	34.62
Disposals / adjustments	-	-	-2.20	-	-	-	(0.11)	-	-	-	(2.31)	-	(1.56)	(0.71)	(2.27)
At cost as at 31 March 2024	8.69	96.55	348.16	30.72	16.79	6.64	8.00	4.20	12.34	40.70	572.79	248.70	13.44	5.26	267.40
Depreciation Block															
Accumulated depreciation / amortisation as at 31 March 2022	-	6.91	40.11	8.31	2.23	2.16	2.56	1.21	2.66	14.65	80.80	31.09	4.29	1.34	36.72
Depreciation / Amortisation for the year	-	3.35	21.00	3.44	1.39	0.69	1.19	0.58	1.32	7.17	40.13	18.59	2.14	0.80	21.53
Disposals / adjustments	-	-0.45	-0.04	-0.13	-0.42	-	-0.05	-	-0.09	-	(1.18)	-	-	-	-
Accumulated depreciation / Amortisation as at the 31 March 2023	-	9.81	61.07	11.62	3.20	2.85	3.70	1.79	3.89	21.82	119.75	49.68	6.43	2.14	58.25
Depreciation / Amortisation for the year	-	3.32	23.40	3.58	1.63	0.87	1.37	0.46	1.44	4.98	41.05	21.35	2.01	0.82	24.19
Disposals / adjustments	-	-	-0.65	-	-	-	-0.08	-	-	-	(0.73)	-	-0.65	-0.37	(0.37)
Accumulated depreciation / Amortisation as at the 31 March 2024	-	13.13	83.82	15.20	4.83	3.72	4.99	2.25	5.33	26.80	160.07	71.03	7.80	2.59	81.42
Net Block															
As at 31 March 2022	8.69	89.67	228.51	18.43	8.98	2.24	1.79	0.92	7.72	16.33	383.26	153.86	10.71	3.80	168.37
As at 31 March 2023	8.69	82.49	239.89	15.98	7.85	2.93	2.79	1.35	6.93	12.55	381.43	164.47	8.57	3.77	176.80
As at 31 March 2024	8.69	83.43	264.34	15.53	11.96	2.92	3.00	1.95	7.00	13.90	412.71	177.66	5.64	2.67	185.98

1. The title deeds of immovable properties are held in the name of the Company.

2. The Company has elected to continue with the carrying value of its property, plant and equipment recognised as of 1st April, 2020 (transition date) measured as per the previous GAAP and use that carrying value as the deemed cost as of the date of transition date.

3. Other Assets includes Dies, Moulds and Borewell

4. i. During the year, the company has capitalised borrowing cost to the cost of capital work in progress

Particulars	31-Mar-24	31-Mar-23	31-Mar-22
Borrowing Cost	1.85	0.84	0.29
Total	1.85	0.84	0.29

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note 2 (b) : Right of use asset		(Rupees in Million)		
Particulars	Land	Building	Total	
Gross Block				
Carrying value as at 1st April 2021	11.63	-	11.63	
Additions	-	-	-	
Disposals	-	-	-	
Carrying value as at 31st March 2022	11.63	-	11.63	
Additions	28.76	22.11	50.86	
Disposals / adjustments	(11.37)	-	(11.37)	
Carrying value as at 31st March 2023	29.02	22.11	51.13	
Additions	-	0.05	0.05	
Disposals / adjustments	-	-	-	
Carrying value as at 31st March 2024	29.02	22.16	51.18	
Depreciation Block				
Accumulated depreciation / Amortisation as at 1st April 2021	0.26	-	0.26	
Depreciation / Amortisation for the year	0.26	-	0.26	
Disposals	-	-	-	
Accumulated depreciation / Amortisation as at 31st March 2022	0.53	-	0.53	
Depreciation / Amortisation for the year	0.17	1.13	1.30	
Disposals	(0.37)	-	(0.37)	
Accumulated depreciation / Amortisation as at 31st March 2023	0.33	1.13	1.46	
Depreciation / Amortisation for the year	0.28	4.21	4.48	
Disposals	-	-	-	
Accumulated depreciation / Amortisation as at 31st March 2024	0.61	5.33	5.94	
Net Block				
As at 31st March 2022	11.10	-	11.10	
As at 31st March 2023	28.69	20.98	49.67	
As at 31st March 2024	28.41	16.82	45.23	

Note 2 (c). Capital Work-in-Progress

Particulars	Buildings	Plant and equipment	Total	Note 2 (e).
				Intangible Assets
At cost as at 1 April 2021	-	4.85	4.85	31.11
Additions	-	0.32	0.32	29.33
Capitalised during the year	-	(3.92)	(3.92)	-31.11
At cost as at 31 March 2022	-	1.26	1.26	29.33
Additions	3.36	8.10	11.46	34.55
Capitalised during the year	-	(0.21)	(0.21)	-29.33
At cost as at 31 March 2023	3.36	9.14	12.50	34.55
Additions	27.20	4.74	31.94	33.34
Capitalised during the year	-3.05	(9.06)	(12.11)	-34.55
At cost as at 31st March 2024	27.51	4.82	32.33	33.34

CWIP aging schedule

(Rupees in Million)

CWIP	Amount in CWIP for a period of					As at 31 March 2024
	Less than 6 months	6 months - 1 years	1 - 2 Years	2 - 3 Years	More than 3 years	
Tangible Assets:						
Projects in progress	25.55	6.01	0.31	-	0.46	32.33
Intangible Assets:						
Projects in progress	33.34	-	-	-	-	33.34
Total	58.89	6.01	0.77	-	0.46	65.67

CWIP aging schedule

(Rupees in Million)

CWIP	Amount in CWIP for a period of					As at 31 March 2023
	Less than 6 months	6 months - 1 years	1-2 Years	2 - 3 Years	More than 3 years	
Tangible Assets:						
Projects in progress	11.46	-	0.09	-	0.96	12.50
Intangible Assets:						
Projects in progress	34.55	-	-	-	-	34.55
Total	46.01	-	0.09	-	0.96	47.05

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

CWIP aging schedule

(Rupees in Million)

CWIP	Amount in CWIP for a period of					
	Less than 6 months	6 months - 1 years	1-2 Years	2-3 years	More than 3 years	As at 31 March 2022
Tangible Assets:						
Projects in progress	0.30	-	-	0.63	0.33	1.26
Intangible Assets:						
Projects in progress	29.33	-	-	-	-	29.33
Total	29.63	-	-	0.63	0.33	30.59

Notes:

i. During the year, the company has capitalised the following expenses of revenue nature to Development Cost

Particulars	31-Mar-24	31-Mar-23	31-Mar-22
Raw material	3.19	0.35	0.16
Personnel costs	17.73	17.82	17.22
Process costs	4.40	3.31	5.92
Testing costs	0.86	0.25	0.16
Job-work cost	4.96	4.08	3.75
Technical fees and other expenses	3.41	3.52	3.91
Total	34.55	29.33	31.11

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note 3

Investments

(Rupees in Million)

Particulars	As at	As at	As at	As at	As at	As at
	31 March 2024	31 March 2023	31 March 2022	31 March 2024	31 March 2023	31 March 2022
Unquoted - Investment in subsidiaries (At cost)						
Gala Precision Components (Shanghai) Private Limited, China				Wholly Owned Subsidiary Company		74.57
Gala Springs LLP	Subsidiary				0.05	2.40
Total					0.05	2.40
						74.57
Aggregate value of unquoted investment					0.05	2.40
						74.57

(a) Details of investments in partnership firm

Name of the partnership firms and their partners	Share of profit			Total capital		
	As at 31st March 2024	As at 31st March 2023	As at 31st March 2022	As at 31st March 2024	As at 31st March 2023	As at 31st March 2022
Gala Springs LLP						
Gala Precision Eng Pvt Ltd	92%	92%		1.15	1.15	-
Smeet Kirit Gala	8%	8%		0.10	0.10	-
Total				1.25	1.25	-

Note 4

Other Financial Assets

(Rupees in Million)

Particulars	Non-Current			Current		
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Carried at amortised cost						
Others;						
Security Deposits	8.12	5.88	5.87	2.00	-	-
Deposits - Rent	3.00	3.10	0.24	0.24	-	-
Interest Accrued on Loans and Deposits	-	-	-	0.80	0.68	0.22
Export benefits receivable	-	-	-	8.51	3.17	13.52
Others				2.94		
<u>At FVTPL</u>						
Foreign Currency Forward Contract Receivable		-	-	3.28	-	7.04
Total	11.12	8.98	6.11	17.77	3.85	20.78

Note 5

Other Assets

(Rupees in Million)

Particulars	Non-Current			Current		
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Capital Advances	14.63	6.30	4.43	-	-	-
Advances other than capital advances;						
<u>Advances to suppliers</u>						
Considered good	-	-	-	20.94	17.74	19.67
Considered doubtful	-	-	-	0.20	0.20	0.20
Less: Provision for doubtful advances	-	-	-	(0.20)	(0.20)	(0.20)
	-	-	-	20.94	17.74	19.67
Sub Total	14.63	6.30	4.43	20.94	17.74	19.67
Others						
Balance with Statutory authorities	-	-	-	11.17	8.16	22.82
Prepaid Expenses	1.04	0.61	-	5.29	6.33	5.06
Sub Total	1.04	0.61	-	16.45	14.48	27.88
Total	15.67	6.91	4.43	37.39	32.22	47.55

Note 6

Inventories

(Rupees in Million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
(Valued at lower of Cost and Net Realisable Value)			
Raw Materials	201.23	202.29	200.10
Work-in-progress	147.85	139.85	110.66
Finished goods	189.43	124.60	108.04
Stores and spares	37.99	34.52	25.61
Total	576.50	501.26	444.41

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note 7

Trade Receivables

(Rupees in Million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Trade receivables			
Unsecured, considered good	469.68	367.00	305.23
Trade Receivables - credit impaired	2.09	-	1.71
Less: Provision for expected credit loss	(2.09)	-	(1.71)
Total	469.68	367.00	305.23

Note: The Company has used a practical expedient for computing expected credit loss allowance for trade receivables, taking into account historical credit loss experience and accordingly, provisions are made for expected credit loss for amounts due from customers where necessary.

Trade Receivables ageing schedule

(Rupees in Million)

Particulars	Ageing						As at 31 March 2024
	Not Due	Less than 6 months	6 months -1 year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade receivables – considered good	273.16	186.28	7.42	1.16	0.96	0.70	469.68
Disputed Trade Receivables – credit impaired	-	-	0.71	0.52	0.46	0.40	2.09

Trade Receivables ageing schedule

(Rupees in Million)

Particulars	Ageing						As at 31 March 2023
	Not Due	Less than 6 months	6 months -1 year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade receivables – considered good	181.68	147.68	27.23	3.61	3.62	3.18	367.00
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-

Trade Receivables ageing schedule

(Rupees in Million)

Particulars	Ageing						As at 31 March 2022
	Not Due	Less than 6 months	6 months -1 year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade receivables – considered good	141.02	139.58	14.14	5.58	1.71	3.20	305.23
Disputed Trade Receivables – credit impaired	-	-	-	0.20	0.67	0.84	1.71

Note 8

Cash and Cash Equivalents

(Rupees in Million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Balances with Banks (of the nature of cash and cash equivalents)	11.59	1.95	1.74
Cash on hand	0.73	0.45	0.66
Total	12.32	2.40	2.40

Note 9

Bank Balances other than Cash and Cash Equivalents

(Rupees in Million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Margin money deposits with Banks	26.70	25.75	21.42
Collateral money deposits with Banks	0.00	87.90	-
Current account held at a foreign branch	0.47	1.04	-
Total	27.17	114.69	21.42

Note 10

Loans (Unsecured, considered good)

(Rupees in Million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Loans and Advances to employees	1.22	6.14	2.87
Total	1.22	6.14	2.87

GALA PRECISION ENGINEERING LIMITED
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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note 11: Equity Share Capital

(Rupees in Million)

	As at		As at		As at	
	Number	Amount	Number	Amount	Number	Amount
Authorised Share Capital	1,80,00,000	180.00	1,10,00,000	110.00	1,10,00,000	110.00
Issued Share Capital	1,01,11,584	100.97	25,27,896	25.28	25,27,896	25.28
Subscribed Share Capital	1,01,11,584	100.97	25,27,896	25.28	25,27,896	25.28
Fully Paid-up Share Capital	1,01,11,584	101.12	25,27,896	25.28	25,27,896	25.28
Balance at the beginning of the year	25,27,896	25.28	25,27,896	25.28	25,27,896	25.28
Changes in equity share capital during the year:						
Bonus shares issued during the period	75,83,688	75.84				
Issued and subscribed share capital	1,01,11,584	101.11	25,27,896	25.28	25,27,896	25.28

Rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital

The company has equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Shares in the Company held by each shareholder holding more than five per cent shares	As at 31 March 2024		As at 31 March 2023		As at 31 March 2022	
	No.	%	No.	%	No.	%
- Kirit Vishanji Gala	27,91,488	27.61	5,72,872	22.66	5,72,872	22.66
- Vishanji Harshi Gala	5,40,800	5.35	3,85,200	15.24	3,85,200	15.24
- Rumie Kirit Gala	13,03,888	12.89	3,11,772	12.33	3,11,772	12.33
- Taramati V Gala	10,41,600	10.30	2,60,400	10.30	2,60,400	10.30
- Pooja Unichem LLP	6,60,000	6.53	1,65,000	6.53	1,65,000	6.53
- Smeet Kirit Gala	5,89,144	5.83	22,286	0.88	1,65,000	6.53

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note 11: Equity Share Capital

(Rupees in Million)

Particulars of promoter & promoter Company holding	As at 31 March 2024			As at 31st March 2023			As at 31st March 2022		
	Number	% of total shares in the class	% Change during the year	Number	% of total shares in the class	% Change during the year	Number	% of total shares in the class	% Change during the year
Equity shares of Rs. 10 each, fully paid-up held by-									
- Kirit Vishanji Gala	27,91,488	27.61	22%	5,72,872	22.66	-	5,72,872	22.66	-
- Vishanji Harshi Gala	5,40,800	5.35	-65%	3,85,200	15.24	-	3,85,200	15.24	-6.32%
- Rumie Kirit Gala	13,03,888	12.89	5%	3,11,772	12.33	-	3,11,772	12.33	-
- Taramati V Gala	10,41,600	10.30	0%	2,60,400	10.30	-	2,60,400	10.30	-
- Vishanji Harshi Gala(HUF)	54,400	0.54	-75%	54,400	2.15	-	54,400	2.15	-30.17%
- Kirit Vishanji Gala(HUF)	2,13,600	2.11	0%	53,400	2.11	-	53,400	2.11	-
- Nayna Gala	2,54,400	2.52	27%	50,000	1.98	-	50,000	1.98	-
- Alpa Kiran Chheda	2,54,400	2.52	27%	50,000	1.98	-	50,000	1.98	-
- Vaibhavi Gala	2,00,000	1.98	0%	50,000	1.98	-	50,000	1.98	-
-Rajiv and Anupa Ashar Family Trust	1,07,200	1.06	0%	26,800	1.06	-	26,800	1.06	-
- Saloni Kirit Gala	89,144	0.88	0%	22,286	0.88	-	22,286	0.88	-
- Smeet Kirit Gala	5,89,144	5.83	561%	22,286	0.88	-	22,286	0.88	-
- Madhu Ashar	84,000	0.83	0%	21,000	0.83	-	21,000	0.83	-
- Manisha Ashar	14,800	0.15	1750%	200	0.01	-	200	0.01	-

Note on bonus of Shares

The Board of Directors of the Company, at its meeting held on 17th August, 2023 had approved reclassification of authorized share capital of ₹18,00,00,000/- divided into ₹11,00,00,000/- comprising of 1,10,00,000 Equity shares of ₹10/- each and ₹7,00,00,000/- comprising of 70,00,000 Preference shares of Rs.10/- each to ₹18,00,00,000/- divided into 1,80,00,000 Equity Shares of ₹10/-, which was approved by the shareholders by means of a special resolution dated September 5, 2023.

Post reclassification of the existing authorised share capital of the company, the Board of Directors at its meeting held on 17th August, 2023 had approved the bonus issue of three new equity share for every one share held on record date, which was approved by the shareholders by means of an Special resolution dated 5th September, 2023. The record date for the bonus issue is 27th September, 2023. The sum of ₹ 75.37 Million by capitalisation of profits transferred from security premium amounting to ₹ 60.73 Million and capital reserve amounting to ₹ 15 Million. The company had allotted 75,83,688 weighted average number of equity shares of ₹ 10 each by way of bonus issue to its shareholders in ratio of 3:1 effective 27th September, 2023

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note 12: Other Equity

a. Other Equity

(Rupees in Million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Securities Premium	276.40	337.24	337.24
Capital Redemption Reserve	-	15.00	15.00
Retained Earnings	664.81	465.74	284.05
Remeasurements of Defined Benefit Plans	1.50	1.00	(0.95)
Total	942.71	818.98	635.34

b. Movements in other equity

(Rupees in Million)

Particulars	Reserves and Surplus				TOTAL
	Securities Premium	Capital Redemption Reserve	Retained Earnings	Remeasurements of Defined Benefit Plans	
Balance as at - 1st April, 2021	337.24	15.00	214.12	(0.95)	565.40
Profit for the Year ending 31st March 2022			69.93		69.93
Other Comprehensive Income for the Year ending 31st March 2022				(0.21)	(0.21)
Total Comprehensive Income for the Year	-	-	69.93	(0.21)	69.72
Balance as at 31st March 2022	337.24	15.00	284.05	(1.16)	635.12
Profit for the Year ending 31st March 2023	-	-	181.69		181.69
Other Comprehensive Income for the Year ending 31st March 2023	-	-		2.16	2.16
Total Comprehensive Income for the year	-	-	181.69	2.16	183.85
Balance as at 31st March 2023	337.24	15.00	465.74	1.00	818.97
Profit for the Year ending 31st March 2023	-	-	217.40		217.40
Other Comprehensive Income for the Year ending 31st March 2023	-	-		0.50	0.50
Total Comprehensive Income for the year	-	-	217.40	0.50	217.90
Balance as at 31st March 2024	337.24	15.00	683.13	1.50	1,036.86
Transactions with owners in their capacity as owners:	-	-	-	-	-
Issue of Bonus Shares	(60.84)	(15.00)			(75.84)
Initial Public Offer expenses			(18.33)		(18.33)
Balance as at 31st March 2024	276.40	-	664.81	1.50	942.70

Nature and Purpose of each component of equity	Nature and Purpose
i. Securities Premium	Amounts received in excess of par value on issue of shares is classified as Securities Premium
ii. Capital Redemption Reserve	Capital Redemption Reserve represents statutory reserve created upon buyback of Preference shares in the earlier years.
iii. Retained Earnings	Retained earnings are the profits that the Company has earned till date, less any dividends or other distributions paid to shareholders
iv. Remeasurements of Defined Benefit Plans	Gains / Losses arising on Remeasurements of Defined Benefit Plans are recognised in the Other Comprehensive Income as per IND AS-19 and shall not be reclassified to the Statement of Profit or Loss in the subsequent years.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note 13

Borrowings

(Rupees in Million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
<u>NON CURRENT</u>			
<u>Secured</u>			
Term loans;			
- from Banks	92.06	103.98	95.28
<u>Unsecured</u>			
- Loan from Shareholders / Directors	-	78.51	119.96
- Inter-corporate deposits	-	22.50	22.50
Sub total	92.06	204.99	237.74
<u>CURRENT</u>			
<u>Secured</u>			
Current maturities of long-term debt	52.86	37.43	36.92
Interest accrued and due on term loan	0.98	0.70	0.71
Loans repayable on demand			
- from banks	404.38	342.86	293.55
Sub total	458.22	380.99	331.18
Total	550.28	585.98	568.92

A. Nature of Borrowings	Interest Rate and terms of repayments
Term loans	
- From HDFC Bank Ltd. (secured)	
The loans are secured by first and exclusive charge by way of hypothecation on certain specific equipments financed through the loan.	The loan carries rate of interest of 9.70% per annum. The loan is repayable in 75 monthly (Including moratorium) installments from the 7 Jun 2022.
- From Yes Bank Ltd. (secured)	
The loans are secured by first and exclusive charge by way of hypothecation on certain specific equipments financed through the loan.	The loan carries rate of interest of 9.75% per annum. (Previous Year 9.60% per annum). The loan is repayable in 84 monthly installments from the 5 Jul 2019.
Emergency Credit Line Gurantee Scheme	
- From HDFC Bank Ltd. (secured)	
The loans are secured by first and exclusive charge by way of hypothecation on certain specific equipments financed through the loan.	The loan carries rate of interest of 9.25% per annum. (Previous Year 8.25% to 9.25 % per annum). The loan is repayable in 48 monthly after one year of moratorium i.e. 1 Oct 2021.
- From Yes Bank Ltd. (secured)	
The loans are secured by first and exclusive charge by way of hypothecation on certain specific equipments financed through the loan.	The loan carries rate of interest of 8.64% to 9.25% per annum. The loan is repayable in 48 monthly after one year of moratorium i.e. 1 Nov 2021.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note 13

Borrowings

(Rupees in Million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Vehicle finance loan (secured)			
The loans are secured against hypothecation of related vehicles taken under the loans.	The loan carries rate of interest of 8.46% to 10.50% per annum. The loans are repayable in equated monthly installments, from the month subsequent to disbursement of the loan.		
Cash credit and overdraft facilities from HDFC Bank Ltd. and Yes Bank Ltd. are secured by pari passu charge by way of hypothecation of inventories of raw materials and finished goods and book debts, both present and future.	Cash credit and overdraft facilities from HDFC Bank Ltd. carries rate of interest of 8.25% to 10.50% per annum [previous year: Mar-23 : from 8.25% to 10.50%, Mar-22 : 8.85% to 10.25% per annum] and Yes Bank Ltd. carries rate of interest of 8.90% to 10.50% per annum [previous year: Mar-23 from 8.85% to 10.25%, Mar-22 from 9.05% to 10.10% per annum], computed on a monthly basis on the actual amount utilised, and are repayable on demand.		

B.(i) The Quarterly returns/statements of current assets filed by the Company for the year ended 31st March, 2024 with the Yes Bank/HDFC Bank are in agreement with the books of accounts except for the following;

(Rupees in Million)				
Particulars	Jun-23	Sep-23	Dec-23	Mar-24
Current Assets as per Statement filed with Bank	853.00	915.80	1,034.75	1,058.08
Add: Reconciliation of Items not considered in the Statement filed with the bank				
Related party debtors & Scrap Debtors	99.73	79.88	45.60	3.09
Advance to debtors	(1.45)	(4.64)	(6.57)	(8.00)
Inventory in Transit	32.07	(22.89)	(25.15)	(29.62)
Valuation Difference	18.06	(12.56)	(15.30)	22.64
Balance as per Financial Statements	1,001.41	955.59	1,033.33	1,046.19

B.(ii) The Quarterly returns/statements of current assets filed by the Company for the year ended 31st March, 2023 with the Yes Bank/HDFC Bank are in agreement with the books of accounts except for the following;

(Rupees in Million)				
Particulars	Jun-22	Sep-22	Dec-22	Mar-23
Current Assets as per Statement filed with Bank	663.86	746.05	806.26	775.06
Add: Reconciliation of Items not considered in the Statement filed with the bank	-	-	-	-
Related party debtors & Scrap Debtors	86.50	99.79	122.68	95.90
Advance to debtors	(3.65)	(4.06)	(6.69)	(1.50)
Inventory in Transit	(23.48)	(34.69)	(21.65)	(25.15)
Valuation Difference	29.52	49.19	9.71	23.95
Balance as per Financial Statements	752.75	856.28	910.31	868.26

B.(ii) The Quarterly returns/statements of current assets filed by the Company for the year ended 31st March, 2022 with the Yes Bank/HDFC Bank are in agreement with the books of accounts except for the following;(As per Schedule III Amendments effective 31st March, 2021.

(Rupees in Million)				
Particulars	Jun-21	Sep-21	Dec-21	Mar-22
Current Assets as per Statement filed with Bank	514.52	557.38	630.27	668.91
Add: Reconciliation of Items not considered in the Statement filed with the bank				
Related party debtors & Scrap Debtors	105.76	100.87	91.99	85.69
Advance to debtors	(5.12)	(6.46)	(5.93)	(6.79)
Inventory in Transit	-	(28.80)	-	(22.82)
Valuation Difference	36.10	20.85	20.85	24.65
Balance as per Financial Statements	651.26	643.84	737.18	749.64

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note 14

Provisions (Rupees in Million)

Particulars	Non Current			Current		
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits (Refer Note 32 (f))						
Gratuity	39.28	35.08	30.30	3.81	5.07	8.94
Leave Encashment	13.28	10.91	9.34	1.16	1.09	1.04
Total	52.56	45.99	39.64	4.97	6.16	9.98

Note 15

Deferred Tax Liabilities - (Net) (Rupees in Million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Deferred Tax Liabilities (Net);			
- Arising on account of difference in carrying amount and tax base of PPE and Intangibles	57.71	63.58	74.61
Deferred Tax Asset:			
- Right-of-use and lease liability	0.35	0.11	-
- Security deposit	0.01	0.00	-
- Accrued Expenses allowable on Actual Payments	17.85	25.94	43.64
- Brought forward long term capital loss	30.22	-	-
	9.28	37.53	30.97
Less: MAT Credit	-	0.59	9.84
Total	9.28	36.94	21.13

Note 16

Trade Payables (Rupees in Million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Outstanding due of Micro and Small Enterprises (Refer Note 32(b))	3.28	6.75	3.14
Outstanding due of Creditors other than Micro and Small Enterprises	133.42	75.25	136.06
Total	136.70	82.00	139.20
Of the above;			
- Acceptances	25.62	6.37	40.05

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Trade Payables aging schedule

(Rupees in Million)

Particulars	Outstanding for following periods from due date of payment		As at 31 March 2024
	Not due	Less than 1 year	
(i) MSME	3.16	0.12	3.28
(ii) Others	77.24	56.18	133.42
Total	80.40	56.30	136.70

Trade Payables aging schedule

(Rupees in Million)

Particulars	Outstanding for following periods from due date of payment		As at 31 March 2023
	Not due	Less than 1 year	
(i) MSME	6.71	0.04	6.75
(ii) Others	44.53	30.72	75.25
Total	51.24	30.76	82.00

Trade Payables aging schedule

(Rupees in Million)

Particulars	Not due	Outstanding for following periods from due date of payment		As at 31 March 2022
		Less than 1 year	1-2 years	
(i) MSME	2.80	-	-	2.80
(ii) Others	86.56	49.50		136.06
(iii) Disputed dues - MSME	-	-	0.34	0.34
Total	89.36	49.50	0.34	139.20

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note 17

Other Financial Liabilities

(Rupees in Million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Carried at Amortised Cost :			
Security Deposit	4.25	6.50	3.00
Capital Creditors	4.78	2.25	1.73
Liabilities for expenses		-	-
Liability for Employee benefits	29.31	25.83	26.15
Others	24.71	34.22	25.39
Carried at FVTPL :			
Forward Exchange Contracts	-	14.64	-
Total	63.05	83.44	56.27

Note 18

Other Liabilities

(Rupees in Million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Contract Liabilities	2.95	3.27	4.17
Others;			
Statutory Dues	7.07	5.68	6.25
Total	10.02	8.95	11.92

Movement of contract liabilities is as under ;

(Rupees in Million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
As at beginning of the year	3.27	4.15	3.90
Recognised as revenue from contracts with customers	4.37	100.85	24.06
Advance from customers received during the year	(4.69)	(101.73)	(23.81)
Balance at the close of the year	2.95	3.27	4.15

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Note 19

Revenue from Operations (Rupees in Million)

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Sale Of Products	1,916.64	1,557.27
Sale Of Services	0.82	1.09
Other Operating Revenues:		
Export Incentives	17.00	11.13
Scrap Sales	64.65	64.81
Total	1,999.11	1,634.30

Reconciliation of revenue recognised with the contracted price is as follows:

(Rupees in Million)

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Gross Sales (Contracted Price)	1,920.74	1,560.00
Reductions towards variable consideration (Discount, Other Expenses)	(4.10)	(2.73)
Revenue recognised	1,916.64	1,557.27

Note 20

Other Income (Rupees in Million)

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Interest on margin money/others	6.00	4.97
Discount on Forward Contracts	9.43	10.33
Profit on sale of PPE (net)	-	0.31
Gain on Foreign Exchange Translations	7.32	-
Miscellaneous Income	-	0.48
Unwinding of discounted rental deposit	0.15	0.07
Total	22.90	16.16

Note 21

Cost of Materials consumed (Rupees in Million)

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Opening Stock of Raw Materials	202.29	200.40
Purchases during the year	877.78	709.16
Closing Stock of Raw Materials	201.23	202.29
Total	878.84	707.27

Note 22

Changes In Inventories Of Finished Goods And Work-In-Progress (Rupees in Million)

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Closing Stock:		
Finished Goods	189.43	124.60
Work-in-Progress	147.85	139.85
	<u>337.28</u>	<u>264.45</u>
Less: Opening Stock:		
Finished Goods	124.60	108.04
Work-in-Progress	139.85	110.66
	<u>264.45</u>	<u>218.70</u>
Total	(72.83)	(45.75)

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note 23

Employee Benefits Expense

(Rupees in Million)

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Salaries and Wages	210.08	194.00
Contribution to provident, gratuity and other funds	16.42	14.79
Staff welfare expenses	11.86	12.21
Total	238.36	221.00

The Shareholders of the Company had approved on 14th January, 2022 an Employee Stock Option Scheme ("Gala ESOP 2021"), formulated by the Company, under which the Company issued upto 50,000 options to its permanent employees, including Wholetime Directors of the Company. The Gala ESOP 2021 is administered by the Board of Directors of the Company

As per the scheme, the number of shares that will vest is conditional upon length of service, grades, salary cost of the employee to the Company, performance appraisals and / or any other factors as determined by Committee. The vesting period shall be 5 years from the grant date i.e. 14th January 2022. The options granted under this scheme is exercisable by employees till five years from date of its vesting. The Company has granted options at an exercise price of Rs. 350. At grant date, the estimated fair value of stock options granted under Gala ESOP 2021 is Rs. 350. The fair valuation of stock options have been done by an independent valuer using Income Approach Method. The details of stock options granted and key assumptions taken into account for fair valuation are as under:

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
1) Grant Date	14th January, 2022	14th January, 2022
2) Risk-free interest rate	6.70%	6.70%
3) Expected Life	5 Years	5 Years
4) Expected Volatility	0.001%	0.001%
5) Expected Dividend Yield	Nil	Nil
6) Fair market value of underlying share*	Rs. 87.50/-	Rs. 87.50/-
7) Exercise Price*	Rs. 87.50/-	Rs. 87.50/-

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Options outstanding at the beginning of the year	1,78,400	1,78,400
Granted during the year	1,500	-
Add: Bonus Issue*	-24,150	-
Forfeited/Expired/Lapsed during the year	-9,550	-
Exercised during the year	-	-
Outstanding at the end of the year	1,46,200	1,78,400

* As per the scheme, in case of issue of bonus shares by the company, number of options granted shall be adjusted in the same proportion as the bonus being declared. Accordingly, number of options granted have been proportionately increased in ratio of bonus issue i.e. 3:1

Note 24

Finance Costs

(Rupees in Million)

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Interest on Loans and Deposits	10.49	11.35
Interest on Working Capital Facilities	33.45	22.24
Interest on unsecured loans	11.22	15.71
Finance charges	4.59	1.69
Unwinding of discount relating to Long Term Liabilities	1.65	0.61
Total	61.40	51.60

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Note 25

Depreciation and Amortisation expense

(Rupees in Million)

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Depreciation on Property, Plant And Equipment	41.05	40.30
Amortisation on Intangible Assets	24.22	21.53
Amortisation of right-of-use asset	4.48	1.13
Less: Transferred to Capital Work in Progress	(1.13)	(2.29)
Total	68.62	60.67

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note 26

Other Expenses

(Rupees in Million)

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Consumption of stores and spare parts	76.22	60.85
Packing material consumed	22.94	22.47
Power and Fuel	59.58	53.27
Labour charges	230.41	202.62
Testing expenses	8.64	5.67
Rent	2.19	1.41
Rates and Taxes	6.64	3.43
Insurance	10.46	8.45
Travelling expenses	12.93	10.35
Legal and professional fees	12.72	6.82
Sitting Fees	0.34	-
Commission	2.62	0.57
Business promotion	14.82	10.88
Bank charges	3.10	2.93
Telephone and other communication expenses	0.88	0.63
Printing and stationery	1.38	0.93
Provision for expected credit loss	2.09	-
Bad debts written-off	0.90	1.17
Loss on sale of property, plant and equipment (net)	2.59	-
Conveyance and vehicle expenses	17.71	16.39
Repairs and Renewals:		
- Building	1.67	3.02
- Plant and machinery	3.58	4.04
- Others	7.94	6.68
Auditors' Remuneration:		-
As Auditors:		
Audit fee	0.60	0.40
Other Services	0.03	0.06
	0.63	0.46
Cost Auditors Remuneration:		
Audit fee	0.07	0.07
Recruitment	2.07	0.44
Freight outward	37.41	28.31
Computer expenses	4.39	4.39
Security expenses	3.75	3.71
Interest on Statutory Dues	1.45	0.59
Donation	0.07	0.10
CSR Activity Expenses	2.35	1.06
Net loss on foreign currency transactions	-	2.12
Share in loss of LLP	2.35	-
Miscellaneous expenses	2.70	1.72
Total	559.59	465.55

Note 27

Exceptional Items

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Profit on Sale of Property, Plant & Equipment (Refer Note 32 (k))	-	67.59
Loss on sale of Investment in Wholly owned subsidiary (Refer Note 32 (m))	-	(73.57)
Bad Debts written off in respect of Subsidiary (Refer Note 32 (k))	(41.28)	-
Income from Sale of Intangible assets of SES business (Refer Note 32 (l))	3.50	30.00
Total	(37.78)	24.02

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Note 28 (a)- Transition to Ind AS - Reconciliations

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent reconciliations from IGAAP to Ind AS

i. Reconciliation of balance sheet as at 31 March 2023 and 31 March 2022

ii. Reconciliation of Total Comprehensive Income for the year ended March 31, 2023

iii. Adjustment to Statement of Cash Flows

On account of transition to Ind AS, there is no material adjustment to the Statement of Cash Flows

The presentation requirements under previous GAAP differs from Ind AS and hence previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The regrouped previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note 28 (b) - Reconciliation of Equity as at 31st March 2022

(Rupees in Million)

Particulars	Previous GAAP *	Reclassification	Ind AS	Adjustments	Ind AS
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	394.36	(11.10)	383.26		383.26
Right of use assets	-	11.10	11.10		11.10
Capital Work-in-Progress	1.26	-	1.26		1.26
Other Intangible Assets	168.38	-0.01	168.37		168.37
Intangible assets under development	29.33	-	29.33		29.33
Financial Assets;					
- Investments	74.57		74.57		74.57
- Other financial assets	-	6.11	6.11		6.11
Non-Current Tax assets (net)	-	1.31	1.31		1.31
Other non-current assets	35.93	(31.50)	4.43		4.43
Inventories	444.41	-	444.41		444.41
- Trade Receivables	305.23	-	305.23		305.23
- Cash and cash Equivalents	23.82	(21.42)	2.40		2.40
- Bank balances other than cash and cash equivalent	-	21.42	21.42		21.42
- Loans		2.87	2.87		2.87
- Others financial assets		20.78	20.78		20.78
Other current assets	67.67	(20.12)	47.55		47.55
Total assets	1,544.96	(20.56)	1,524.39	-	1,524.39
EQUITY AND LIABILITIES					
Equity					
Equity share capital	25.28	-	25.28	-	25.28
Other equity (Note 1)	647.16	-	647.16	(12.04)	635.12
Total equity	672.44	-	672.44	(12.04)	660.40
LIABILITIES					
Non-current liabilities					
Financial Liabilities					
- Borrowings	237.74		237.74		237.74
Provisions	39.64		39.64		39.64
Deferred Tax Liabilities (Net)	30.97	(21.88)	9.08	12.04	21.13
	308.35	(21.88)	286.46	12.04	298.51
Current Liabilities					
Financial Liabilities					
- Borrowings	331.18	-	331.18		331.18
- Lease liabilities					-
- Trade Payables	139.17	0.03	139.20		139.20
- Other Financial Liabilities		56.27	56.27		56.27
Other Current Liabilities	68.22	(56.30)	11.92		11.92
Provisions	25.60	(15.62)	9.98		9.98
Current Tax Liabilities (Net)	-	16.93	16.93		16.93
Total current liabilities	564.17	1.31	565.48		565.49
Total liabilities	872.52	(20.57)	851.95	12.04	863.99
Total equity and liabilities	1,544.96	(20.57)	1,524.39	-	1,524.39

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Notes

1. In accordance with Ind AS, prior-period expenses/income are recognised in a year in which it related. Accordingly, deferred tax reversal has been recognised in the year ended 31.3.2022 instead of year ended 31.03.2023

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Note 28 (c) - Reconciliation of Equity as at 31st March 2023

(Rupees in Million)

Particulars	Previous GAAP *	Reclassification	Ind AS	Adjustments	Ind AS
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	413.73	-32.30	381.43	-	381.43
Right of use assets	-	32.30	32.30	17.37	49.67
Capital Work-in-Progress	12.50		12.50		12.50
Other Intangible Assets	176.80	-	176.80		176.80
Intangible assets under development	34.55		34.55		34.55
Financial Assets;					
- Investments	2.40		2.40	-	2.40
- Other financial assets	-	8.98	8.98		8.98
Non-Current Tax assets (net)	-	10.75	10.75		10.75
Other non-current assets	27.37	-20.44	6.91		6.91
Current Assets					
Inventories	501.26		501.26		501.26
Financial Assets;					
- Trade Receivables	367.00	-	367.00		367.00
- Cash and cash Equivalents	117.08	-114.68	2.40		2.40
- Bank balances other than cash and cash equivalents	-	114.69	114.69		114.69
- Loans	-	6.14	6.14		6.14
- Others financial assets	-	3.85	3.85		3.85
Other current assets	47.83	-15.61	32.22	-	32.22
Total assets	1,700.52	-6.32	1,694.18	17.37	1,711.55
EQUITY AND LIABILITIES					
Equity					
Equity share capital	25.28	-	25.28	-	25.28
Other equity	819.28	-	819.28	-0.31	818.97
Total equity	844.56	-	844.56	-0.31	844.25
LIABILITIES					
Non-current liabilities					
Financial Liabilities					
- Borrowings	204.99		204.99		204.99
- Lease liabilities	-	-	-	14.89	14.89
Provisions	46.00		45.99		45.99
Deferred Tax Liabilities (Net)	37.64	-0.58	37.05	-0.11	36.94
	288.63	-0.58	288.03	14.78	302.81
Current Liabilities					
Financial Liabilities					
- Borrowings	380.99		380.99		380.99
- Lease liabilities	-		-	2.90	2.90
- Trade Payables	82.00		82.00		82.00
- Other Financial Liabilities		83.44	83.44		83.44
Other Current Liabilities	98.18	-89.23	8.95		8.95
Provisions	6.16		6.16		6.16
Current Tax Liabilities (Net)	-	0.05	0.05	-	0.05
Total current liabilities	567.33	-5.74	561.59	2.90	564.49
Total liabilities	855.96	-6.32	849.62	17.68	867.30
Total equity and liabilities	1,700.52	-6.32	1,694.18	17.37	1,711.55

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

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Note 28 (d) - Reconciliation of Total Comprehensive Income for the year ended 31 March 2023

(Rupees in Million)						
Particulars	Foot Note	Previous GAAP *	Reclassification	Ind AS Adjustments	Adjustments	Ind AS
INCOME						
Revenue from Operations	i	1,637.86	-3.56	1,634.30	-	1,634.30
Other Income	ii	16.08	-	16.08	0.07	16.16
TOTAL INCOME		1,653.94	(3.56)	1,650.39	0.07	1,650.46
EXPENSES						
Cost of materials consumed		707.28	-	713.65	-	707.27
Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress		-45.74	-	-45.74	-	-45.75
Employee Benefits expense	iii	218.12	2.88	221.00	-	221.00
Finance Costs	iv	51.00	-	51.00	0.61	51.60
Depreciation and Amortisation expense	iv	59.54	-	59.54	1.13	60.67
Other Expenses	i, iv	470.35	-3.56	466.80	-1.21	465.55
TOTAL EXPENSES		1,460.55	(0.68)	1,466.24	0.53	1,460.34
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		193.39	(2.88)	184.14	(0.46)	190.12
ADD: EXCEPTIONAL ITEMS		24.02	-	97.59	-	24.02
PROFIT BEFORE TAX AND AFTER EXCEPTIONAL ITEMS		217.42	(2.88)	281.74	(0.46)	214.14
TAX EXPENSE						
(1) Current Tax		30.00	-	30.00	-	30.00
(2) Deferred Tax	iii & iv	-5.35	-0.72	-6.07	-0.11	-6.18
(3) Earlier Years adjustments	v	20.64	-12.01	8.63	-	8.63
TOTAL TAX EXPENSE		45.30	(12.73)	32.56	(0.11)	32.45
PROFIT FOR THE YEAR		172.12	9.85	249.18	(0.35)	181.70
OTHER COMPREHENSIVE INCOME						
Items that will not be reclassified to Profit or Loss						
Remeasurements of Defined benefit plans	iii	-	2.88	2.88	-	2.88
Income Tax relating to items that will not be reclassified to Profit or Loss	iii	-	-0.72	(0.72)	-	-0.72
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		-	2.17	2.17	-	2.16
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		172.12	12.02	251.34	(0.35)	183.85

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Notes:

i Revenue Recognition - Ind AS 115

Under Indian GAAP, variable consideration i.e. discounts on Sales was recorded under Other Expenses. Under Ind-AS, revenue from operations is to be recognised net of variable considerations.

ii Non Current Liabilities

The Company has elected to measure certain deposits at fair Value at the date of transition to IND AS. Accordingly, as at 31st March, 2023 a decrease of Rs.0.07 Million for the period ended 31st March 2023 has been recognised as an income on amortisation of fair value of the financial liability

iii Defined Benefit Obligation:

Both under previous GAAP and Ind-AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to statement of profit and loss. Under Ind-AS, re-measurements comprising of actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the effect of change in asset ceiling (if applicable) and the return on plan assets (excluding net interest) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI). Thus, the employee benefit cost is reduced by Rs. 2.88 Million and deferred tax thereon of Rs. 0.72 Million for 2022-23 and re-measurement losses on defined benefit plans has been recognised in the Other Comprehensive Incomes (net of tax)

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Note 28 (d) - Reconciliation of Total Comprehensive Income for the year ended 31 March 2023

iv **Ind AS 116**

The company has recognised lease liability and ROU assets. Lease payments are allocated between principal and finance cost. The finance cost of Rs. 6.10 Lacs is charged to Statement of Profit and Loss over the lease period. ROU assets are depreciated on a straight-line basis over the asset's useful life. Deferred Tax thereon has been recognised. Actual rent expenses debited to P&L is reversed.

v **Prior period Adjustments**

In accordance with Ind AS, prior-period expenses/income are recognised in a year in which it related. Accordingly, deferred tax reversal has been recognised in the year ended 31.3.2022 instead of year ended 31.03.2023

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Note 29

A. Capital Management

For the purpose of Company's Capital Management, capital includes Issued Equity Capital, Securities Premium, and all other Equity Reserves attributable to the Equity Holders of the Company. The primary objective of the Company's Capital Management is to maximise the Share Holder Value.

The Company manages its capital structure and makes adjustments in the light of changes in economic conditions and requirements of the financial covenants and to continue as a going concern. The Company monitors using a gearing ratio which is net debts divided by total capital plus net debt. The company includes within net debt, interest bearing loans and borrowings, less cash and short term deposit.

Particulars	(Rupees in Million)		
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Interest bearing Loans and Borrowings	550.27	585.98	568.93
Less: Cash and Short Term Deposits	(12.32)	(2.40)	(2.40)
Net Debt	537.95	583.58	566.53
Equity	101.11	25.28	25.28
Other Equity	942.70	818.97	635.12
Total Capital	1,043.81	844.25	660.40
Capital and Net Debt	1,581.76	1,427.83	1,226.93
Gearing Ratio %	34.01%	40.87%	46.17%

B. Financial Risk Management

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the operations of the Company. The principal financial assets include trade and other receivables and cash and short term deposits.

The Company has assessed market risk, credit risk and liquidity risk to its financial liabilities.

i) Market Risk

Market Risk is the risk of loss of future earnings, fair values or cash flows that may result from a change in the price of a financial instrument, as a result of interest rates, foreign exchange rates and other price risks. Financial instruments affected by market risks, primarily include loans And borrowings and foreign currency receivables and payables

Interest Rate Risks

The Company borrows funds in Indian Rupees to meet both the long term and short term funding requirements. Interest rate is fixed for the tenor of the Long term loans availed by the Company. Interest on Short term borrowings is subject to floating interest rate and are repriced regularly. The sensitivity analysis detailed below have been determined based on the exposure to variable interest rates on the average outstanding amounts due to bankers over a year

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note 29

A. Capital Management

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management is as follows:

Particulars	(Rupees in Million)		
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Financial liabilities			
Fixed rate instruments	10.92	7.14	7.88
Variable rate instruments	539.37	578.84	561.04
	550.28	585.98	568.92

Fair value sensitivity analysis for fixed rate instruments

The Company measures its fixed rate financial liabilities at amortized cost and does not designate these liabilities at fair value through profit or loss (FVTPL). Consequently, any changes in market interest rates at the reporting date would not directly affect the Company's profit or loss, as the interest expense is based on the fixed effective interest rate.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rate would have resulted in variation in the interest expense for the Company by

5.39 5.79 5.61

Foreign Currency Risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company enters into forward exchange contracts to hedge its foreign currency exposures. Foreign currency risks from financial instruments at the end of the reporting period expressed in INR :

Unhedged Short Term Exposures :

Particulars	Currency	As at 31 March 2024		As at 31st March 2023		As at 31st March 2022	
		Amount in Foreign Currency - In Million	Amount- In ₹ Million	Amount in Foreign Currency - In Million	Amount- In ₹ Million	Amount in Foreign Currency - In Million	Amount- In ₹ Million
Financial Assets	USD	0.46	38.28	1.15	94.50	1.01	76.42
	EURO	1.60	144.06	0.82	73.57	0.70	58.44
	GBP	0.06	6.45	0.00	0.04	0.01	1.39
Financial Liabilities	USD	0.30	24.65	0.09	7.33	0.54	41.07
	EURO	0.01	1.15	0.01	0.82	0.00	0.14
	JPY	0.00	0.25				
Net exposure	USD	0.16	13.63	1.06	87.18	0.47	35.35
	EURO	1.59	142.92	0.81	72.74	0.69	58.30
	GBP	0.06	6.45	0.00	0.04	0.01	1.39
	JPY	0.00	0.25	-	-	-	-

The company is mainly exposed to changes in US Dollar and EURO.

The Sensitivity analysis is prepared on the net unhedged exposure of the company at the reporting date.

The sensitivity to 1% increase or decrease in US Dollar and EURO against INR with all other variables held constant will be as follows;

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Note 29

A. Capital Management

(Rupees in Million)				
Particulars	Currency	As at 31 March 2024	As at 31st March 2023	As at 31st March 2022
Sensitivity (+/- 1%)	USD	0.14	0.87	0.35
	EURO	1.43	0.73	0.58

The Company enters into foreign exchange forward contracts with the intention to minimise the foreign exchange risk of outstanding foreign receivables, these contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

Particulars	As at 31 March 2024		As at 31st March 2023		As at 31st March 2022	
	Amount in Foreign Currency - In Million	Amount- In ₹ Million	Amount in Foreign Currency - In Million	Amount- In ₹ Million	Amount in Foreign Currency - In Million	Amount- In ₹ Million
USD	0.99	82.64	0.96	78.62	0.65	49.30
EURO	3.80	349.19	3.43	297.85	2.09	186.25

Price Risks

More than One-third of the Company's revenues are generated from exports and the raw materials are procured through import and local purchases where local purchases track import parity price. The Company is affected by the price stability of certain commodities. Due to the significantly increased volatility of certain commodities, the Company enters into contract with the customers that has provision to pass on the change in the raw material prices and also the volatility in the exchange rate. The Company has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs. The Company hedges 65-70% of its export collections through plain vanilla forward covers.

ii) Credit Risk

Credit Risk is the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. It arises from credit exposure to customers and Balances with Banks. The Company holds cash and cash equivalents with banks which are having highest safety rankings and hence has a low credit risk.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company has taken insurance cover for overseas debtors through ECGC but has not taken any insurance cover for local debtors. The company uses Expected Credit Loss (ECL) Model to assess the impairment loss or gain. The outstanding trade receivables due for a period exceeding 180 days as at the year ended 31 March 2024 is as follows

Particulars	As at 31 March 2024	As at 31st March 2023	As at 31st March 2022
The outstanding trade receivables due for a period exceeding 180 days as % of Total Trade receivables	2.18%	2.84%	7.70%

iii) Liquidity Risk

The Company manages liquidity risk by maintaining adequate surplus, banking facilities and reserve borrowings facilities by continuously monitoring forecasts and actual cash flows.

The Company has obtained fund and non-fund based working capital lines from various banks. The Company monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility

All payments are made along due dates and requests for early payments are entertained after due approval and availing early payment discounts.

The Company has a system of forecasting rolling one month cash inflow and outflow and all liquidity requirements are planned.

Exposure to liquidity risk:

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments

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Note 29

A. Capital Management

(Rupees in Million)

Particulars	As at 31 March 2024				As at 31st March 2023			
	Less than 1 year	1-3 years	3-5 years	More than 5 years	Less than 1 year	1-3 years	3-5 years	More than 5 years
Borrowings	456.89	59.56	31.17	1.33	380.99	205.00	-	2.29
Trade Payable	136.70	-	-	-	82.00	-	-	-
Other Financial Liabilities	63.05	-	-	-	83.44	-	-	-

(Rupees in Million)

Particulars	As at 31st March 2022			
	Less than 1 year	1-3 years	3-5 years	More than 5 years
Borrowings	331.18	237.75	-	1.91
Trade Payable	138.86	-	-	-
Other Financial Liabilities	56.27	-	-	-

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Note 30

Fair Values and Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are a) recognised and measured at fair value and b) measured at amortised cost and for which fair values are disclosed in the Standalone Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed in the Indian Accounting Standard.

Particulars	(Rupees in Million)		
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
	Carrying Value		
Financial assets and liabilities measured at amortised cost			
Financial Assets			
Loans	1.22	6.14	2.87
Bank Term deposits	26.70	25.75	21.42
Other Assets - Security & Other deposits	13.36	8.98	6.11
Total Financial Assets	41.28	40.87	30.40
Financial Liabilities			
Borrowings - Non current	92.06	204.99	237.74
Total Financial Liabilities	92.06	204.99	237.74
Financial assets and liabilities measured at FVTPL			
Financial Assets			
Foreign exchange forward contracts	3.28	-	7.04
Financial Liabilities			
Foreign exchange forward contracts	-	14.64	-

The management assessed that fair value of trade receivables, cash and cash equivalents, security deposits, recoverable from customers, other short-term financial assets, short-term borrowings, trade payables and other short-term financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments

*The following methods and assumptions were used to estimate the fair values:

- a. Term deposits- The fair value of term deposits is equal to carrying value since they are carrying market interest rates as per the banks.
- b. Foreign exchange forward contracts- Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing
- c. Non-current borrowings - The fair value of non-current borrowings is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The carrying value and fair value of the borrowings has been considered the same since the existing interest rate approximates its fair value
- d. Others- For other financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note 31

(Rupees in Million)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Accounting Profit before Income Tax	250.25	214.14
At India's statutory income tax rate of	25.17%	25.17%
Income Tax as per statutory income tax rate	62.98	53.90
Effect of deductions available under Income Tax Act	(12.05)	(26.11)
Effect of brought forward business loss	(30.22)	-
Effect of non-deductible expenses	4.95	2.21
Total	25.67	30.00

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

NOTE 32

ADDITIONAL/EXPLANATORY INFORMATION

a) Earnings Per Share		(Rupees in Million)	
Particulars		For the year ended 31-March-2024	For the year ended 31-March-2023
i Profit after taxation from continuing operations	Rs. Million	219.39	165.20
Weighter Average Number of equity shares (Face Value Rs. 10/-)	Nos.	1,01,11,584	1,01,11,584
Earnings per share for continuing operations	Rs.	21.70	16.34
Diluted Number of shares outstanding		1,02,57,784	1,02,89,984
Diluted earnings per share		21.39	16.05
ii Profit after taxation from discontinuing operations	Rs. Million	(2.00)	16.49
Weighter Average Number of equity shares (Face Value Rs. 10/-)	Nos.	1,01,11,584	1,01,11,584
Earnings per share for discontinuing operations	Rs.	(0.20)	1.63
Diluted Number of shares outstanding		1,02,57,784	1,02,89,984
Diluted earnings per share for discontinuing operations		(0.19)	1.60
iii Profit after taxation from continuing and discontinuing operations	Rs. Million	217.40	181.69
Weighter Average Number of equity shares (Face Value Rs. 10/-)	Nos.	1,01,11,584	1,01,11,584
Earnings per share for continuing and discontinuing operations	Rs.	21.50	17.97
Diluted Number of shares outstanding		1,02,57,784	1,02,89,984
Diluted earnings per share for continuing and discontinuing operations		21.19	17.66
iv Profit after taxation from continuing operations excluding Exceptional items	Rs. Million	253.67	111.17
Weighter Average Number of equity shares (Face Value Rs. 10/-)	Nos.	1,01,11,584	1,01,11,584
Earnings per share for continuing operations excluding Exceptional items	Rs.	25.09	10.99
Diluted Number of shares outstanding		1,02,57,784	1,02,89,984
Diluted earnings per share for continuing and discontinuing operations		24.73	10.80

Weighted average number of Shares

Particulars		For the year ended 31-March-2024	For the year ended 31-March-2023
Number of shares considered as basic weighted average shares outstanding	Nos.	25,27,896	25,27,896
Add: Bonus Shares issued (Refer Note 11)	Nos.	75,83,688	75,83,688
Number of shares considered as weighted average shares and potential shares outstanding	Nos.	1,01,11,584	1,01,11,584

Diluted number of shares

Particulars		For the year ended 31-March-2024	For the year ended 31-March-2023
Number of shares considered as basic weighted average shares outstanding	Nos.	1,01,11,584	1,01,11,584
Add: Effect of ESOP granted (Refer Note 23)	Nos.	1,46,200	1,78,400
Number of shares considered as weighted average shares and potential shares outstanding	Nos.	1,02,57,784	1,02,89,984

The basic and diluted earning per share for the period ended March 31, 2024 and year ended March 31, 2023 presented have been calculated/ after considering bonus issue. (Refer note 11)

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

NOTE 32

ADDITIONAL/EXPLANATORY INFORMATION

b) Disclosures under The Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED'):

The details of liabilities to Micro and Small Enterprises, to the extent information available with the Company are given under and have been relied upon by the auditors:

	Amount in Million		
Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Principal amounts remaining unpaid to suppliers as at the end of the accounting year	3.28	6.75	3.14

Note: Other information/ disclosures relating to payments made beyond appointed date, interest accrued And paid and cumulative intrest are not applicable, being NIL.

c) As required by section 135 of Companies Act, 2013 and Rules therein, a Corporate social responsibility committee has been formed by the Company. The Company has spent the following amount during the year towards corporate social responsibility (CSR) for activities listed under schedule VII of the Companies Act, 2013.

	Amount in Million	
Particulars	As at 31 March 2024	As at 31 March 2023
Gross amount required to be spent by the Company	2.32	1.06
Amount spent by the Company during the period/ year on purpose other than construction/ acquisition of assets	2.35	1.06
Shortfall/(Excess) at the end of the year	(0.03)	-
Total of previous year short fall	NA	NA
Reason for shortfall	NA	NA
Nature of CSR Activities	Education & Sports	Education

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NOTE 32

ADDITIONAL/EXPLANATORY INFORMATION

d) Ratio

Particulars	Numerator	Denominator	As at 31 March 2024	As at 31st March 2023	Variance (in %)	Explanation for change of 25% or more
a) Current ratio	Current assets	Current liabilities	1.69	1.82	-7.25%	
b) Debt equity ratio	Long Term Borrowings	shareholders' equity	0.53	0.69	-24.05%	
c) Debt service coverage ratio	Earnings available for debt service	Debt service = Interest + Principal repayments of Long Term Borrowings	3.06	2.72	12.64%	
d) Return on equity %	Net profits after taxes	shareholder's equity	24.45%	18.68%	30.90%	Due to significant improvement in Profitability
e) Inventory Turnover Ratio	Sales	Average inventory	3.71	3.46	7.33%	
f) Trade receivables turnover ratio	Revenue from operations	Average trade receivables	4.78	4.86	-1.72%	
g) Trade payables turnover ratio	Purchases	Average trade payables	8.03	6.41	25.19%	Due to improvement in payment cycle & cash flow
h) Net capital turnover ratio	Revenue from operations	Working capital	4.29	3.53	21.66%	
i) Net profit %	Net Profit After Taxes	Revenue from operations	12.76%	9.65%	32.31%	Due to significant improvement in Profitability
j) Return on capital employed %	Earnings after exceptional items before interest and taxes	Capital employed	25.25%	19.25%	31.17%	

Particulars	Numerator	Denominator	As at 31st March 2023	As at 31st March 2022	Variance (in %)	Explanation for change of 25% or more
a) Current ratio	Current assets	Current liabilities	1.82	1.49	21.87%	
b) Debt equity ratio	Long Term Borrowings	shareholders' equity	0.7	0.86	-19.43%	
c) Debt service coverage ratio	Earnings available for debt service	Debt service = Interest + Principal repayments of Long Term Borrowings	2.72	1.57	72.47%	Significant improvement in profitability resulting in more cash available for principl repayment of LT borrowings & payment of interest
d) Return on equity %	Net profits after taxes	shareholder's equity	18.68%	6.95%	168.64%	Due to significant improvement in profitability
e) Inventory Turnover Ratio	Sales	Average inventory	3.46	3.65	-5.31%	
f) Trade receivables turnover ratio	Revenue from operations	Average trade receivables	4.86	4.98	-2.43%	
g) Trade payables turnover ratio	Purchases	Average trade payables	6.41	5.32	20.54%	
h) Net capital turnover ratio	Revenue from operations	Working capital	3.53	5.13	-31.23%	Due to better working capital management & growth in tunrover
i) Net profit %	Net Profit After Taxes	Revenue from operations	9.65%	4.88%	97.61%	Due to significant improvement in profitability
j) Return on capital employed %	Earnings before interest and taxes	Capital employed	19.25%	15.63%	23.16%	

Particulars	Numerator	Denominator	As at 31st March 2022	As at 31st March 2021	Variance (in %)	Explanation for change of 25% or more
a) Current ratio	Current assets	Current liabilities	1.49	1.50	-0.39%	
b) Debt equity ratio	Long Term Borrowings	shareholders' equity	0.86	1.00	-13.68%	
c) Debt service coverage ratio	Earnings available for debt service	Debt service = Interest + Principal repayments of Long Term Borrowings	1.57	0.76	108.22%	Due to significant improvement in profitability
d) Return on equity %	Net profits after taxes	shareholder's equity	6.95%	3.26%	113.17%	Due to significant improvement in profitability
e) Inventory Turnover Ratio	Sales	Average inventory	3.65	2.70	35.27%	Due to Improved Efficiency
f) Trade receivables turnover ratio	Revenue from operations	Average trade receivables	4.98	4.10	21.69%	
g) Trade payables turnover ratio	Purchases	Average trade payables	5.32	3.35	58.79%	Improved Payment Cycle of Vendor & better payment terms
h) Net capital turnover ratio	Revenue from operations	Working capital	5.13	4.35	17.85%	
i) Net profit %	Net Profit After Taxes	Revenue from operations	4.88%	1.88%	159.77%	Due to significant improvement in profitability
j) Return on capital employed %	Earnings before interest and taxes	Capital employed	15.63%	7.46%	109.38%	EBIT has significantly jumped as compared to previous year improving the ROCE significantly

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NOTE 32: ADDITIONAL/EXPLANATORY INFORMATION

e) Disclosures under Ind AS 108

Particulars	Amount in Million							
	Springs, Parts, Fasteners and Assemblies		Surface Engineering Solutions		Unallocated		Total	
	31-Mar-24	31 Mar 2023	31-Mar-24	31 Mar 2023	31-Mar-24	31 Mar 2023	31-Mar-24	31 Mar 2023
REVENUE								
External sales and service income	1,988.14	1,594.51	10.97	39.79	-	-	1,999.11	1,634.30
Less: Inter-segment sales	-	-	-	-	-	-	-	-
Total revenue	1,988.14	1,594.51	10.97	39.79	-	-	1,999.11	1,634.30
RESULT								
Segment result	425.39	298.04	(7.35)	(8.62)			418.04	289.42
Unallocated corporate expenses	-	-	-	-	-	-	-	-
Financial charges	59.75	48.08	-	3.45	1.65	0.07	61.40	51.60
Depreciation	61.72	53.00	-	1.44	6.90	6.23	68.62	60.67
Profit before exceptional items and tax	303.92	196.95	(7.35)	(13.51)	(8.55)	(6.30)	288.02	177.15
Add: Exceptional items	(41.28)	-	3.50	30.00	-	(5.98)	(37.78)	24.02
Profit before tax	262.64	196.95	(3.85)	16.49	(8.55)	(12.28)	250.24	201.17
Less: Current tax		-	(1.85)	-	55.94	30.00	54.09	30.00
- Deferred tax		-		-	(28.42)	(6.18)	(28.42)	(6.18)
- Tax adjustments of earlier years		-		-	7.19	8.63	7.19	8.63
Profit for the Year	262.64	196.95	(2.00)	16.49	(43.25)	(44.73)	217.40	168.71
Income from discontinuing operations	-	-	(2.00)	16.49		-	(2.00)	16.49
Profit from Continuing operations	262.64	196.95	-	-	(43.25)	(44.73)	219.39	152.21

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NOTE 32: ADDITIONAL/EXPLANATORY INFORMATION

e) Disclosures under Ind AS 108

Particulars	Springs, Parts, Fasteners and Assemblies		Surface Engineering Solutions		Unallocated		Total	
	31-Mar-24	31 Mar 2023	31-Mar-24	31 Mar 2023	31-Mar-24	31 Mar 2023	31-Mar-24	31 Mar 2023
OTHER INFORMATION								
Segment assets	1,800.77	1,532.63	6.53	47.72	78.26	131.20	1,885.55	1,711.55
Segment liabilities	266.44	1,053.61	0.87	17.07	1,067.97	54.89	1,335.27	1,125.57
Secured Loans	-	-	-	-	550.27	484.97	550.28	484.97
Unsecured Loans	-	-	-	-	-	101.02	-	101.01
Total liabilities	266.44	1,053.61	0.87	17.07	1,618.24	640.88	1,885.55	1,711.55
Provision for doubtful debts	1.85	-	0.24	-	-	-	2.09	-
Profit/(Loss) on sale/write off of assets	(2.59)	0.42	-	(0.10)	-	-	(2.59)	0.31
Capital Expenditure	127.13	152.08	-	-	-	-	127.13	152.08

Business Segments: For management purposes, the company is organised on a worldwide basis into two major operating divisions - Springs, Parts and Assemblies and Surface Engineering Solutions. The divisions are the basis on which the company reports its primary segment information. The Springs, Parts and Assemblies segment produces a broad range of disc springs for wind mill, transformers, turbines, railways, automotives and off high way vehicles. The Surface Engineering Solutions segment manufactures centrifugal finishing machines, washing systems and media chemicals. During the year, the company has sold the Intangible assets of Surface Engineering Solutions business relating to Deburring & Polishing Systems & related Media Chemicals and remaining Property, Plant & Equipment has been put to use for other business units during the year ended 31st Mar, 2023 and hence the said division is discontinued

Geographical segments: The company's operating divisions are managed from India . In India, its home country, the company produces and sells a broad range of disc springs, coil springs, fastening solutions, washers, media chemical and machines and washing systems.

The company has disclosed Geographical Segment as the secondary segment.

Sales by market: The following table shows the distribution of the company's sales and service income by geographical market.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

NOTE 32: ADDITIONAL/EXPLANATORY INFORMATION

e) Disclosures under Ind AS 108

	Amount in Million	
Sales Revenue by geographical market	31-Mar-24	31 Mar 2023
- within India	1,279.96	1,022.22
- outside India	719.15	612.08
Total revenue	1,999.11	1,634.30

Assets by market: The following table shows the distribution of the company's assets by geographical market.

	Amount in Million	
Assets by geographical market	31-Mar-24	31 Mar 2023
- within India	1,703.47	1,535.42
- outside India	182.08	176.13
	1,885.55	1,711.55

Information about major customers:

The following is the transactions by the Company with customers individually contributing more than 10 or more of the Company's revenue from operations

Revenue from operations of 1 customer of the Company represented approximately % of the revenue from operation

	31-Mar-24	31 Mar 2023
	15%	-

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NOTE 32

ADDITIONAL/EXPLANATORY INFORMATION

f) Related party disclosures (As per Ind AS 24 - Related Party Disclosures):

- Subsidiaries	Gala Springs LLP
- Step down subsidiary	Gala Precision Components (Shanghai) Private Limited, China
- Key Managerial Personnel	Mr., Kirit Gala - Managing Director (upto 29.11.23) Mr., Kirit Gala - Chairman and Managing Director (w.e.f 30.11.2023) Mr. Balkishan Jalan, Executive Director (upto 29.11.23) Mr. Balkishan Jalan, Whole Time Director (Executive) (w.e.f 30.11.23) Mr. Satish Kotwani, Business Development Director (upto 29.11.23) Mr. Satish Kotwani, Whole Time Director - Marketing (w.e.f 30.11.23) Mr. S. Giridhar - Chief Financial Officer (w.e.f 30.11.2023) Ms. Pooja Ladhha - Company Secretary (w.e.f 09.10.2023)
- Entity in which Directors having substantial interest	Vishanji H. Gala - HUF Kirit V. Gala - HUF Balkishan Jalan - HUF Workamp Spaces Pvt. Ltd. Slate Workspaces Pvt Ltd
- Relatives of Key Managerial personnel	Mr. Vishanji H Gala - Father of Mr. Kirit V Gala Mrs. Taramati V Gala - Mother of Mr. Kirit V Gala Mrs. Rumie K Gala - Wife of Mr. Kirit V Gala Mrs. Alpa Chheda - Sister of Mr. Kirit V Gala Mrs. Nayna Gala - Sister of Mr. Kirit V Gala Mr. Smeet Kirit Gala - Son of Mr Kirit V Gala

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NOTE 32

ADDITIONAL/EXPLANATORY INFORMATION

f) Related party disclosures (As per Ind AS 24 - Related Party Disclosures):

Particulars	Subsidiary		Entity in which Directors having substantial interest		Other Related Party		Key Managerial Personnel	
	31-Mar-24	31 Mar 2023	31-Mar-24	31 Mar 2023	31-Mar-24	31 Mar 2023	31-Mar-24	31 Mar 2023
Revenue from Operations								
Gala Precision Components (Shanghai) Private Limited, China	8.42	74.15						
Purchase of Materials								
Gala Precision Components (Shanghai) Private Limited, China	14.73	-						
Share of Loss in Subsidiary								
Gala Springs LLP	2.35	-						
Sale of Stake in wholly Owned subsidiary								
Gala Springs LLP	-	1.00						
Exceptional Items								
Gala Precision Components (Shanghai) Private Limited, China	41.28	73.57						
Other Expenses :								
Workamp Spaces Pvt. Ltd.			-	0.35	-	-	-	-
Interest Expense :								
Vishanji H Gala			-	-	0.14	0.42	-	-
Slate Workspaces Pvt Ltd			2.40	-	-	-	-	-
Taramati V Gala			-	-	0.07	0.17	-	-
Kirit V Gala			-	-	-	-	2.49	2.81
Rumie K Gala			-	-	0.14	0.33	-	-
Kirit V. Gala (HUF)			0.04	0.09	-	-	-	-
Alpa Chheda			-	-	0.40	0.83	-	-
Vishanji H Gala (HUF)			0.03	0.03	-	-	-	-
Remuneration:*								
Kirit V Gala			-	-	-	-	9.44	6.48
Balkishan Jalan			-	-	-	-	9.59	8.62
Satish Kotwani			-	-	-	-	7.52	6.75

GALA PRECISION ENGINEERING LIMITED
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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

NOTE 32

ADDITIONAL/EXPLANATORY INFORMATION

f) Related party disclosures (As per Ind AS 24 - Related Party Disclosures):

Particulars	Subsidiary		Entity in which Directors having substantial interest		Other Related Party		Key Managerial Personnel	
	31-Mar-24	31 Mar 2023	31-Mar-24	31 Mar 2023	31-Mar-24	31 Mar 2023	31-Mar-24	31 Mar 2023
Mr. S. Giridhar							0.72	-
Ms. Pooja Ladhha							0.41	-
Smeet Gala - AVP - Business Development			2.34	2.21	-	-	-	-
Loan repaid:								
Vishanji H Gala			-	-	3.65	7.60	-	-
Taramati V Gala			-	-	1.65	3.00	-	-
Kirit V Gala			-	-	-	-	91.10	70.35
Rumie K Gala			-	-	4.75	5.25	-	-
Kirit V. Gala (HUF)			0.90	1.15	-	-	-	-
Alpa Chheda			-	-	9.20	-	-	-
Slate Workspaces Pvt Ltd			108.20	-	-	-	-	-
Vishanji Gala (HUF)			0.58	-	-	-	-	-
Vishanji H Gala			-	-	3.65	7.60	-	-
Taramati V Gala			-	-	1.65	3.00	-	-
Kirit V Gala			-	-	-	-	91.10	70.35
Rumie K Gala			-	-	4.75	5.25	-	-
Loan received:								
Kirit V. Gala (HUF)			0.90	1.15	-	-	-	-
Slate Workspaces Pvt Ltd			108.20	-	-	-	-	-
Unsecured Loan Balance:								
Alpa Chheda			-	-	-	9.20	-	-
Vishanji Gala (HUF)			-	0.33	-	-	-	-
Other receivables								
Gala Springs LLP	2.94	-						
Trade receivables:								
Gala Precision Components (Shanghai) Private Limited, China	-	89.30						
Workamp Spaces Pvt Ltd			-	3.76	-	-	-	-
Slate Workspaces Pvt Ltd			-	0.87	-	-	-	-
Investment in Subsidiary Balance								
Gala Springs LLP	0.05	2.40						

* Remuneration does not include provisions made for Gratuity as it is determined on an actuarial basis for the Company as a whole.

d) Terms and conditions of transactions with related parties;

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March, 2024, and 31 March 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

NOTE 32

ADDITIONAL/EXPLANATORY INFORMATION

(Rupees in Million)

g) Disclosures as per IND AS - 19 - Employee Benefits

During the year, the company has recognised the following amounts in the Statement of Profit and Loss:

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
i) Employer's contribution to Provident Fund and Family Pension Fund* *Included in " Contribution to Provident and other Funds" (Note 22).	8.66	7.74
iii) Defined benefit obligation:		
a) Leave Encashment - Unfunded	4.48	4.56
b) The valuation results for the defined benefit gratuity plan as at 31st March are produced in the tables below:		

i) Changes in the Present Value of Obligation

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Present Value of Obligation as at the beginning	42.74	47.43
Current Service Cost	3.81	3.98
Interest Expense or Cost	2.88	2.95
Re-measurement (or Actuarial) (gain) / loss arising from:		
- Due to Demographic Assumption	0.48	-
- change in financial assumptions	0.75	(0.90)
- experience variance (i.e. Actual experience vs assumptions)	3.61	(2.15)
Benefits Paid	(2.33)	(8.55)
Present Value of Obligation as at the end	51.94	42.74

ii) Changes in the Fair Value of Plan Assets

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Fair Value of Plan Assets as at the beginning	2.84	8.44
Investment Income	0.12	0.38
Adjustment to opening Fair Value of Plan Asset	-	-
Return on Plan Assets excluding interest income	5.51	(0.17)
Employer's Contribution	2.71	2.75
Benefits Paid	(2.33)	(8.55)
Fair Value of Plan Assets as at the end	8.85	2.84

iii) Expenses Recognised in the Income Statement

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Current Service Cost	3.81	3.98
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	2.76	2.57
Expenses Recognised in the Income Statement	6.57	6.54

iv) Other Comprehensive Income

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Actuarial (gains) / losses		
- change in financial assumptions	0.75	(0.90)
- experience variance (i.e. Actual experience vs assumptions)	3.61	(2.15)
Return on Plan Assets excluding interest income	(5.51)	0.17
Components of defined benefit costs recognised in other comprehensive income	(1.15)	(2.88)

v) Major categories of Plan Assets (as percentage of Total Plan Assets)

Particulars	As on	
	31-Mar-24	31-Mar-23
Funds managed by Insurer	100%	100%

- In the absence of detailed information regarding Plan assets which is funded with Insurance Company, the composition of each major category of Plan assets, the percentage or amount for each category to the fair value of Plan assets has not been disclosed.

vi) Actuarial Assumptions

a. Financial Assumptions

The principal financial assumptions used in the valuation are shown in the table below:

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

NOTE 32

ADDITIONAL/EXPLANATORY INFORMATION

(Rupees in Million)

g) Disclosures as per IND AS - 19 - Employee Benefits

Particulars	As on	
	31-Mar-24	31-Mar-23
Discount rate (per annum)	6.97%	7.16%
Salary growth rate (per annum)	8.00%	8.00%

b. Demographic Assumptions

Particulars	As on	
	31-Mar-24	31-Mar-23
Mortality Rate (% of IALM 12-14)	IALM (2012-14) Ult	IALM (2012-14) Ult
Withdrawal rates, based on age: (per annum)		
Up to 40 years	6.50%	8.00%

vii) Amount, Timing and Uncertainty of Future Cash Flows

a. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	As on	As on
	31 March 2024	31 March 2023
Defined Benefit Obligation (Base)	51.94	42.74

Particulars	31-Mar-24		31-Mar-23	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	56.21	48.17	45.89	39.96
(% change compared to base due to sensitivity)	31.51%	12.69%	7.36%	-6.51%
Salary Growth Rate (- / + 1%)	48.40	55.85	40.18	45.59
(% change compared to base due to sensitivity)	13.24%	30.67%	-5.99%	6.66%

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may

b. Asset Liability Matching Strategies

The scheme is managed on funded basis.

c. Effect of Plan on Entity's Future Cash Flows

- Funding arrangements and Funding Policy

The scheme is managed on funded basis.

	Year Ended	Year Ended
- Expected Contribution during the next annual reporting period	31 March 2024	31 March 2023
The Company's best estimate of Contribution during the next year (In Lacs)	3.81	3.98
- Maturity Profile of Defined Benefit Obligation		
Weighted average duration (based on discounted cash flows)	7.65 Years	6.84 Years
- Expected cash flows over the next (valued on undiscounted basis):	Year Ended	Year Ended
	31 March 2024	31 March 2023
1 year	3.81	5.07
2 to 5 years	17.67	14.79
6 to 10 years	26.22	20.42

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

NOTE 32: ADDITIONAL/EXPLANATORY INFORMATION

h) Lease Accounting (Disclosure as per Ind AS 116 : Lease)

(i) The movement in Lease liabilities during the year

(Rupees in Million)		
Particulars	As at 31 March 2024	As at 31st March 2023
Opening Balance	17.80	-
Additions during the year	-	18.50
Finance costs incurred during the year	1.65	0.61
Payments of Lease Liabilities	(4.56)	(1.31)
Closing Balance	14.89	17.80

(ii) The carrying value of the Rights-of-use and depreciation charged during the Year

For details pertaining to the carrying value of right of use of lease assets and depreciation charged thereon during the year, kindly refer note -2(b).

(iii) Amount Recognised in Statement of Profit & Loss Account during the Year

(Rupees in Million)		
Particulars	As at 31 March 2024	As at 31st March 2023
Expenses related to Short Term Lease & Low Asset Value Lease	2.19	1.32
Total Expenses	2.19	1.32

(iv) Maturity analysis of lease liabilities

(Rupees in Million)		
Particulars	As at 31 March 2024	As at 31st March 2023
Maturity Analysis of contractual undiscounted cash flows		
Less than one year	3.45	2.91
One to five years	11.44	14.89
More than five years	-	-
Total undiscounted Lease Liability	14.89	17.80
Balances of Lease Liabilities		
Non Current Lease Liability	11.43	14.89
Current Lease Liability	3.45	2.90
Total Lease Liability	14.88	17.79

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NOTE 32: ADDITIONAL/EXPLANATORY INFORMATION

(Rupees in Million)

Particulars	As at 31 March 2024	As at 31st March 2023
i) Capital Commitment		
(i) Estimated amount of contracts remaining to be executed on Capital Account, net of advances and not provided for -	74.40	15.80
j) Contingent Liabilities not provided for:		
(a) Disputed Income Tax Demands	32.97	32.97
(b) Patent Act*	20.00	-
(c) Bank guarantees	7.64	8.43
(d) Letters of credit	22.00	6.25

* A patent infringement suit was filed by Nord-Lock AB & Nord-Lock (India) Pvt. Ltd. against Gala Precision Engineering Pvt. Ltd. & Gala Fasteners Pvt. Ltd. Infringement of patents related to Wedge-Lock technology washers and involves the manufacture, sale, and advertisement of 'Gallock Washers' by Gala Precision Engineering. The Plaintiffs' have reserved their rights to enhance their claim amount at a later stage taking into account the Defendants' total sales revenue for all the infringing products sold during the entire period of infringement, which will be assessed after the trial takes place. As the matter is currently under litigation, it is not possible to estimate the financial outcome at this stage. Consequently, no provision has been made in the financial statements in relation to this lawsuit.

k) During the year ended 31st March, 2023, the Company has completed the sale of the land and building located at Thane. The decision to sell the property was based on Company's strategic objectives, including optimizing its asset portfolio and reallocating resources to support its core business activities. Considering the significance of this transaction, the gain from the sale has been classified as an exceptional item and separately disclosed.

l) Discontinuing Operations:

On 22nd June, 2022, the Board of Directors ratified the decision of the management to dispose of Company's Surface Engineering Solutions division, which is also a separate segment as per AS 17, Segment Reporting. The disposal is consistent with the Company's long-term strategy to focus its activities in the areas of Springs, Parts, Fasteners and Assemblies, and to divest unrelated activities.

The Company sold the Intangible assets of SES business relating to Deburring & Polishing Systems & related Media Chemicals and remaining Property, Plant & Equipment has been put to use for other business units during the year ended 31st Mar, 2024. The amounts of other assets comprising of "Assets and Liabilities" are regular business transactions which in view of the management are likely to be settled or disposed in due course of time. On 31st May, 2022, the Company signed a contract to sell the SES Division to S M Systems Pvt Ltd for Rs. 30 Million. In October 2023, the Company signed a contract with Gala Finishing Solutions Pvt. Ltd. for Rs. 3.50 Million

In March 2024, the operations were fully discontinued.

"The amount of revenue and expenses in respect of the ordinary activities attributable to the discontinued/(P.Y. discontinuing) operation during the year are as under"

Particulars	31-Mar-24	31-Mar-23
Revenue from operations	10.97	39.79
Profit Before Tax	-3.85	16.49

As per Management, only those income & expenses directly attributable to the discontinued/(P.Y. - discontinuing) operations are considered for disclosure

m) The Company has undergone a strategic transfer of its investments in subsidiary Gala Precision Components (Shanghai) Private Limited (Gala China) to its group company Gala Springs LLP at a nominal value of Rs. 1 Million. Consequently, the remaining investment amount of Rs. 73.57 Million was written off in the books. Simultaneously, the Company had taken proactive steps to transfer its China business to its distributor. Going forward, the Company intended to sell products to the local distributor, who would then sell to Chinese customers. However, as of March 2024, the Company has initiated winding-up proceedings for Gala China. Given the ongoing winding-up process and the shift in business strategy to a distributor model, the Company has decided to write off the outstanding receivables amounting to Rs. 41.28 Million due from Gala China.

n) Disclosure required by section 186(4) of the Companies Act, 2013 :

1. Details of Investments made are given in Note 3
2. Amount of Loans and advances in the nature of loans outstanding from /to subsidiaries Rs Nil (Previous year Rs Nil)
3. Loans to employees have been considered to be outside the purview of disclosure requirements.
4. Investment by Loanee in the shares of the Parent company- Nil (Previous year Nil)

o) Additional regulatory information required by Schedule III

- i No proceedings have been initiated or pending against the Company under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder
- ii The Company is not declared wilful defaulter by any bank or financial Institution or government or any government authority
- iii The Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- iv The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of layers) Rules 2017
- v The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- vi The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

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NOTE 32: ADDITIONAL/EXPLANATORY INFORMATION

(Rupees in Million)

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- vii The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- viii There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year
- x The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets) or intangible assets or both during the current or previous year.
- xi The title deeds of all the immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- xii There are no charges or satisfaction which are yet to be registered with ROC beyond the statutory period.

For M.M.Nissim & Co LLP
Chartered Accountants
Firm Reg.No. 107122W

For and on behalf of the Board of Directors

Sd/-
Kirit V. Gala
Chairman and Managing Director
DIN : 01540274

Sd/-
Balkishan S. Jalan
Whole Time Director
DIN : 02876873

Sd/-
N. Kashinath
Partner
Membership No. 036490
Mumbai, 12th June, 2024

Sd/-
S. Giridhar
Chief Financial Officer
Mumbai, 12th June, 2024

Sd/-
Pooja Ladha
Company Secretary
Mumbai, 12th June, 2024

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GALA PRECISION ENGINEERING LIMITED

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **GALA PRECISION ENGINEERING LIMITED** hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flows Statement for the year ended on that date and notes to financial statements, a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the Consolidated state of affairs (financial position) of the Group as at 31st March, 2024, and its Consolidated profit(financial performance including Other Comprehensive Income), the Consolidated Changes in Equity and its Consolidated Cash Flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Information Other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Holding Company's Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Report on Corporate Governance, Business

Responsibility and Sustainability Report, but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the Consolidated financial position, Consolidated financial performance including other comprehensive income, Consolidated Changes in Equity and Consolidated Cash Flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated financial statements made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the

Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards

Other Matters

We did not audit financial statements of a foreign subsidiary which, in the aggregate represent total assets as at March 31, 2024 of Rs. 1.27 million, total revenue of Rs. 49.5 million and net Cash outflow of Rs. 1.33 million for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us and our report in terms of sub section (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

We did not audit the financial statements of a subsidiary whose financial statements reflect total assets of Rs. 1.27 million as at 31st March, 2024, total revenues of Rs. 49.5 million and net cash outflow of Rs. 1.33 million for the year ended on that date. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, this financial statements are not material to the Group.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report to the extent applicable that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the Consolidated Financial Statements.

- b) In our opinion, proper books of account, as required by the law relating to preparation of the aforesaid Consolidated Financial Statements, have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2024 taken on record by the Board of Directors, none of the directors of the Holding Company are disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Group and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**".
- g) As required by section 197(16) of the Act, based on our audit, we report that the Holding Company has paid and provided for remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
 - a. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 32(j) to the consolidated financial statements;
 - b. The Group did not have any long-term contracts, including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.
 - d. (a) As represented to us by the management of the Holding Company and to the best of its knowledge and belief, no funds have been advanced or lend or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other persons or entities, including foreign entities (Intermediaries"), with the understanding whether recorded in writing or otherwise that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on

behalf of the Holding Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(b) As represented to us by the management of the Holding Company and to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- e. The Holding Company has not declared any dividend during the year.
- f. Based on our examination which included test checks, the holding company have used an accounting software for maintaining its books of account which has a inbuilt feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with
- g. According to the information and explanations given to us, and based on the CARO report issued by and the information provided by the auditors of the companies included in the consolidated financial statements of the Company we report that CARO is applicable only to the holding company and to no other company included in the consolidated financial statements. We have not reported any qualifications or adverse remarks in the CARO report of the holding company.

For M M NISSIM & CO LLP

Chartered Accountants

(Firm Regn. No. 107122W/W100672)

(N. Kashinath)

Partner

Mem. No.: 036490

Mumbai, 12th June, 2024

UDIN: - 24036490BKGTSZ6068

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GALA PRECISION ENGINEERING LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

1. In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to Financial Statements of GALA PRECISION ENGINEERING PRIVATE LIMITED ("the Holding Company"). In our opinion, the Holding Company have, in all material respects, an adequate internal financial controls with reference to Consolidated Financial Statements and internal financial controls were operating effectively as at 31 March 2024, based on the internal financial control with reference to Consolidated Financial Statement criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI).

Management's Responsibility for Internal Financial Controls

2. The Holding Company's management is responsible for establishing and maintaining internal financial controls with reference to Consolidated financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to the consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on Holding Company

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Consolidated Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

7. Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate

Other Matters

8. Our aforesaid report under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these financial statements does not include report in respect of foreign subsidiary company.

For M M NISSIM & CO LLP

Chartered Accountants
(Firm Regn. No. 107122W/W100672)

N. Kashinath

Partner

Mem. No.: 036490

Mumbai, 12th June, 2024

UDIN:- 24036490BKGTSZ606

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
Consolidated Balance sheet as at 31 March 2024

(Rupees in Million)

Particulars	Note	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	2 (a)	412.71	381.54	383.52
Right of use assets	2 (b)	45.23	49.67	11.10
Capital Work-in-Progress	2 (c)	32.30	12.50	1.26
Goodwill		-	0.07	-
Other Intangible Assets	3 (a)	185.98	176.80	168.37
Intangible assets under development	3 (b)	33.34	34.55	29.33
Financial Assets;				
- Other financial assets	4	11.12	8.98	6.11
Non-Current Tax assets (net)		7.22	10.89	1.31
Other non-current assets	5	15.68	6.91	4.44
Current Assets				
Inventories	6	576.50	557.57	497.23
Financial Assets;				
- Trade Receivables	7	469.68	299.63	254.57
- Cash and cash Equivalents	8	13.83	5.34	5.29
- Bank balances other than cash and cash equivalents	9	27.17	114.69	21.42
- Loans	10	1.22	6.26	2.99
- Others financial assets	4	17.47	4.03	20.96
Other current assets	5	37.39	34.43	48.27
TOTAL ASSETS		1,886.84	1,703.86	1,456.17
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	11	101.11	25.24	25.28
Other Equity	12	946.73	811.27	567.88
Non Controlling Interest	12	(3.37)	0.03	-
Total Equity		1,044.47	836.54	593.16
LIABILITIES				
Non-Current Liabilities				
Financial Liabilities				
- Borrowings	13	92.06	204.99	237.74
- Lease liabilities		11.43	14.89	-
Provisions	14	52.56	45.99	39.64
Deferred Tax Liabilities (Net)	15	9.28	36.94	21.13
Current Liabilities				
Financial Liabilities				
- Borrowings	13	458.22	380.99	331.18
- Lease liabilities		3.45	2.90	
- Trade Payables				
(A) total outstanding dues of micro & small enterprises	16	3.28	6.75	3.14
(B) total outstanding dues otherthan micro & small enterp	16	133.42	74.33	134.86
- Other Financial Liabilities	17	63.67	84.33	56.91
Other Current Liabilities	18	10.02	8.99	11.51
Provisions	14	4.98	6.16	9.98
Current Tax Liabilities (Net)		-	0.05	16.92
Total Liabilities		842.37	867.31	863.01
TOTAL EQUITY AND LIABILITIES		1,886.84	1,703.86	1,456.17

Material Accounting Policies 1

Accompanying Notes are an integral part of these Financial Statements

This is the Consolidated Balance Sheet referred to in our report of even date

For M.M.Nissim & Co LLP

For and on behalf of the Board of Directors

Chartered Accountants

Firm Reg.No. 107122W / W100672

Sd/
Kirit V. Gala
Chairman and Managing Director
DIN : 01540274

Sd/
Balkishan S. Jalan
Whole Time Director
DIN : 02876873

Sd/
N. Kashinath
Partner
Membership No. 036490
Mumbai, 12th June, 2024

Sd/
S. Giridhar
Chief Financial Officer
Mumbai, 12th June, 2024

Sd/
Pooja Ladha
Company Secretary
Mumbai, 12th June, 2024

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
Consolidated Statement of Profit and Loss for the Year ended 31 March 2024

(Rupees in Million)			
Particulars	Note	Year Ended 31 March 2024	Year Ended 31 March 2023
I	INCOME		
	Revenue from Operations	2,025.46	1,654.65
	Other Income	18.32	16.17
	TOTAL INCOME	2,043.78	1,670.82
II	EXPENSES		
	Cost of materials consumed	900.30	713.64
	Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	(72.83)	(45.75)
	Employee Benefits expense	247.75	232.30
	Finance Costs	61.40	51.60
	Depreciation and Amortisation expense	68.62	60.83
	Other Expenses	562.66	481.22
	TOTAL EXPENSES	1,767.90	1,493.84
III	PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX	275.88	176.98
IV	ADD: EXCEPTIONAL ITEMS	(23.09)	97.59
V	PROFIT BEFORE TAX AND AFTER EXCEPTIONAL ITEMS	252.79	274.57
VI	TAX EXPENSE		
	- Current tax	54.09	30.00
	- Deferred tax	(28.42)	(6.18)
	- Tax adjustments of earlier years	7.19	8.63
	TOTAL TAX EXPENSE	32.86	32.45
	NON-CONTROLLING INTEREST	(3.40)	-
VII	PROFIT FOR THE YEAR	223.33	242.12
VIII	Profit before tax and after exceptional items for the year from continuing operations	260.03	258.08
IX	Tax expense of continuing operations	34.71	32.45
X	Profit for the year from continuing operations	225.33	225.63
XI	Profit/ (Loss) before tax for the year from discontinuing operations	(3.85)	16.49
XII	Tax expense of discontinuing operations	1.85	-
XIII	Profit for the year from discontinuing operations	(2.00)	16.49
XIV	PROFIT FOR THE YEAR FROM CONTINUING AND DISCONTINUING OPERATIONS	223.33	242.12
XV	OTHER COMPREHENSIVE INCOME		
	Items that will not be reclassified to Profit or Loss		
	Remeasurements of Defined benefit plans	0.67	2.88
	Income Tax relating to items that will not be reclassified to Profit or Loss	(0.17)	(0.72)
	Items that will be reclassified to Profit or Loss		
	Exchange differences in translating the financial statements of foreign operations	4.36	0.08
	TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	4.86	2.24
XVI	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	228.19	244.36
XVII	EARNINGS PER EQUITY SHARE FOR CONTINUING OPERATIONS	32 (a)(i)	
	Basic (in Rs.)	22.28*	22.34*
	Diluted (in Rs.)	21.97*	21.96*

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
Consolidated Statement of Profit and Loss for the Year ended 31 March 2024

(Rupees in Million)

Particulars	Note	Year Ended 31 March 2024	Year Ended 31 March 2023
XVIII EARNINGS PER EQUITY SHARE FOR DISCONTINUING OPERATIONS	32 (a)(ii)		
Basic (in Rs.)		(0.20)	1.63
Diluted (in Rs.)		(0.19)	1.60
XIX EARNINGS PER EQUITY SHARE FOR CONTINUING & DISCONTINUING OPERATIONS INCLUDING EXCEPTIONAL ITEMS	32 (a)(iii)		
Basic (in Rs.)		22.09	23.98
Diluted (in Rs.)		21.77	23.56

* EPS Number including exceptional items

Material Accounting Policies

Accompanying Notes are an integral part of these Financial Statements

This is the Consolidated Statement of Profit and Loss referred to in our report of even date

For M.M.Nissim & Co LLP

Chartered Accountants

Firm Reg.No. 107122W / W100672

For and on behalf of the board

Sd/

N. Kashinath

Partner

Membership No. 036490

Mumbai, 12th June, 2024

Sd/

Kirit V. Gala

Chairman and Managing Director

DIN : 01540274

Sd/

S. Giridhar

Chief Financial Officer

Mumbai, 12th June, 2024

Sd/

Balkishan S. Jalan

Whole Time Director

DIN : 02876873

Sd/

Pooja Ladha

Company Secretary

Mumbai, 12th June, 2024

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2024

(Rupees in Million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
A. CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT BEFORE TAX	252.79	274.57
Adjustment for :		
Depreciation	68.62	60.83
Unrealised Exchange (Gain) / Loss	(7.88)	15.88
Write off Inventory	23.65	
Finance Cost (including fair value change in financial instruments)	61.40	51.60
Interest Income	(6.00)	(4.98)
Bad Debts	0.90	1.17
Impairment of financial assets	0.02	0.02
Provision for doubtful debts	2.30	-
Profit on Sale of Property, Plant & Equipment	-	(67.59)
Loss / (Gain) on Sale / Disposal of PPE	2.52	(0.31)
Fair Value changes in Financial Assets	(0.15)	(0.07)
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	145.38	56.54
Trade receivables	(165.40)	(62.08)
Other Financial assets	(15.33)	14.52
Other Non Current Assets	(0.43)	(0.61)
Other Current Assets	(2.96)	13.84
Inventories	(42.58)	(60.34)
Trade Payable	55.62	(56.92)
Provisions	6.06	(0.35)
Other Current Financial Liabilities	(20.66)	27.42
Other liabilities	1.03	(2.52)
CASH GENERATED FROM OPERATIONS	213.52	204.07
Direct Taxes paid	(57.07)	(43.86)
NET CASH FROM OPERATING ACTIVITIES	156.45	160.21
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of PPE	(107.45)	(98.61)
Capital Work in Progress And Capital Advance	(22.49)	(18.39)
Proceeds from Sale of ROU Asset	-	78.59
Proceeds from sale of PPE	1.57	6.49
Loans (Financial assets)	5.04	(3.27)
Deposits/ Balances with Banks	87.52	(93.28)
Interest Income	5.89	4.51
NET CASH USED IN INVESTING ACTIVITIES	(29.91)	(123.95)
C. CASH FLOW FROM FINANCING ACTIVITIES		
(Repayments) / Proceeds from Working Capital Facilities (Net)	61.52	49.31
(Repayments) of Term Loans	(37.38)	(67.04)
Proceeds from Term Loans	40.88	34.81
Repayment of Unsecured Loan	(78.51)	-
Repayment from Inter Corporate Deposit	(22.50)	-
Payment of Lease Liabilities	(2.91)	(1.32)
Change in share of Non Controlling interest	(1.36)	(0.96)
Initial Public Offer Expenses	(18.33)	-
Interest paid	(59.46)	(51.01)
NET CASH FROM FINANCING ACTIVITIES	(118.04)	(36.21)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	8.49	0.04
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE FINANCIAL YEAR	5.34	5.29
- Cash and cash Equivalents	5.34	5.29
CASH AND CASH EQUIVALENTS AS AT END OF THE FINANCIAL YEAR	13.83	5.34
- Cash and cash Equivalents	13.83	5.34

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2024

(Rupees in Million)

Note to Cash Flow Statement:

1. The above Cash Flow Statement has been prepared under the Indirect Method.
2. Reconciliation of Financing Liabilities

	31.03.2024	31.03.2023
Opening balance		
- Long Term Borrowings	204.99	237.74
- Current borrowings	342.86	293.55
- Current maturities of long term debt	37.43	36.92
- Interest accrued on debt	0.70	0.71
Total - A	585.98	568.92
Cash flow movements		
- Proceeds from borrowings	102.40	84.11
- Repayment of borrowings	(138.39)	(67.04)
- Interest	0.28	(0.01)
Total - B	(35.70)	17.06
Closing Balance (A+B)	550.28	585.98
Closing Balance Break Up		
- Long Term Borrowings	92.06	204.99
- Current borrowings	404.38	342.86
- Current maturities of long term debt	52.86	37.43
- Interest accrued on debt	0.98	0.70
	550.28	585.98

This is the Consolidated Statement of Cash Flows referred to in our report of even date

For M.M.Nissim & Co LLP

Chartered Accountants

Firm Reg.No. 107122W / W100672

For and on behalf of the Board of Directors

Sd/

N. Kashinath

Partner

Membership No. 036490

Mumbai, 12th June, 2024

Sd/

Kirit V. Gala

Chairman and Managing Director

DIN : 01540274

Sd/

S. Giridhar

Chief Financial Officer

Mumbai, 12th June, 2024

Sd/

Balkishan S. Jalan

Whole Time Director

DIN : 02876873

Sd/

Pooja Ladha

Company Secretary

Mumbai, 12th June, 2024

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SOCE) AS AT 31ST MARCH 2024

(Rupees in Million)

EQUITY SHARE CAPITAL	As at	As at	As at
	31 March 2024	31 March 2023	31 March 2022
	Amount	Amount	Amount
Authorised Share Capital	180.00	110.00	110.00
Issued Share Capital	25.28	25.28	25.28
Subscribed Share Capital	25.28	25.28	25.28
Fully Paid-up Share Capital	25.28	25.28	25.28
Balance at the beginning of the year	25.24	25.28	25.28
Changes in equity share capital due to prior period errors	-	-	-
Restated Balance as at the beginning of the year	25.24	25.28	25.28
Changes in equity share capital during the year			
Bonus shares issued during the period	75.83	-	-
Add: Cross holding shares sold*	0.04		
Less: Intergroup Elimination*	-	0.04	-
Balance at the end of the reporting year	101.11	25.24	25.28

OTHER EQUITY	Reserves and Surplus				Other Comprehensive Income	TOTAL	Non Controlling Interest
	Securities Premium	Capital Redemption Reserve	Retained Earnings	Remeasurements of Defined Benefit Plans	Foreign currency translation reserve		
Restated Balance as at 31st March 2021	337.24	15.00	117.09	(0.95)	36.42	504.80	-
Profit for the Year ending 31st March 2022	-	-	66.31		-	66.31	-
Other Comprehensive Income for the Year ending 31st March 2022	-	-	-	(0.21)	(3.01)	(3.22)	-
Total Comprehensive Income for the year	-	-	66.31	(0.21)	(3.01)	63.09	-
Balance as at 31st March 2022	337.24	15.00	183.40	(1.16)	33.41	567.88	-
Profit for the year ending 31st March 2023	-	-	242.12		-	242.12	-
Other Comprehensive Income for the year ending 31st March 2023	-	-	-	2.16	0.08	2.24	-
Share of Subsidiary in Reserves	-	-	(0.97)		-	(0.97)	0.21
Share of Non Controlling Interest	-	-	-		-	-	(0.18)
Total Comprehensive Income for the year	-	-	241.16	2.16	0.08	243.39	0.03
Balance as at 31st March 2023	337.24	15.00	424.56	1.00	33.49	811.27	0.03
Profit for the year ending 31st March 2024	-	-	223.33		-	223.33	-
Other Comprehensive Income for the period ending 31st March 2024	-	-	-	0.50	4.36	4.86	-
Share of Non Controlling Interest	-	-	-		-	-	(3.40)
Total Comprehensive Income for the period	-	-	223.33	0.50	4.36	228.19	(3.40)
	337.24	15.00	647.90	1.50	37.85	1,039.47	(3.37)
Transactions with owners in their capacity as owners:							
Others*	1.43		-			1.43	
Issue of Bonus Shares	(60.83)	(15.00)	-			(75.83)	
Initial Public Offer expenses	-	-	(18.33)			(18.33)	
Balance as at 31st March 2024	277.84	-	629.56	1.50	37.85	946.73	(3.37)

*3,500 Shares of holding company held by subsidiary has been transferred during the year resulting in gain of Rs. 1.43 Million

This is the Consolidated Statement of Changes in Equity (SOCE) referred to in our report of even date

For M.M.Nissim & Co LLP

Chartered Accountants

Firm Reg.No. 107122W / W100672

For and on behalf of the Board of Directors

Sd/
Kirit V. Gala
Chairman and Managing Director
DIN : 01540274

Sd/
Balkishan S. Jalan
Whole Time Director
DIN : 02876873

Sd/
N. Kashinath
Partner
Membership No. 036490
Mumbai, 12th June, 2024

Sd/
S. Giridhar
Chief Financial Officer
Mumbai, 12th June, 2024

Sd/
Pooja Ladha
Company Secretary
Mumbai, 12th June, 2024

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note 1 : Material Accounting Policies

A General Information

Gala Precision Engineering Limited (the 'Company')(formerly known as Gala Precision Engineering Private Limited) is a public limited Company and domiciled in India and is incorporated under the provisions of the Companies Act with its registered office located at A-801, 8th Floor, Thane One DIL Complex, Ghodbunder Road Majiwade, Thane. The group is engaged in the manufacturing and selling of Springs, Parts, Fasteners and Assemblies with its manufacturing facilities located at Plot No. 295, Village Vadavali at Post Met, Musarne Road, Bhiwandi - Wada Highway, Taluka Wada, Palghar, Maharashtra

This Consolidated Financial Information comprises of Gala Precision Engineering Limited ("Holding Company") and its subsidiaries (collectively referred to as 'the Group')

Gala Precision Engineering Limited has filed its Draft Red Herring Prospectus (DRHP) with SEBI on February 20, 2024, and is in the process of listing its equity shares on the BSE and NSE

B Basis of Consolidation

The Consolidated Financial Statements comprise of the Financial Statements of the Holding Company and the following Subsidiaries as on March 31st, 2024:

Name of Company	Country of Incorporation	Proportion of Ownership
1. Gala Springs LLP -	India	- 92% (w.e.f 31.03.2023)
2. Gala Precision Components (Shanghai) Private Limited -	China	- 100% (upto 30.03.2023)
3. Gala Precision Components (Shanghai) Private Limited -	China	- 92% (w.e.f 31.03.2023) (Step Down Subsidiary)

The Consolidated Financial Statements comprise the Financial Statements of the Holding Company and its Subsidiaries as at 31st March 2024. Control is achieved when the Holding Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Holding Company controls an investee if and only if the Holding Company has:

- a. Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- b. Exposure, or rights, to variable returns from its involvement with the investee, and
- c. The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Holding Company has less than a majority of the voting or similar rights of an investee, the Holding Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including

- a. The contractual arrangement with the other vote holders of the investee
- b. Rights arising from other contractual arrangements
- c. The Holding Company's voting rights and potential voting rights
- d. The size of the Holding Company's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Holding Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a Subsidiary begins when the Holding Company obtains control over the Subsidiary and ceases when the Holding Company loses control of the Subsidiary. Assets, liabilities, income and expenses of a Subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Holding Company gains control until the date the Holding Company ceases to control the Subsidiary.

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Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments, if material, are made to that group's Financial Statements in preparing the Consolidated Financial Statements to ensure conformity with the group's accounting policies.

The Financial Statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Holding Company, i.e., year ended on 31 March.

Consolidation procedures for subsidiaries are:

- a) a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Holding Company with those of its Subsidiaries.
- b) Offset (eliminate) the carrying amount of the Holding Company's investment in each Subsidiary and the Holding Company's portion of equity of each Subsidiary
- c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and Property, Plant and Equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Holding Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the Financial Statements of Subsidiaries to bring their accounting policies in line with the Holding Company's accounting policies

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Holding Company loses control over a Subsidiary, it

- Derecognises the assets (including goodwill) and liabilities of the Subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the Holding Company's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Holding Company had directly disposed of the related assets or liabilities

Basis of preparation of Financial Statements

The principal accounting policies applied in the preparation of these Consolidated Financial Statements are set out below. These policies have been consistently applied to all the years presented.

The Group has adopted all the applicable Indian Accounting Standards ('Ind AS') in accordance with Ind AS 101 - First Time Adoption of Indian Accounting Standards. The Group has transitioned from its previous GAAP as defined in Ind AS 101 with the necessary disclosures relating to reconciliation of Shareholders equity under Previous GAAP and Ind AS and of the net profit as Previous GAAP and Total Comprehensive Income under Ind AS.

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i. Statement of Compliance

In compliance with SEBI's requirements for companies in process of listing, the Company has adopted Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from 1st April, 2020.

The Financial Statements up to year ended 31st March, 2023 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 and other relevant provisions of the Act ('Previous GAAP').

ii. Basis of preparation and presentation

The Consolidated Financial Statements have been prepared on historical cost basis considering the applicable provisions of Companies Act 2013, except for the following items that have been measured at fair value as required by relevant IND AS. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

- a) Certain financial assets/liabilities measured at fair value and
- b) Any other item as specifically stated in the accounting policy

The Consolidated Financial Statement are presented in INR and all values are rounded off to Rupees Million unless otherwise stated.

The group reclassifies comparative amounts, unless impracticable and whenever the group changes the presentation or classification of items in its Financial Statements materially. No such material reclassification has been made during the year.

The Consolidated Financial Statements of the Group for the year ended 31st March, 2024 were authorised for issue in accordance with a resolution of the directors on 12th June, 2024.

Major Sources of Estimation Uncertainty

In the application of accounting policy which are described in note (C) below, the management is required to make judgment, estimates and assumptions about the carrying amount of assets and liabilities, income and expenses, contingent liabilities and the accompanying disclosures that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant and are prudent and reasonable. Actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future period.

The few critical estimations and judgments made in applying accounting policies are:

Property, Plant and Equipment:

Useful life of Property, Plant and Equipment and Intangible Assets are as specified in Schedule II to the Companies Act, 2013 and on certain assets based on technical advice which considered the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support. The Company reviews the useful life of Property, Plant and Equipment at the end of each reporting period. This reassessment may result in change in depreciation charge in future periods.

Impairment of Non-financial Assets:

For calculating the recoverable amount of non-financial assets, the Company is required to estimate the value-in-use of the asset or the Cash Generating Unit and the fair value less costs to disposal. For calculating value in use the Company is required to estimate the cash flows to be generated from using the asset. The fair value of an asset is estimated using a valuation technique where observable prices are not available. Further, the discount rate used in value in use calculations includes an estimate of risk assessment specific to the asset.

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Impairment of Financial Assets:

The Company impairs financial assets other than those measured at fair value through profit or loss or designated at fair value through other comprehensive income on expected credit losses. The estimation of expected credit loss includes the estimation of probability of default (PD), loss given default (LGD) and the exposure at default (EAD). Estimation of probability of default apart from involving trend analysis of past delinquency rates includes an estimation on forward-looking information relating to not only the counterparty but also relating to the industry and the economy as a whole. The probability of default is estimated for the entire life of the contract by estimating the cash flows that are likely to be received in default scenario. The lifetime PD is reduced to 12 months PD based on an assessment of past history of default cases in 12 months. Further, the loss given default is calculated based on an estimate of the value of the security recoverable as on the reporting date. The exposure at default is the amount outstanding at the balance sheet date

Defined Benefit Plans:

The cost of the defined benefit plan and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. (Refer Note 32 (f))

Income Taxes

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company concludes that no changes are required to lease period relating to the existing lease contracts.

Allowance for credit losses on receivables:

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates. In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future.

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C Summary of Material Accounting Policies:

Ind AS 1 was amended vide notification no G.S.R.242(E) dated 31st March 2023 to require disclosure of Material Accounting Policy information from accounting periods beginning on or after 1 April 2023 instead of significant accounting policy disclosure by amending paragraph 117, inserting paragraphs 117A to 117E and deleting paragraphs 118 to 121. Paragraph 117 of Ind AS 1 states when an information on accounting policy is considered as 'Material Accounting Policy information' as follows:

Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

Each of the policy disclosed herein below has been tested to determine whether the information disclosed is Material Accounting Policy information.

Property, Plant and Equipment

The Group has elected to continue with the carrying value of Property, Plant and Equipment ('PPE') recognised as of the transition date, measured as per the Previous GAAP and use that carrying value as its deemed cost.

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses except for freehold land which is not amortised. Any gain or loss arising on derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in profit or loss with other income or other expense line item on net basis, respectively

The depreciable amount of an asset is determined after deducting its residual value. Depreciation on the property, plant and equipment, is provided over the useful life of assets based on management estimates which is in line with the useful life indicated in Schedule II to the Companies Act, 2013. Depreciation on all assets is provided on straight line basis . Given below are the estimated useful lives for each class of property, plant and equipment:

Particulars	Useful Life
Buildings	
Factory Building	30 Years
Plant and equipment	15 Years
Furniture and fixtures	10 Years
Vehicles	8 Years
Office equipment	5 Years
Computers	3 Years
Spares, tools and equipments	5 Years
Electrical installation	10 Years
Other Assets	
Dies & Moulds	5 Years
Borewell	10 Years
Development cost	10 Years
Lean Improvement	7 Years
Computer Software	6 Years
Leasehold Land	99 Years
Leasehold Building	5 Years

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Intangible Assets

For transition to Ind AS, the Group has elected to continue with the carrying value of intangible assets recognised as of 1st April, 2020 measured as per the Previous GAAP and use that carrying value as its deemed cost as on the transition date.

Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Development cost represents expenditure incurred in relation to development of disc springs, Coil spring & Fastening solutions and related process and is amortised over a period of 10 years, being management's estimate of the period over which economic benefit is expected to be derived therefrom.

Lean Improvement represents expenditure incurred in relation to improvisation of business processes and is amortised over a period of 7 years, being management's estimate of the period over which economic benefit is expected to be derived therefrom.

Software (not being an integral part of the related hardware) acquired for internal use are treated as intangible assets.

Any gain or loss arising on derecognition of an intangible asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in profit or loss with other income or other expense line item on net basis, respectively.

Inventories

Inventories consisting of stores and spares, raw materials, Work in progress, Stock in Trade and finished goods are measured at lower of cost and net realisable value. However, materials held for use in production of inventories are not written down below cost, if the finished products are expected to be sold at or above cost.

The cost is computed on FIFO basis except for Inventory of Raw Material and stores and spares which are on daily moving Weighted Average Cost basis

Inventory obsolescence is based on assessment of the future uses. Obsolete and slow-moving items are subjected to continuous technical monitoring.

Lease

Where the Group is a lessee-

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease term includes extension or termination options when it is reasonably certain that they will be exercised

The right-of-use assets are initially recognized at cost and subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment of whether it will exercise an extension or a termination option

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Government Grants

The grant relating to export benefits is presented under other income on a systematic basis in the Profit or Loss over the periods necessary to match them with the related costs, which they are intended to compensate

Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when there is a present legal or constructive obligation as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provision for separate sales related obligations is made for probable future claims on sales effected and are estimated based on previous claim experience on a scientific basis. This provision is revised annually.

Contingent liabilities are disclosed on the basis of judgment of management / independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Revenue Recognition and Other Income

The Group derives revenues primarily from sale of goods comprising springs, parts, fasteners, and assemblies.

Revenue from contract with customers is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products or services.

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of prompt payment discounts and schemes offered by the Group as part of the contract with the customers. The Group recognises changes in the estimated amounts of obligations for discounts in the period in which the change occurs. Revenue also excludes taxes collected from customers.

Revenue in excess of invoicing is classified as contract assets while invoicing in excess of revenues are classified as contract liabilities.

Use of significant judgements in Revenue Recognition :

- Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount or consideration or variable consideration with elements such as prompt payment discounts. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.
- The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer.

Employee Benefits

Short-term Employees Benefits

All employee benefits payable wholly within twelve months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, performance incentives etc., are recognized during the period in which the employee renders related services and are measured at undiscounted amount expected to be paid when the liabilities are settled.

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Post-employment benefits

The Group provides the following post-employment benefits:

- i) Defined benefit plans such as gratuity and
- ii) Defined Contribution plans such as provident fund

Defined benefits plans

The cost of providing benefits on account of gratuity are determined using the projected unit credit method on the basis of actuarial valuation made at the end of each balance sheet date

Re-measurements comprising of actuarial gains and losses arising from experience adjustments and change in actuarial assumptions, the effect of change in assets ceiling (if applicable) and the return on plan asset (excluding net interest) are recognised in other comprehensive income (OCI) except those included in cost of assets as permitted in the period in which they occur. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

Defined Contribution Plans

Payments to defined contribution retirement benefit plans, viz., Provident Fund for eligible employees are recognized as an expense when employees have rendered the service entitling them to the contribution.

Income Taxes

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognised in the profit or loss section of the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax

Current tax is the expected tax payable/ receivable on the taxable income/ loss for the year using applicable tax rates for the relevant period, and any adjustment to taxes in respect of previous years. Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to Income tax is included in Other Income

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, unabsorbed losses and unabsorbed depreciation to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and unabsorbed depreciation can be utilised.

Financial Instruments

Financial assets other than investment in subsidiaries

Financial assets of the Group comprise trade receivable, cash and cash equivalents, Bank balances, advances to employees, security deposit, claims recoverable etc.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. However, Trade receivables that do not contain a significant financing component are measured at Transaction Price. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in three categories:

- Financial assets measured at amortized cost
- Financial assets at fair value through OCI
- Financial assets at fair value through profit or loss

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Financial assets measured at amortized cost

Security Deposits, Rent deposits and Export benefits receivable are measured at amortised cost. Financial assets are measured at amortized cost if the financials asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financials assets are amortized using the effective interest rate (EIR) method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss.

Financial assets at fair value through profit or loss ('FVTPL')

Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income, is classified as financial assets at fair value through profit or loss

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Impairment of financial assets

The Group assesses impairment based on expected credit loss ('ECL') model on the following:

- Financial assets that are measured at amortised cost; and

ECL is measured through a loss allowance on a following basis:-

- The 12 month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within 12 months after the reporting date)
- Full life time expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments)

The Group follows 'simplified approach' for recognition of impairment on trade receivables or contract assets resulting from normal business transactions. The application of simplified approach does not require the Group to track changes in credit risk. However, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, from the date of initial recognition.

For recognition of impairment loss on other financial assets, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has increased significantly, lifetime ECL is provided. For assessing increase in credit risk and impairment loss, the Group assesses the credit risk characteristics on instrument-by-instrument basis.

Impairment loss allowance (or reversal) recognised during the period is recognised as expense/income in profit and loss.

b) Financial Liabilities

The Group's financial liabilities includes borrowings, trade payable, lease liabilities, accrued expenses and other payables.

Initial recognition and measurement

All financial liabilities at initial recognition are classified as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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Financial Liabilities classified as Amortised Cost:

All Financial Liabilities other than derivatives are measured at amortised cost. Interest expense that is not capitalised as part of costs of assets is included as Finance costs in Profit or Loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged / cancelled / expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Derivatives

Derivative instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument and is recognised in Other Comprehensive Income (OCI).

Borrowing costs

Borrowing cost includes interest, commitment charges, brokerage, underwriting costs, discounts / premiums, financing charges, exchange difference to the extent they are regarded as interest costs and all ancillary / incidental costs incurred in connection with the arrangement of borrowing.

Borrowing costs which are directly attributable to acquisition / construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized as a part of cost pertaining to those assets. All other borrowing costs are recognised as expense in the period in which they are incurred.

The Group identifies the borrowings into specific borrowings and general borrowings. Specific borrowings are borrowings that are specifically taken for the purpose of obtaining an asset. Borrowing cost incurred on specific borrowings are capitalised to the cost of the qualifying asset. For general borrowings, the Group determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on the qualifying asset based on the weighted average of the borrowing costs applicable to general borrowings. The capitalisation on borrowing costs commences when the Group incurs expenditure for the asset, incurs borrowing cost and undertakes activities that are necessary to prepare the asset for its intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development of a qualifying asset is suspended. The capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifiver, could be reduced in the near term if estimates o

Share based Payments

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense

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Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors identified as chief operating decision maker (CODM). The CODM is responsible for allocating resources and assessing performance of the operating segments. Segments are organised based on type of services delivered or provided. Segment revenue arising from third party customers is reported on the same basis as revenue in the Group Ind AS financial statements. Segment results represent profits before unallocated corporate expenses and taxes. "Unallocated Corporate Expenses" include expenses that relate to costs attributable to the Group as a whole and are not attributable to segments

D First time adoption of Ind AS - mandatory exceptions / optional exemptions

Overall principle

The Group has prepared the opening balance sheet as per Ind AS as of April 1, 2020 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying certain items from Previous GAAP to Ind AS as required under the Ind AS, and applying Ind AS in the measurement of recognised assets and liabilities. However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Group as detailed below.

Deemed cost for PPE, CWIP and Intangible assets

The Group has elected to continue with the carrying value of its PPE, CWIP and Intangible assets recognized as of 1st April 2020 (Transition date) measured as per previous GAAP and use that carrying value as its deemed cost as of the transition date.

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Note 2 (a) Property, Plant and Equipment

Particulars	(Rupees in Million)										
	Freehold Land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Spares, tools and equipments	Electrical installation	Other Assets	Total
Gross Block											
At cost as at 31 March 2021	8.69	93.34	250.02	26.50	6.76	4.33	3.54	2.21	9.71	28.35	433.45
Additions	-	3.24	21.28	0.40	6.76	0.28	0.91	0.01	1.11	4.50	38.49
Disposals	-	(0.00)	(2.47)	(0.16)	(2.31)	(0.21)	(0.12)	(0.10)	(0.09)	(1.86)	(7.32)
At cost as at 31 March 2022	8.69	96.58	268.83	26.73	11.22	4.40	4.34	2.11	10.73	30.99	464.62
Additions	-	0.23	32.54	1.95	0.92	1.38	2.24	1.02	0.81	3.38	44.47
Disposals /adjustments	-	(4.51)	(0.19)	(1.10)	(1.08)	(0.00)	(0.09)	-	(0.38)	-	(7.35)
At cost as at 31 March 2023	8.69	92.30	301.18	27.58	11.06	5.78	6.49	3.13	11.16	34.36	501.74
Additions	-	4.25	49.40	3.13	5.74	0.86	1.62	1.06	1.53	6.33	73.91
Disposals /adjustments	-	-	(2.42)	-	-	-	-0.11	-	(0.35)	-	(2.87)
At cost as at 31 March 2024	8.69	96.55	348.16	30.71	16.80	6.64	8.01	4.19	12.34	40.69	572.78
Depreciation Block											
Accumulated depreciation/ amortisation as at 31 March 2021	-	3.38	20.28	4.85	1.49	1.30	1.34	0.66	1.50	7.61	42.42
Depreciation / Amortisation for the period	-	3.53	20.17	3.50	0.95	0.93	1.26	0.59	1.48	8.17	40.58
Disposals /adjustments	-	(0.00)	(0.35)	(0.04)	(0.21)	(0.06)	(0.04)	(0.05)	(0.02)	(1.13)	(1.91)
Impairment	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation/ amortisation as at 31 March 2022	-	6.91	40.11	8.31	2.23	2.16	2.56	1.21	2.96	14.65	81.10
Depreciation / Amortisation for the year	-	3.35	21.00	3.44	1.39	0.69	1.19	0.58	1.48	7.17	40.28
Disposals /adjustments	-	(0.45)	(0.04)	(0.13)	(0.42)	(0.00)	(0.05)	-	(0.09)	-	(1.18)
Accumulated depreciation/ Amortisation as at 31 March 2023	-	9.81	61.07	11.61	3.20	2.86	3.69	1.78	4.36	21.82	120.20
Depreciation / Amortisation for the year	-	3.32	23.40	3.58	1.63	0.87	1.37	0.46	1.55	4.98	41.17
Disposals /adjustments	-	-	-0.65	-	-	-	-0.08	-	-0.57	-	(1.30)
Accumulated depreciation/ Amortisation as at 31 March 2024	-	13.14	83.81	15.20	4.83	3.73	4.98	2.24	5.34	26.80	160.07
Net Block											
As at 31 March 2022	8.69	89.67	228.73	18.42	8.99	2.24	1.79	0.91	7.76	16.33	383.52
As at 31 March 2023	8.69	82.49	240.12	15.97	7.86	2.92	2.80	1.35	6.80	12.54	381.54
As at 31 March 2024	8.69	83.42	264.35	15.52	11.97	2.91	3.02	1.95	7.01	13.89	412.71

Note 3 (a) Intangibles

(Rupees in Million)			
Development cost	Lean Improvement	Computer Software	Total
178.83	15.00	3.50	197.33
31.11	-	1.66	32.77
(24.99)	-	(0.02)	(25.01)
184.95	15.00	5.14	205.09
29.20	-	0.77	29.96
-	-	(0.00)	(0.00)
214.15	15.00	5.90	235.05
34.55	-	0.07	34.62
-	(1.56)	(0.71)	(2.27)
248.70	13.44	5.26	267.40
15.70	2.14	0.60	18.44
21.33	2.15	0.74	24.22
(5.94)	-	(0.00)	(5.94)
-	-	-	-
31.09	4.29	1.34	36.72
18.59	2.14	0.80	21.53
-	-	-	-
49.68	6.43	2.14	58.25
21.35	2.01	0.82	24.19
-	(0.65)	(0.37)	(0.37)
71.03	7.80	2.59	81.42
153.86	10.71	3.80	168.37
164.47	8.57	3.77	176.80
177.66	5.64	2.67	185.98

Notes:

1. The title deeds of immovable properties are held in the name of the Group.
2. The Group has elected to continue with the carrying value of its property, plant and equipment recognised as of 1st April, 2020 (transition date) measured as per the previous GAAP and use that carrying value as the deemed cost as of the date of transition date.
3. Other Assets includes Dies, Moulds and Borewell
4. During the year, the group has capitalised borrowing cost to the cost of capital work in progress

Particulars	31-Mar-24	31-Mar-23	31-Mar-22
Borrowing Cost	1.85	0.84	0.29
Total	1.85	0.84	0.29

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Note 2 (b) : Right of use asset	(Rupees in Million)		
Particulars	Land	Building	Total
Gross Block			
Carrying value as at 1st April 2021	11.63	-	11.63
Additions	-	-	-
Disposals	-	-	-
Carrying value as at 31st March 2022	11.63	-	11.63
Additions	28.76	22.11	50.86
Disposals / adjustments	(11.37)	-	(11.37)
Carrying value as at 31st March 2023	29.02	22.11	51.13
Additions	-	0.05	0.05
Disposals / adjustments	-	-	-
Carrying value as at 31st March 2024	29.02	22.16	51.18
Depreciation Block			
Accumulated depreciation / Amortisation as at 31st March 2022	0.53	-	0.53
Depreciation / Amortisation for the year	0.17	1.13	1.30
Disposals	(0.37)	-	(0.37)
Accumulated depreciation / Amortisation as at 31st March 2023	0.33	1.13	1.46
Depreciation / Amortisation for the year	0.28	4.21	4.48
Disposals	-	-	-
Accumulated depreciation / Amortisation as at 31st March 2024	0.61	5.33	5.94
Net Block			
As at 31st March 2022	11.10	-	11.10
As at 31st March 2023	28.69	20.98	49.67
As at 31st March 2024	28.41	16.82	45.23

Note 2 (c). Capital Work-in-Progress	(Rupees in Million)			Note 3 (b)
Particulars	Buildings	Plant and equipment	Total	Intangible Assets under development
At cost as at 1 April 2021	-	4.85	4.85	31.11
Additions	-	0.32	0.32	29.33
Capitalised during the year	-	(3.92)	(3.92)	(31.11)
At cost as at 31 March 2022	-	1.26	1.26	29.33
Additions	3.36	8.10	11.46	34.55
Capitalised during the year	-	(0.21)	(0.21)	(29.33)
At cost as at 31 March 2023	3.36	9.14	12.50	34.55
Additions	27.19	4.72	31.92	33.34
Capitalised during the year	-3.05	(9.06)	(12.11)	-34.55
At cost as at 31 March 2024	27.50	4.80	32.30	33.34

CWIP aging schedule (Rupees in Million)						
CWIP	Amount in CWIP for a period of					
	Less than 6 months	6 months - 1 years	1 - 2 Years	2 - 3 Years	More than 3 years	As at 31 March 2024
Tangible Assets:						
Projects in progress	25.53	6.01	0.31	-	0.46	32.31
Intangible Assets:						
Projects in progress	33.34	-	-	-	-	33.34
Total	58.87	6.01	0.77	-	0.46	65.65

CWIP aging schedule (Rupees in Million)						
CWIP	Amount in CWIP for a period of					
	Less than 6 months	6 months - 1 years	1-2 Years	2 - 3 Years	More than 3 years	As at 31 March 2023
Tangible Assets:						
Projects in progress	11.46	-	0.09	-	0.96	12.50
Intangible Assets:						
Projects in progress	34.55	-	-	-	-	34.55
Total	46.01	-	0.09	-	0.96	47.05

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CWIP aging schedule

(Rupees in Million)

CWIP	Amount in CWIP for a period of					
	Less than 6 months	6 months - 1 years	1-2 Years	2-3 years	More than 3 years	As at 31 March 2022
Tangible Assets:						
Projects in progress	0.30	-	-	0.63	0.33	1.26
Intangible Assets:						
Projects in progress	29.33	-	-	-	-	29.33
Total	29.63	-	-	0.63	0.33	30.59

Notes:

i. During the year, the company has capitalised the following expenses of revenue nature to the cost of Capital Work-In-Progress and Property, Plant and Equipment.

Particulars	31-Mar-24	31-Mar-23	31-Mar-22
Raw material	3.19	0.35	0.16
Personnel costs	17.73	17.82	17.22
Process costs	4.40	3.31	5.92
Testing costs	0.86	0.25	0.16
Job-work cost	4.96	4.08	3.75
Technical fees and other expenses	3.41	3.52	3.91
Total	34.55	29.33	31.11

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Note 4

Other Financial Assets

(Rupees in Million)

Particulars	Non-Current			Current		
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Carried at amortised cost						
Others;						
Security Deposits	8.12	5.88	5.87	2.00	-	-
Interest Accrued on Loans and Deposits				0.80	0.68	0.22
Export benefits receivable				8.51	3.17	13.52
Others				2.64		
Deposits - Rent	3.00	3.10	0.24	0.24	0.18	0.18
At FVTPL						
Foreign Currency Forward Contract Receivable				3.28	-	7.04
Total	11.12	8.98	6.11	17.47	4.03	20.96

Note 5

Other Assets

(Rupees in Million)

Particulars	Non-Current			Current		
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Capital Advances	14.63	6.30	4.43			
Advances other than capital advances;						
Advances to suppliers						
Considered good				20.94	17.74	20.26
Considered doubtful				0.20	0.20	0.20
Less: Provision for doubtful advances				(0.20)	(0.20)	(0.20)
Sub Total	14.63	6.30	4.43	20.94	17.74	20.26
Others						
Balance with Statutory authorities				11.17	9.67	22.82
Prepaid Expenses	1.04	0.61	-	5.29	7.01	5.19
Sub Total	1.04	0.61	-	16.45	16.69	28.01
Total	15.68	6.91	4.44	37.39	34.43	48.27

Note 6

Inventories

(Rupees in Million)

Particulars	As at	As at	As at
	31 March 2024	31 March 2023	31 March 2022
(Valued at lower of Cost and Net Realisable Value)			
Raw Materials	201.23	258.60	252.92
Work-in-progress	147.85	139.85	110.66
Finished goods	189.43	124.60	108.04
Stores and spares	37.99	34.52	25.61
Total	576.50	557.57	497.23

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Note 7

Trade Receivables

(Rupees in Million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Trade receivables			
Unsecured, considered good	469.68	299.63	254.57
Trade Receivables - credit impaired	2.09	-	1.71
Less: Allowance for bad and doubtful debts	(2.09)	-	(1.71)
Total	469.68	299.63	254.57

Note: The Group has used a practical expedient for computing expected credit loss allowance for trade receivables, taking into account historical credit loss experience and accordingly, provisions are made for expected credit loss for amounts due from customers where necessary.

Trade Receivables ageing schedule

(Rupees in Million)

Particulars	Ageing						As at 31 March 2024
	Not Due	Less than 6 months	6 months -1 year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade receivables – considered good	273.14	186.28	7.42	1.16	0.96	0.72	469.68
Disputed Trade Receivables – credit impaired	-	-	0.71	0.52	0.46	0.40	2.09

Trade Receivables ageing schedule

(Rupees in Million)

Particulars	Ageing						As at 31 March 2023
	Not Due	Less than 6 months	6 months -1 year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade receivables – considered good	163.96	119.45	5.81	3.61	3.61	3.19	299.63
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-

Trade Receivables ageing schedule

(Rupees in Million)

Particulars	Ageing						As at 31 March 2022
	Not Due	Less than 6 months	6 months -1 year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade receivables – considered good	132.88	102.09	9.00	5.58	1.70	3.32	254.57
Disputed Trade Receivables – credit impaired	-	-	-	0.20	0.67	0.84	1.71

Note 8

Cash and Cash Equivalents

(Rupees in Million)

Particulars	As at 31 March 2024	As at 31 March 2024	As at 31 March 2022
Balances with Banks (of the nature of cash and cash equivalents)	13.05	4.83	4.60
Cash on hand	0.78	0.51	0.69
Total	13.83	5.34	5.29

Note 9

Bank Balances other than Cash and Cash Equivalents

(Rupees in Million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Margin money deposits with Banks	26.70	25.75	21.42
Collateral money deposits with Banks	-	87.90	-
Current account held at a foreign branch	0.47	1.04	-
Total	27.17	114.69	21.42

Note 10

Loans (Unsecured, considered good)

(Rupees in Million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Loans and Advances to employees	1.22	6.26	2.99
Total	1.22	6.26	2.99

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Note 11: Equity Share Capital

	As at 31 March 2024		As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount	Number	Amount
Authorised Share Capital	1,80,00,000	180.00	1,10,00,000	110.00	1,10,00,000	110.00
Issued Share Capital	1,01,11,584	100.97	25,27,896	25.28	25,27,896	25.28
Subscribed Share Capital	1,01,11,584	100.97	25,27,896	25.28	25,27,896	25.28
Fully Paid-up Share Capital	1,01,11,584	101.12	25,27,896	25.28	25,27,896	25.28
Balance at the beginning of the year	25,24,396	25.24	25,27,896	25.28	25,27,896	25.28
Changes in equity share capital during the year:						
Less: Intergroup Elimination		-	3,500	0.04	-	-
Less: Intergroup holding sold**	3,500	0.04				
Bonus shares issued during the period*	75,83,688	75.83				
Issued and subscribed share capital	1,01,11,584	101.11	25,24,396	25.24	25,27,896	25.28

Rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital

The Holding company has equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Holding Company after distribution of all preferential amounts, in proportion to their shareholding.

Shares in the Company held by each shareholder holding more than five per cent shares	As at 31 March 2024		As at 31 March 2023		As at 31 March 2022	
	No.	%	No.	%	No.	%
- Kirit Vishanji Gala	27,91,488	27.61	5,72,872	22.66	5,72,872	22.66
- Vishanji Harshi Gala	5,40,800	5.35	3,85,200	15.24	3,85,200	15.24
- Rumie Kirit Gala	13,03,888	12.89	3,11,772	12.33	3,11,772	12.33
- Taramati V Gala	10,41,600	10.30	2,60,400	10.3	2,60,400	10.3
- Pooja Unichem LLP	6,60,000	6.53	1,65,000	6.53	1,65,000	6.53
- Smeet Kirit Gala	5,89,144	5.83	22,286	0.88	22,286	0.88

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Note 11: Equity Share Capital

Particulars of promoter & promoter Group holding	As at 31 March 2024			As at 31st March 2023			As at 31st March 2022		
	Number	% of total shares in the class	% Change during the year	Number	% of total shares in the class	% Change during the year	Number	% of total shares in the class	% Change during the year
Equity shares of Rs. 10 each, fully paid-up held by-									
- Kirit Vishanji Gala	27,91,488	27.61	21.82%	5,72,872	22.66	-	5,72,872	22.66	-
- Vishanji Harshi Gala	5,40,800	5.35	-64.90%	3,85,200	15.24	-	3,85,200	15.24	-6.32%
- Rumie Kirit Gala	13,03,888	12.89	4.55%	3,11,772	12.33	-	3,11,772	12.33	-
- Taramati V Gala	10,41,600	10.30	-	2,60,400	10.30	-	2,60,400	10.30	-
- Vishanji Harshi Gala(HUF)	54,400	0.54	-75.00%	54,400	2.15	-	54,400	2.15	-30.17%
- Kirit Vishanji Gala(HUF)	2,13,600	2.11	-	53,400	2.11	-	53,400	2.11	-
- Nayna Gala	2,54,400	2.52	27.20%	50,000	1.98	-	50,000	1.98	-
- Alpa Kiran Chheda	2,54,400	2.52	27.20%	50,000	1.98	-	50,000	1.98	-
- Vaibhavi Gala	2,00,000	1.98	-	50,000	1.98	-	50,000	1.98	-
-Rajiv and Anupa Ashar Family Trust	1,07,200	1.06	-	26,800	1.06	-	26,800	1.06	-
- Saloni Kirit Gala	89,144	0.88	-	22,286	0.88	-	22,286	0.88	-
- Smeet Kirit Gala	5,89,144	5.83	560.89%	22,286	0.88	-	22,286	0.88	-
- Madhu Ashar	84,000	0.83	-	21,000	0.83	-	21,000	0.83	-
- Manisha Ashar	14,800	0.15	1750.00%	200	0.01	-	200	0.01	-

***Note on Issue of Bonus Shares**

The Board of Directors of the Company, at its meeting held on 17th August, 2023 had approved reclassification of authorized share capital of ₹18,00,00,000/- divided into ₹11,00,00,000/- comprising of 1,10,00,000 Equity shares of ₹10/- each and ₹7,00,00,000/- comprising of 70,00,000 Preference shares of Rs.10/- each to ₹18,00,00,000/- divided into 1,80,00,000 Equity Shares of ₹10/-, which was approved by the shareholders by means of a special resolution dated September 5, 2023.

Post reclassification of the existing authorised share capital of the company, the Board of Directors at its meeting held on 17th August, 2023 had approved the bonus issue of three new equity share for every one share held on record date, which was approved by the shareholders by means of an Special resolution dated 5th September, 2023. The record date for the bonus issue is 27th September, 2023. The sum of ₹ 75.37 Million by capitalisation of profits transferred from security premium amounting to ₹ 60.73 Million and capital reserve amounting to ₹ 15 Million. The company had allotted 75,83,688 weighted average number of equity shares of ₹ 10 each by way of bonus issue to its shareholders in ratio of 3:1 effective 27th September, 2023

** 3,500 Shares of holding company held by subsidiary has been transferred during the year resulting in gain of Rs. 1.43 Million

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Note 12: Other Equity

a. Other Equity

(Rupees in Million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Securities Premium	277.84	337.24	337.24
Capital Redemption Reserve	-	15.00	15.00
Retained Earnings	629.54	424.55	183.40
Remeasurements of Defined Benefit Plans	1.50	1.00	-1.16
Items of Other Comprehensive Income	37.85	33.49	33.41
Total	946.73	811.26	567.88

b. Movements in other equity

(Rupees in Million)

Particulars	Reserves and Surplus					Other Comprehensiv e Income	TOTAL	Non Controlling Interest
	Securities Premium	Capital Redemption Reserve	Retained Earnings	Remeasurements of Defined Benefit Plans	Foreign currency translation reserve			
Balance as at - 1st April, 2021	337.24	15.00	117.09	(0.95)	36.42		504.80	
Profit for the Year ending 31st March 2022			66.31		-		66.31	
Other Comprehensive Income for the Year ending 31st March 2022				(0.21)	(3.01)		(3.22)	
Total Comprehensive Income for the Year	-	-	66.31	(0.21)	(3.01)		63.09	-
Balance as at 31st March 2022	337.24	15.00	183.40	(1.16)	33.41		567.88	-
Profit for the Year ending 31st March 2023	-	-	242.12		-		242.12	
Other Comprehensive Income for the Year ending 31st March 2023	-	-		2.16	0.08		2.24	
Share of Subsidiary in Reserves	-	-	(0.97)		-		(0.97)	0.21
Share of Non Controlling Interest	-	-	-		-		-	(0.18)
Total Comprehensive Income for the year	-	-	241.16	2.16	0.08		243.39	0.03
Balance as at 31st March 2023	337.24	15.00	424.55	1.00	33.49		811.27	0.03

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Particulars	Reserves and Surplus				Other Comprehensive Income	TOTAL	Non Controlling Interest
	Securities Premium	Capital Redemption Reserve	Retained Earnings	-1.16	Foreign currency translation reserve		
Profit for the Year ending 31st March 2024	-	-	223.33		-	223.33	(3.40)
Other Comprehensive Income for the Year ending 31st March 2024	-	-		0.50	4.36	4.87	
Total Comprehensive Income for the year	-	-	223.33	0.50	4.36	228.19	(3.40)
Balance as at 31st March 2024	337.24	15.00	647.88	1.50	37.85	1,039.47	(3.37)
Transactions with owners in their capacity as owners:	-	-	-	-	-	-	-
Others*	1.43					1.43	
Issue of Bonus Shares	(60.83)	(15.00)				(75.83)	
Initial Public Offer expenses			(18.33)			(18.33)	
Balance as at 31st March 2024	277.84	-	629.54	1.50	37.85	946.73	(3.37)

Nature and Purpose of each component of equity	Nature and Purpose
i. Securities Premium	Amounts received in excess of par value on issue of shares is classified as Securities Premium
ii. Capital Redemption Reserve	Capital Redemption Reserve represents statutory reserve created upon buyback of Preference shares in the earlier years.
iii. Retained Earnings	Retained earnings are the profits that the Group has earned till date, less any dividends or other distributions paid to shareholders
iv. Remeasurements of Defined Benefit Plans	Gains / Losses arising on Remeasurements of Defined Benefit Plans are recognised in the Other Comprehensive Income as per IND AS-19 and shall not be reclassified to the Statement of Profit or Loss in the subsequent years.
v. Foreign currency translation reserve	Exchange differences relating to the translation of the results and net assets of the groups foreign operations from their functional currencies to the Group's presentation currency, i.e, Indian Rupees.

*Shares of holding company held by subsidiary has been transferred during the year resulting in gain of Rs. 1.43 Million

GALA PRECISION ENGINEERING LIMITED

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note 13

Borrowings

(Rupees in Million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
<u>NON CURRENT</u>			
<u>Secured</u>			
Term loans;			
- from Banks	92.06	103.98	95.28
<u>Unsecured</u>			
- Loan from Shareholders / Directors	-	78.51	119.96
- Inter-corporate deposits	-	22.50	22.50
Sub total	92.06	204.99	237.74
<u>CURRENT</u>			
<u>Secured</u>			
Current maturities of long-term debt	52.86	37.43	36.92
Interest accrued and due on term loan	0.98	0.70	0.71
Loans repayable on demand			
- from banks	404.38	342.86	293.55
Sub total	458.22	380.99	331.18
Total	550.28	585.98	568.92

A. Nature of Borrowings	Interest Rate and terms of repayments
Term loans	
<i>- From HDFC Bank Ltd. (secured)</i>	
The loans are secured by first and exclusive charge by way of hypothecation on certain specific equipments financed through the loan.	The loan carries rate of interest of 9.70% per annum. The loan is repayable in 75 monthly (Including moratorium) installments from the 7 Jun 2022.
<i>- From Yes Bank Ltd. (secured)</i>	
The loans are secured by first and exclusive charge by way of hypothecation on certain specific equipments financed through the loan.	The loan carries rate of interest of 9.75 % per annum. (Previous Year 9.60% per annum). The loan is repayable in 84 monthly installments from the 5 Jul 2019.
Emergency Credit Line Gurantee Scheme	
<i>- From HDFC Bank Ltd. (secured)</i>	
The loans are secured by first and exclusive charge by way of hypothecation on certain specific equipments financed through the loan.	The loan carries rate of interest of 9.25% per annum. (Previous Year 8.25% to 9.25 % per annum). The loan is repayable in 48 monthly after one year of moratorium i.e. 1 Oct 2021.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note 13

Borrowings

(Rupees in Million)

A. Nature of Borrowings	Interest Rate and terms of repayments
<p>- From Yes Bank Ltd. (secured) The loans are secured by first and exclusive charge by way of hypothecation on certain specific equipments financed through the loan.</p>	<p>The loan carries rate of interest of 8.64% to 9.25% per annum. (Previous Year 8.88% per annum). The loan is repayable in 48 monthly after one year of moratorium i.e. 1 Nov 2021.</p>
<p>Vehicle finance loan (secured) The loans are secured against hypothecation of related vehicles taken under the loans.</p>	<p>The loan carries rate of interest of 8.46% to 10.50% per annum [previous year: 8.46% to 10.50% per annum The loans are repayable in equated monthly installments, from the month subsequent to disbursement of the loan.</p>
<p>Cash credit and overdraft facilities from HDFC Bank Ltd. and Yes Bank Ltd. are secured by pari passu charge by way of hypothecation of inventories of raw materials and finished goods and book debts, both present and future.</p>	<p>Cash credit and overdraft facilities from HDFC Bank Ltd. carries rate of interest of 8.25% to 10.50% per annum [previous year: Mar-23 : from 8.25% to 10.50%, Mar-22 : 8.85% to 10.25% per annum] and Yes Bank Ltd. carries rate of interest of 8.90% to 10.50% per annum [previous year: Mar-23 from 8.85% to 10.25%, Mar-22 from 9.05% to 10.10%,], computed on a monthly basis on the actual amount utilised, and are repayable on demand</p>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note 14

Provisions (Rupees in Million)

Particulars	Non Current			Current		
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits (Refer Note 32 (g))						
Gratuity	39.28	35.08	30.30	3.81	5.07	8.94
Leave Encashment	13.28	10.91	9.34	1.16	1.09	1.04
Total	52.56	45.99	39.64	4.98	6.16	9.98

Note 15

Deferred Tax Liabilities - (Net) (Rupees in Million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Deferred Tax Liabilities (Net);			
- Arising on account of difference in carrying amount and tax base of PPE and Intangibles	57.71	63.58	74.61
- Remeasurement of Defined Benefit Plans	0.41	0.24	-
Deferred Tax Asset:			
- Right-of-use and lease liability	0.35	0.11	-
- Security deposit	0.01	0.00	-
- Remeasurement of Defined Benefit Plans	-	-	0.48
- Accrued Expenses allowable on Actual Payments	18.26	26.19	43.16
- Brought forward long term capital loss	30.22	-	-
	9.28	37.53	30.97
Less: MAT Credit	-	0.59	9.84
Total	9.28	36.94	21.13

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

COMPONENTS OF DEFERRED TAX LIABILITY (NET)

Particulars	As on March 31, 2024				As on March 31, 2023			
	Opening Balance	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance	Opening Balance	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
Tax effect of items constituting deferred tax liabilities								
Depreciation and amortisation	63.58	(5.87)		57.71	74.61	11.03		63.58
Gross deferred tax liabilities (a)	63.58	(5.87)	-	57.71	74.61	11.03	-	63.58
Tax effect of items constituting deferred tax assets								
Accrued expenses allowable on actual payments	26.19	(7.92)		18.26	43.16	16.97		26.19
On Remeasurement of Defined Benefit Plans	(0.24)		(0.17)	(0.41)	0.48		(-0.72)	(0.24)
On Brought forward long term capital loss	-	30.22		30.22				
On Right of Use Asset	0.11	0.24		0.35		0.11		0.11
Others	0.00	0.01		0.01		0.00		0.00
Gross deferred tax assets (b)	26.06	22.55	-0.17	48.43	43.64	17.09	-0.72	26.06
Net deferred tax liability (a - b)	37.52	(28.42)	0.17	9.28	30.97	(6.06)	0.72	37.52

COMPONENTS OF DEFERRED TAX LIABILITY (NET)

Particulars	As on March 31, 2022			
	Opening Balance	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Depreciation and amortisation	70.82	3.79		74.61
Gross deferred tax liabilities (a)	70.82	3.79	-	74.61
Tax effect of items constituting deferred tax assets				
Accrued expenses allowable on actual payments	40.84	2.32		43.16
On Remeasurement of Defined Benefit Plans	0.39		0.09	0.48
Gross deferred tax assets (b)	41.23	2.32	0.09	43.64
Net deferred tax liability (a - b)	29.59	1.47	(0.09)	30.97

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note 16

Trade Payables

(Rupees in Million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Outstanding due of Micro and Small Enterprises (Refer Note 32(b))	3.28	6.75	3.14
Outstanding due of Creditors other than Micro and Small Enterprises	133.42	74.33	134.86
Total	136.70	81.08	138.00
Of the above;			
- Acceptances	25.62	6.37	40.05

Trade Payables aging schedule

(Rupees in Million)

Particulars	Not due	Outstanding for following periods from due date of payment				As at 31 March 2024
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	3.16	0.12	-	-	-	3.28
(ii) Others	77.24	56.18	-	-	-	133.42
Total	80.40	56.30	-	-	-	136.70

Trade Payables aging schedule

(Rupees in Million)

Particulars	Not due	Outstanding for following periods from due date of payment				As at 31 March 2023
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	5.07	1.68	-	-	-	6.75
(ii) Others	43.60	24.30	4.36	0.11	1.96	74.33
Total	48.67	25.98	4.36	0.11	1.96	81.08

Trade Payables aging schedule

(Rupees in Million)

Particulars	Not due	Outstanding for following periods from due date of payment				As at 31 March 2022
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	1.41	1.39	-	-	-	2.80
(ii) Others	85.35	45.55	0.70	0.28	2.98	134.86
(iii) Disputed dues - MSME	-	-	0.34	-	-	0.34
Total	86.76	46.94	1.04	0.28	2.98	138.00

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note 17
Other Financial Liabilities (Rupees in Million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Carried at Amortised Cost :			
Security Deposit	4.25	6.50	3.00
Capital Creditors	4.78	2.25	1.73
Liability for Employee benefits	29.31	25.83	26.15
Others	25.33	35.11	26.03
Carried at FVTPL :			
Forward Exchange Contracts	-	14.64	-
Total	63.67	84.33	56.91

Note 18
Other Liabilities (Rupees in Million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Contract Liabilities	2.95	3.27	4.17
Others;			
Statutory Dues	7.07	5.72	5.84
Other advance	-	-	1.50
Total	10.02	8.99	11.51

Movement of contract liabilities is as under ; (Rupees in Million)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
As at beginning of the year	3.27	4.15	3.90
Recognised as revenue from contracts with customers	4.37	100.85	24.06
Advance from customers received during the year	(4.69)	(101.73)	(23.81)
Balance at the close of the year	2.95	3.27	4.15

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note 19

Revenue from Operations

(Rupees in Million)

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Sale Of Products	1,942.98	1,577.62
Sale Of Services	0.82	1.09
Other Operating Revenues:		
Export Incentives	17.00	11.13
Scrap Sales	64.65	64.81
Total	2,025.46	1,654.65

Reconciliation of revenue recognised with the contracted price is as follows:

(Rupees in Million)

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Gross Sales (Contracted Price)	1,947.08	1,580.35
Reductions towards variable consideration (Discount, Other Expenses)	(4.10)	(2.73)
Revenue recognised	1,942.99	1,577.62

Note 20

Other Income

(Rupees in Million)

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Interest on margin money/others	6.00	4.98
Discount on Forward Contracts	9.43	10.33
Profit on sale of PPE (net)	-	0.31
Gain on Foreign Exchange Translations	2.74	-
Miscellaneous Income	-	0.48
Unwinding of discounted rental deposit	0.15	0.07
Total	18.32	16.17

Note 21

Cost of Materials consumed

(Rupees in Million)

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Opening Stock of Raw Materials	258.60	253.22
Purchases during the year	842.93	719.02
Closing Stock of Raw Materials	201.23	258.60
Total	900.30	713.64

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note 22

Changes In Inventories Of Finished Goods And Work-In-Progress **(Rupees in Million)**

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Closing Stock:		
Finished Goods	189.43	124.60
Work-in-Progress	147.85	139.85
	337.28	264.45
Less: Opening Stock:		
Finished Goods	124.60	108.04
Work-in-Progress	139.85	110.66
	264.45	218.70
Total	(72.83)	(45.75)

Note 23

Employee Benefits Expense **(Rupees in Million)**

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Salaries and Wages	219.32	205.04
Contribution to provident, gratuity and other funds	16.42	14.79
Staff welfare expenses	12.01	12.47
Total	247.75	232.30

The Shareholders of the Company had approved on 14th January, 2022 an Employee Stock Option Scheme ("Gala ESOP 2021"), formulated by the Company, under which the Company issued upto 50,000 options to its permanent employees, including Wholetime Directors of the Company. The Gala ESOP 2021 is administered by the Board of Directors of the Company

As per the scheme, the number of shares that will vest is conditional upon length of service, grades, salary cost of the employee to the Company, performance appraisals and / or any other factors as determined by Committee. The vesting period shall be 5 years from the grant date i.e. 14th January 2022. The options granted under this scheme is exercisable by employees till five years from date of its vesting. The Company has granted options at an exercise price of Rs. 350. At grant date, the estimated fair value of stock options granted under Gala ESOP 2021 is Rs. 350. The fair valuation of stock options have been done by an independent valuer using Income Approach Method. The details of stock options granted and key assumptions taken into account for fair valuation are as under:

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
1) Grant Date	14th January, 2022	14th January, 2022
2) Risk-free interest rate	6.70%	6.70%
3) Expected Life	5 Years	5 Years
4) Expected Volatility	0.001%	0.001%
5) Expected Dividend Yield	Nil	Nil
6) Fair market value of underlying share*	Rs. 87.50/-	Rs. 87.50/-
7) Exercise Price*	Rs. 87.50/-	Rs. 87.50/-

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Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Options outstanding at the beginning of the year	1,78,400	1,78,400
Granted during the year	1,500	-
Add: Bonus Issue*	(24,150)	-
Forfeited/Expired/Lapsed during the year	(9,550)	-
Exercised during the year	-	-
Outstanding at the end of the year	1,46,200	1,78,400

* As per the scheme, in case of issue of bonus shares by the company, number of options granted shall be adjusted in the same proportion as the bonus being declared. Accordingly, number of options granted have been proportionately increased in ratio of bonus issue i.e. 3:1

Note 24

Finance Costs

(Rupees in Million)

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Interest on Loans and Deposits	10.49	11.35
Interest on Working Capital Facilities	33.45	22.24
Interest on unsecured loans	11.22	15.71
Finance charges	4.59	1.69
Interest on lease liabilities	1.65	0.61
Total	61.40	51.60

Note 25

Depreciation and Amortisation expense

(Rupees in Million)

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Depreciation on Property, Plant And Equipment	41.05	40.46
Amortisation of Intangible Assets	24.22	21.53
Amortisation of right-of-use asset	4.48	1.13
Less: Transferred to Capital Work in Progress	(1.13)	(2.29)
Total	68.62	60.83

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note 26

Other Expenses (Rupees in Million)

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Consumption of stores and spare parts	77.49	61.04
Packing material consumed	22.94	22.47
Power and Fuel	59.70	53.47
Labour charges	230.41	202.62
Testing expenses	8.64	5.78
Rent	3.36	4.55
Rates and Taxes	6.85	4.03
Insurance	11.08	10.49
Travelling expenses	13.32	10.99
Legal and professional fees	12.74	6.82
Sitting Fees	0.34	-
Commission	2.62	0.57
Business promotion	15.25	10.88
Bank charges	3.23	3.24
Telephone and other communication expenses	1.02	1.00
Printing and stationery	1.43	1.20
Provision for expected credit loss	2.30	-
Bad debts written-off	0.90	1.17
Loss on sale of property, plant and equipment (net)	2.52	-
Conveyance and vehicle expenses	17.71	16.45
Repairs and Renewals:	-	-
- Building	1.67	3.02
- Plant and machinery	3.58	4.04
- Others	7.94	6.68
Auditors' Remuneration:		
As Auditors:		
Audit fee	1.25	0.74
Other Services	0.03	0.06
	<hr/>	<hr/>
	1.28	0.80
Cost Auditors Remuneration:		
Audit fee	0.07	0.07
Recruitment	2.07	0.44
Freight outward	37.41	28.31
Computer expenses	4.39	4.39
Security expenses	3.75	3.71
Interest on Statutory Dues	1.46	0.59
Donation	0.07	0.10
CSR Activity Expenses	2.35	1.06
Net loss on foreign currency transactions	-	9.47
Fair Value Loss on Financial Assets	0.02	0.02
Miscellaneous expenses	2.75	1.75
Total	562.66	481.22

Note 27

Exceptional Items (Rupees in Million)

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Profit on Sale of Property, Plant & Equipment (Refer Note 32 (k))	-	67.59
Write off of inventory of Foreign Subsidiary (Refer Note 32(m))	(23.65)	-
Income from Sale of Intangible assets of SES business (Refer Note 32 (k))	3.50	30.00
Expenses relating to winding up of foreign subsidiary (Refer Note 32(l))	(2.94)	-
Total	(23.09)	97.59

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note 28 -Transition to Ind AS - Reconciliations

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent reconciliations from IGAAP to Ind AS

i. Reconciliation of balance sheet as at 31 March 2023 and 31 March 2022

ii. Reconciliation of Total Comprehensive Income for the year ended March 31, 2023

iii. On account of transition to Ind AS, there is no material adjustment to the Statement of Cash Flows

The presentation requirements under previous GAAP differs from Ind AS and hence previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The regrouped previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note 28 (i) - Reconciliation of Equity as at 31st March 2022

(Rupees in Million)

Particulars	Previous GAAP *	Reclassification	Ind AS	Adjustments	Ind AS
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	394.63	(11.10)	383.52	-	383.52
Right of use assets	-	11.10	11.10	-	11.10
Capital Work-in-Progress	1.26	-	1.26	-	1.26
Other Intangible Assets	168.37	-	168.37	-	168.37
Intangible assets under development	29.33	-	29.33	-	29.33
- Other financial assets	-	6.11	6.11	-	6.11
Non-Current Tax assets (net)	-	1.31	1.31	-	1.31
Other non-current assets	35.94	(31.50)	4.44	-	4.44
Inventories	497.23	-	497.23	-	497.23
- Trade Receivables	254.57	-	254.57	-	254.57
- Cash and cash Equivalents	26.71	(21.42)	5.29	-	5.29
- Bank balances other than cash and cash equivalents	-	21.42	21.42	-	21.42
- Loans	-	2.99	2.99	-	2.99
- Others financial assets	-	20.96	20.96	-	20.96
Other current assets	68.69	(20.42)	48.27	-	48.27
Total assets	1,476.73	(20.55)	1,456.17	-	1,456.17
EQUITY AND LIABILITIES					
Equity					
Equity share capital	25.28	-	25.28	-	25.28
Other equity	579.90	-	579.90	(12.02)	567.88
Total equity	605.18	-	605.18	(12.02)	593.16
LIABILITIES					
Non-current liabilities					
Financial Liabilities					
- Borrowings	237.74	-	237.74	-	237.74
Provisions	39.64	-	39.64	-	39.64
Deferred Tax Liabilities (Net)	30.97	(21.86)	9.11	12.02	21.13
	308.35	(21.86)	286.49	12.02	298.51
Current Liabilities					
Financial Liabilities					
- Borrowings	331.18	-	331.18	-	331.18
- Trade Payables	138.00	-	138.00	-	138.00
- Other Financial Liabilities	-	56.91	56.91	-	56.91
Other Current Liabilities	68.45	(56.94)	11.51	-	11.51
Provisions	25.57	(15.59)	9.98	-	9.98
Current Tax Liabilities (Net)	-	16.92	16.92	-	16.92
Total current liabilities	563.20	1.31	564.50	-	564.50
Total liabilities	871.55	(20.55)	850.99	12.02	863.01
Total equity and liabilities	1,476.73	(20.55)	1,456.17	-	1,456.17

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note 28 (ii) - Reconciliation of Equity as at 31st March 2023

(Rupees in Million)

Particulars	Previous GAAP *	Reclassification	Ind AS	Adjustments	Ind AS
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	413.98	(32.30)	381.69	(0.15)	381.54
Right of use assets	-	32.30	32.30	17.37	49.67
Capital Work-in-Progress	12.50	-	12.50		12.50
Goodwill	-	0.07	0.07		0.07
Other Intangible Assets	176.87	(0.07)	176.80		176.80
Intangible assets under development	34.55		34.55		34.55
Financial Assets;					
- Investments	0.02	-	0.02	(0.02)	-
- Other financial assets	-	8.98	8.98		8.98
Non-Current Tax assets (net)	-	10.89	10.89		10.89
Other non-current assets	27.37	-20.46	6.91		6.91
Current Assets					
Inventories	557.57		557.57		557.57
Financial Assets;					
- Trade Receivables	299.63	-	299.63		299.63
- Cash and cash Equivalents	120.03	(114.69)	5.34		5.34
- Bank balances other than cash and cash equivalent:	-	114.69	114.69		114.69
- Loans	-	6.26	6.26		6.26
- Others financial assets	-	4.03	4.03		4.03
Other current assets	50.33	(16.08)	34.25	0.20	34.43
Total assets	1,692.85	(6.38)	1,686.46	17.40	1,703.86
EQUITY AND LIABILITIES					
Equity					
Equity share capital	25.24	-	25.24	-	25.24
Other equity	811.61	-	811.61	(0.34)	811.27
Equity attributable to owners	836.85	-	836.85	(0.34)	836.51
Non Controlling Interest	0.03	-	0.03		0.03
Total equity	836.88	-	836.88	(0.34)	836.54
LIABILITIES					
Non-current liabilities					
Financial Liabilities					
- Borrowings	204.99	-	204.99	-	204.99
- Lease liabilities	-	-	-	14.89	14.89
Provisions	46.00	-	45.99	-	45.99
Deferred Tax Liabilities (Net)	37.64	(0.59)	37.05	(0.11)	36.94
	288.63	(0.59)	288.03	14.78	302.81
Current Liabilities					
Financial Liabilities					
- Borrowings	380.99	-	380.99	-	380.99
- Lease liabilities	-	-	-	2.91	2.91
- Trade Payables	81.08	-	81.08	-	81.08
- Other Financial Liabilities	-	84.33	84.33	-	84.33
Other Current Liabilities	99.11	(90.12)	8.99	-	8.99
Provisions	6.16	-	6.16	-	6.16
Current Tax Liabilities (Net)	-	-	-	0.05	0.05
Total current liabilities	567.34	(5.79)	561.55	2.96	564.51
Total liabilities	855.97	(6.38)	849.58	17.74	867.32
Total equity and liabilities	1,692.85	(6.38)	1,686.46	17.40	1,703.86

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

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Note 28 (iii) - Reconciliation of Total Comprehensive Income for the year ended 31 March 2023

(Rupees in Million)						
Particulars	Foot Note	Previous GAAP *	Reclassification	Ind AS Adjustments	Adjustments	Ind AS
INCOME						
Revenue from Operations	i	1,658.21	(3.56)	1,654.65	-	1,654.65
Other Income	ii	16.10	-	16.10	0.07	16.17
TOTAL INCOME		1,674.31	(3.56)	1,670.75	0.07	1,670.82
EXPENSES						
Cost of materials consumed		713.65	-	713.65	-	713.64
Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress		(45.74)	-	(45.74)	-	-45.75
Employee Benefits expense	iii	229.42	2.88	232.30	-	232.30
Finance Costs	iv	51.00	-	51.00	0.61	51.60
Depreciation and Amortisation expense	iv	59.70	-	59.70	1.13	60.83
Other Expenses	i, iv	485.98	(3.56)	482.42	(1.21)	481.22
TOTAL EXPENSES		1,494.00	(0.68)	1,493.32	0.52	1,493.84
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		180.31	(2.88)	177.42	(0.45)	176.98
ADD: EXCEPTIONAL ITEMS		97.59		97.59		97.59
PROFIT BEFORE TAX AND AFTER EXCEPTIONAL ITEMS		277.90	(2.88)	275.02	(0.45)	274.57
TAX EXPENSE						
(1) Current Tax		30.00	-	30.00		30.00
(2) Deferred Tax	iii & iv	(5.35)	(0.73)	(6.07)	(0.11)	(6.18)
(3) Earlier Years adjustments	vi	20.64	(12.01)	8.63	-	8.63
TOTAL TAX EXPENSE		45.30	(12.74)	32.56	(0.11)	32.45
PROFIT FOR THE YEAR		232.60	9.86	242.46	(0.34)	242.12
OTHER COMPREHENSIVE INCOME						
Items that will not be reclassified to Profit or Loss						
Remeasurements of Defined benefit plans	iii	-	2.88	2.88	-	2.88
Income Tax relating to items that will not be reclassified to Profit or Loss	iii	-	(0.72)	(0.72)	-	(0.72)
Items that will be reclassified to Profit or Loss						
Exchange differences in translating the financial statements of foreign operations	vii	-	0.08	0.08	-	0.08
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		-	2.29	2.24	-	2.24
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		232.60	12.15	244.71	(0.34)	244.36

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note 28 (iii) - Reconciliation of Total Comprehensive Income for the year ended 31 March 2023

Notes:

i Revenue Recognition - Ind AS 115

Under Indian GAAP, variable consideration i.e. discounts on Sales was recorded under Other Expenses. Under Ind-AS, revenue from operations is to be recognised net of variable considerations.

ii Non Current Liabilities

The Company has elected to measure rent deposits at fair Value at the date of transition to IND AS. Accordingly, as at 31st March, 2023 a decrease of Rs.0.07 Million for the period ended 31st March 2023 has been recognised as an income on amortisation of fair value of the financial liability

iii Defined Benefit Obligation:

Both under previous GAAP and Ind-AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to statement of profit and loss. Under Ind-AS, re-measurements comprising of actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the effect of change in asset ceiling (if applicable) and the return on plan assets (excluding net interest) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI). Thus, the employee benefit cost is reduced by Rs. 2.88 Million and deferred tax thereon of Rs. 0.72 Million for 2022-23 and re-measurement losses on defined benefit plans has been recognised in the Other Comprehensive Incomes (net of tax)

iv Ind AS 116

The company has recognised lease liability and ROU assets. Lease payments are allocated between principal and finance cost. The finance cost of Rs. 6.10 Lacs is charged to Statement of Profit and Loss over the lease period. ROU assets are depreciated on a straight-line basis over the asset's useful life. Deferred Tax thereon has been recognised. Actual rent expenses debited to P&L is reversed.

v FVTPL Financial Assets:

Under previous GAAP, the Company accounted for non-current/current investments in equity shares and debt instruments at cost less provision for other than temporary diminution in the value of investments and at lower of cost and share value respectively. Under Ind-AS, the investments are required to be classified and measured subsequently at fair value through profit or loss. As at 31st March, 2023, difference between the fair value and GAAP carrying amount of Rs.0.02 Million has been recognised in the Statement of Profit and Loss.

vi Prior period Adjustments

In accordance with Ind AS, prior-period expenses/income are recognised in a year in which it related. Accordingly, deferred tax reversal has been recognised in the year ended 31.3.2022 instead of year ended 31.03.2023

vii Translation of Foreign Operations

Under IGAAP, the exchange differences arising on translation for consolidation are recognised directly in Equity whereas Under Ind - AS, the exchange differences arising on translation for consolidation are recognised in OCI

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Note 29

A. Capital Management

For the purpose of Group's Capital Management, capital includes Issued Equity Capital, Securities Premium, and all other Equity Reserves attributable to the Equity Holders of the Holding Company. The primary objective of the Group's Capital Management is to maximise the Share Holder Value.

The Group manages its capital structure and makes adjustments in the light of changes in economic conditions and requirements of the financial covenants and to continue as a going concern. The Group monitors using a gearing ratio which is net debts divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, less cash and short term deposit.

Particulars	(Rupees in Million)		
	As at 31 March 2024	31st March 2023	31st March 2022
Interest bearing Loans and Borrowings	550.27	585.98	568.93
Less: Cash and Short Term Deposits	(13.83)	(5.34)	(5.29)
Net Debt	536.44	580.64	563.64
Equity	101.11	25.24	25.28
Other Equity	946.73	811.27	567.88
Total Capital	1,047.84	836.52	593.16
Capital and Net Debt	1,584.27	1,417.16	1,156.80
Gearing Ratio %	33.86%	40.97%	48.72%

B. Financial Risk Management

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the operations of the Company. The principal financial assets include trade and other receivables and cash and short term deposits.

The Company has assessed market risk, credit risk and liquidity risk to its financial liabilities.

i) Market Risk

Market Risk is the risk of loss of future earnings, fair values or cash flows that may result from a change in the price of a financial instrument, as a result of interest rates, foreign exchange rates and other price risks. Financial instruments affected by market risks, primarily include loans And borrowings and foreign currency receivables and payables

Interest Rate Risks

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The management is responsible for the monitoring of the Group's interest rate position. Various variables are considered by the management in structuring the Group's borrowings to achieve a reasonable, competitive cost of funding

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management is as follows:

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Note 29

A. Capital Management

(Rupees in Million)

Particulars	As at 31 March 2024	As at 31st March 2023	As at 31st March 2022
Financial liabilities			
Fixed rate instruments	10.92	7.14	7.88
Variable rate instruments	539.37	578.85	561.05
	550.28	585.99	568.93

Fair value sensitivity analysis for fixed rate instruments

The Group measures its fixed rate financial liabilities at amortized cost and does not designate these liabilities at fair value through profit or loss (FVTPL). Consequently, any changes in market interest rates at the reporting date would not directly affect the Group's profit or loss, as the interest expense is based on the fixed effective interest rate.

Cash flow sensitivity analysis for variable-rate instruments

(Rupees in Million)

A reasonably possible change of 100 basis points in interest rate would have resulted in variation in the interest expense for the Group by

5.39 5.79 5.61

Foreign Currency Risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Group enters into forward exchange contracts to hedge its foreign currency exposures. Foreign currency risks from financial instruments at the end of the reporting period expressed in INR :

Unhedged Short Term Exposures :

Particulars	Currency	As at 31 March 2024		As at 31st March 2023		As at 31st March 2022	
		Amount in Foreign Currency - In Million	Amount- In ₹ Million	Amount in Foreign Currency - In Million	Amount- In ₹ Million	Amount in Foreign Currency - In Million	Amount- In ₹ Million
Financial Assets	USD	0.46	38.28	1.15	94.50	1.01	76.42
	EURO	1.60	144.06	0.82	73.57	0.70	58.44
	GBP	0.06	6.45	0.00	0.04	0.01	1.39
Financial Liabilites	USD	0.30	24.65	0.09	7.33	0.54	41.07
	EURO	0.01	1.15	0.01	0.82	0.00	0.14
	JPY	0.00	0.25				
Net exposure	USD	0.16	13.63	1.06	87.18	0.47	35.35
	EURO	1.59	142.92	0.81	72.74	0.69	58.30
	GBP	0.06	6.45	0.00	0.04		
	JPY	0.00	0.25				

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note 29

A. Capital Management

The Group is mainly exposed to changes in US Dollar and EURO.

The Sensitivity analysis is prepared on the net unhedged exposure of the Group at the reporting date.

The sensitivity to a 0.25% to 1% increase or decrease in US Dollar and EURO against INR with all other variables held constant will be as follows;

Particulars	Currency	As at 31 March 2024	As at 31st March 2023	As at 31st March 2022
Sensitivity (+/- 1%)	USD	0.14	0.87	0.35
	EURO	1.43	0.73	0.58

The Group enters into foreign exchange forward contracts with the intention to minimise the foreign exchange risk of outstanding foreign receivables, these contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

Particulars	As at 31 March 2024		As at 31st March 2023		As at 31st March 2022	
	Amount in	Amount- In ₹	Amount in	Amount- In	Amount in	Amount- In
	Foreign Currency - In Million	Million	Foreign Currency - In Million	₹ Million	Foreign Currency - In Million	₹ Million
USD	0.99	82.64	0.96	78.62	0.65	49.30
EURO	3.80	349.19	3.43	297.85	2.09	186.25

Price Risks

More than One-third of the Group's revenues are generated from exports and the raw materials are procured through import and local purchases where local purchases track import parity price. The Group is affected by the price stability of certain commodities. Due to the significantly increased volatility of certain commodities, the Group enters into contract with the customers that has provision to pass on the change in the raw material prices and also the volatility in the exchange rate. The Group has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs. The Group hedges 65-70% of its export collections through plain vanilla forward covers.

ii) Credit Risk

Credit Risk is the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. It arises from credit exposure to customers and Balances with Banks.

The Group holds cash and cash equivalents with banks which are having highest safety rankings and hence has a low credit risk.

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Note 29

A. Capital Management

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group has taken insurance cover for overseas debtors through ECGC but has not taken any insurance cover for local debtors. The Group uses Expected Credit Loss (ECL) Model to assess the impairment loss or gain. The outstanding trade receivables due for a period exceeding 180 days as at the year ended 31 March 2024 is as follows

Particulars	As at 31 March 2024	As at 31st March 2023	As at 31st March 2022
The outstanding trade receivables due for a period exceeding 180 days as % of Total Trade receivables	2.18%	5.41%	7.70%

iii) Liquidity Risk

The Group manages liquidity risk by maintaining adequate surplus, banking facilities and reserve borrowings facilities by continuously monitoring forecasts and actual cash flows.

The Group has obtained fund and non-fund based working capital lines from various banks. The Group monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility

All payments are made along due dates and requests for early payments are entertained after due approval and availing early payment discounts.

The Group has a system of forecasting rolling one month cash inflow and outflow and all liquidity requirements are planned.

Exposure to liquidity risk:

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments

(Rupees in Million)

Particulars	As at 31 March 2024				As at 31st March 2023			
	Less than 1 year	1-3 years	3-5 years	More than 5 years	Less than 1 year	1-3 years	3-5 years	More than 5 years
Borrowings	456.89	59.56	31.17	1.33	380.99	156.24	39.41	9.34
Trade Payable	136.70	-	-	-	74.65	4.47	1.80	0.16
Other Financial Liabilities	63.67	-	-	-	84.33	-	-	-

Particulars	As at 31st March 2022			
	Less than 1 year	1-3 years	3-5 years	More than 5 years
Borrowings	331.18	204.10	27.16	6.48
Trade Payable	133.70	1.32	1.40	1.58
Other Financial Liabilities	56.91	-	-	-

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Note 30

Fair Values and Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are a) recognised and measured at fair value and b) measured at amortised cost and for which fair values are disclosed in the Consolidated Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed in the Indian Accounting Standard.

Particulars	(Rupees in Million)		
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Carrying Value			
Financial assets and liabilities measured at amortised cost			
Financial Assets			
Loans	1.22	6.26	2.99
Bank Term deposits	26.70	25.75	21.42
Other Assets - Security & Other deposits	11.12	8.98	6.11
Total Financial Assets	39.03	41.00	30.53
Financial Liabilities			
Borrowings - Non current	92.06	204.99	237.74
Total Financial Liabilities	92.06	204.99	237.74
Financial assets and liabilities measured at FVTPL			
Financial Assets			
Foreign exchange forward contracts	3.28	-	7.04
Financial Liabilities			
Foreign exchange forward contracts	-	14.64	-

The management assessed that fair value of trade receivables, cash and cash equivalents, security deposits, recoverable from customers, other short-term financial assets, short-term borrowings, trade payables and other short-term financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments

*The following methods and assumptions were used to estimate the fair values:

- a. Term deposits- The fair value of term deposits is equal to carrying value since they are carrying market interest rates as per the banks.
- b. Foreign exchange forward contracts- Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing
- c. Non-current borrowings - The fair value of non-current borrowings is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The carrying value and fair value of the borrowings has been considered the same since the existing interest rate approximates its fair value
- d. Others- For other financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values

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Note 31

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate **(Rupees in Million)**

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Accounting Profit before Income Tax	252.79	274.57
At India's statutory income tax rate of	25.17%	25.17%
Income Tax as per statutory income tax rate	63.62	69.10
Effect of deductions available under Income Tax Act	(12.05)	(47.50)
Effect of brought forward business loss	(30.22)	-
Effect of non-deductible expenses	4.31	2.22
Total	25.66	23.82

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NOTE 32

ADDITIONAL/EXPLANATORY INFORMATION

a) Earnings Per Share

Particulars		For the year ended 31-March- 2024	For the year ended 31- March-2023
i Profit after taxation from continuing operations after exceptional items	Rs. Million	225.33	225.63
Weighter Average Number of equity shares (Face Value Rs. 10/-)	Nos.	1,01,11,584	1,00,97,584
Earnings per share for continuing operations	Rs.	22.28	22.34
Diluted Number of shares outstanding		1,02,57,784	1,02,75,984
Diluted earnings per share		21.97	21.96
ii Profit after taxation from discontinuing operations	Rs. Million	(2.00)	16.49
Weighter Average Number of equity shares (Face Value Rs. 10/-)	Nos.	1,01,11,584	1,00,97,584
Earnings per share for discontinuing operations	Rs.	(0.20)	1.63
Diluted Number of shares outstanding		1,02,57,784	1,02,75,984
Diluted earnings per share for discontinuing operations		(0.19)	1.60
iii Profit after taxation from continuing and discontinuing operations after exceptional items	Rs. Million	223.33	242.12
Weighter Average Number of equity shares (Face Value Rs. 10/-)	Nos.	1,01,11,584	1,00,97,584
Earnings per share for continuing and discontinuing operations	Rs.	22.09	23.98
Diluted Number of shares outstanding		1,02,57,784	1,02,75,984
Diluted earnings per share for continuing and discontinuing operations		21.77	23.56
iv Profit after taxation from continuing & discontinuing operations excluding Exceptional items	Rs. Million	246.42	144.52
Weighter Average Number of equity shares (Face Value Rs. 10/-)	Nos.	1,01,11,584	1,00,97,584
Earnings per share for continuing operations excluding Exceptional items	Rs.	24.37	14.31
Diluted Number of shares outstanding		1,02,57,784	1,02,75,984
Diluted earnings per share for continuing and discontinuing operations annualised		24.02	14.06

Weighted average number of Shares

Particulars		For the year ended 31-March- 2024	For the year ended 31- March-2023
Number of shares considered as basic weighted average shares outstanding	Nos.	25,27,896	25,24,396
Add: Bonus Shares issued (Refer Note 11)	Nos.	75,83,688	75,73,188
Number of shares considered as weighted average shares and potential shares outstanding	Nos.	1,01,11,584	1,00,97,584

Diluted number of shares

Particulars		For the year ended 31-March- 2024	For the year ended 31- March-2023
Number of shares considered as basic weighted average shares outstanding	Nos.	1,01,11,584	1,00,97,584
Add: Effect of ESOP granted (Refer Note 23)	Nos.	1,46,200	1,78,400
Number of shares considered as weighted average shares and potential shares outstanding	Nos.	1,02,57,784	1,02,75,984

The basic and diluted earning per share for the year ended March 31, 2024 and year ended March 31, 2023, presented have been calculated/ restated after considering bonus issue. (Refer note 11)

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NOTE 32

ADDITIONAL/EXPLANATORY INFORMATION

- b) Disclosures under The Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED'):

The details of liabilities to Micro and Small Enterprises, to the extent information available with the Group are given under and have been relied upon by the auditors:

Particulars	As at 31 March 2024	As at 31 March 2023
Principal amounts remaining unpaid to suppliers as at the end of the accounting year	3.28	6.75

Note: Other information/ disclosures relating to payments made beyond appointed date, interest accrued And paid and cumulative intrest are not applicable, being NIL.

- c) As required by section 135 of Companies Act, 2013 and Rules therein, a Corporate social responsibility committee has been formed by the Holding Company. The Holding Company has spent the following amount during the year towards corporate social responsibility (CSR) for activities listed under schedule VII of the Companies Act, 2013.

Particulars	As at 31 March 2024	As at 31 March 2023
Gross amount required to be spent by the Holding Company	2.32	1.06
Amount spent by the Holding Company during the year on purpose other than construction/ acquisition of assets	2.35	1.06
Shortfall/ (Excess) at the end of the year	-0.03	-
Total of previous year short fall	NA	NA
Reason for shortfall	NA	NA
Nature of CSR Activities	Education & Sports	Education

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NOTE 32

ADDITIONAL/EXPLANATORY INFORMATION

d) Ratio

Particulars	Numerator	Denominator	As at 31st March 2024	As at 31st March 2023	Variance (in %)	Explanation for change of 25% or more
a) Current ratio	Current assets	Current liabilities	1.69	1.81	-6.73%	
b) Debt equity ratio	Long Term Borrowings	shareholders' equity	0.53	0.70	-24.79%	
c) Debt service coverage ratio	Earnings available for debt service	Debt service = Interest + Principal repayments of Long Term Borrowings	2.95	2.57	14.97%	
d) Return on equity %	Net profits after taxes	shareholder's equity	23.59%	17.28%	36.56%	Due to significant improvement in Profitability
e) Inventory Turnover Ratio	Sales	Average inventory	3.57	3.14	13.85%	
f) Trade receivables turnover ratio	Revenue from operations	Average trade receivables	5.27	5.97	-11.82%	
g) Trade payables turnover ratio	Purchases	Average trade payables	7.74	6.56	17.93%	
h) Net capital turnover ratio	Revenue from operations	Working capital	4.34	3.62	20.10%	Better working capital management & Significant improvement in sales
i) Net profit %	Net Profit After Taxes	Revenue from operations	11.03%	8.73%	26.24%	
j) Return on capital employed %	Earnings before interest and taxes	Capital employed	24.60%	18.31%	34.34%	

Particulars	Numerator	Denominator	As at 31st March 2023	As at 31st March 2022	Variance (in %)	Explanation for change of 25% or more
a) Current ratio	Current assets	Current liabilities	1.81	1.55	16.54%	
b) Debt equity ratio	Long Term Borrowings	shareholders' equity	0.70	0.96	-26.97%	Due to significant improvement in profitability
c) Debt service coverage ratio	Earnings available for debt service	Debt service = Interest + Principal repayments of Long Term Borrowings	2.57	1.80	42.43%	Significant improvement in profitability resulting in more cash available for principl repayment of LT borrowings & payment of interest
d) Return on equity %	Net profits after taxes	shareholder's equity	17.28%	11.18%	54.55%	Due to significant improvement in profitability
e) Inventory Turnover Ratio	Sales	Average inventory	3.14	3.26	-3.63%	
f) Trade receivables turnover ratio	Revenue from operations	Average trade receivables	5.97	6.22	-3.97%	
g) Trade payables turnover ratio	Purchases	Average trade payables	6.56	5.66	15.89%	
h) Net capital turnover ratio	Revenue from operations	Working capital	3.62	5.08	-28.74%	Due to better working capital management & growth in tunrover
i) Net profit %	Net Profit After Taxes	Revenue from operations	8.73%	4.56%	91.37%	Due to significant improvement in profitability
j) Return on capital employed %	Earnings before interest and taxes	Capital employed	18.31%	16.33%	12.17%	

Particulars	Numerator	Denominator	As at 31st March 2022	As at 31st March 2021	Variance (in %)	Explanation for change of 25% or more
a) Current ratio	Current assets	Current liabilities	1.55	1.54	0.88%	
b) Debt equity ratio	Long Term Borrowings	shareholders' equity	0.96	1.11	-13.76%	
c) Debt service coverage ratio	Earnings available for debt service	Debt service = Interest + Principal repayments of Long Term Borrowings	1.80	0.80	125.23%	Significant improvement in profitability resulting in more cash available for principl repayment of LT borrowings & payment of interest
d) Return on equity %	Net profits after taxes	shareholder's equity	11.18%	4.44%	151.65%	Due to increase in profit
e) Inventory Turnover Ratio	Sales	Average inventory	3.26	2.59	25.82%	Due to Improved Efficiency
f) Trade receivables turnover ratio	Revenue from operations	Average trade receivables	6.22	4.75	30.90%	Due to Improvement in collection cycle
g) Trade payables turnover ratio	Purchases	Average trade payables	5.66	3.61	56.78%	Improved Payment Cycle of Vendor & better payment terms
h) Net capital turnover ratio	Revenue from operations	Working capital	5.08	4.23	19.92%	
i) Net profit %	Net Profit After Taxes	Revenue from operations	4.56%	2.23%	104.24%	NP has more than doubled over previous year
j) Return on capital employed %	Earnings before interest and taxes	Capital employed	16.33%	8.42%	93.86%	EBIT has significantly jumped as compared to previous year improving the ROCE significantly

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NOTE 32: ADDITIONAL/EXPLANATORY INFORMATION

e) Disclosures under Ind AS 108

Particulars	Springs, Parts, Fasteners and Assemblies		Surface Engineering Solutions		Unallocated		Total	
	31-Mar-24	31 Mar 2023	31-Mar-24	31 Mar 2023	31-Mar-24	31 Mar 2023	31-Mar-24	31 Mar 2023
REVENUE								
External sales and service income	2,014.49	1,614.86	10.97	39.79	-	-	2,025.46	1,654.65
Less: Inter-segment sales	-	-	-	-	-	-	-	-
Total revenue	2,014.49	1,614.86	10.97	39.79	-	-	2,025.46	1,654.65
RESULT								
Segment result	413.23	298.04	(7.35)	(8.62)			405.88	289.42
Unallocated corporate expenses	-	-	-	-	-	-	-	-
Financial charges	59.75	48.15	-	3.45	1.65	0.07	61.40	51.60
Depreciation	61.72	59.39	-	1.44	6.90	6.23	68.62	60.83
Profit before exceptional items and tax	291.78	190.50	(7.35)	(13.51)	(8.55)	(6.30)	275.87	176.99
Add: Exceptional items	(23.65)	-	3.50	30.00	(2.94)	67.59	(23.09)	97.59
Profit before tax	268.13	190.50	(3.85)	16.49	(11.49)	61.30	252.79	274.58
Less: Current tax		-	(1.85)	-	55.94	30.00	54.09	30.00
- Deferred tax charge		-		-	(28.42)	(6.18)	(28.42)	(6.18)
- Tax adjustments of earlier years		-		-	7.19	8.63	7.19	8.63
Non-Controlling Interest					(3.40)		(3.40)	-
Profit for the Year	268.13	190.50	(2.00)	16.49	(42.79)	28.84	223.34	242.12
Income from discontinuing operations	-	-	(2.00)	16.49		-	(2.00)	16.49
Profit from Continuing operations	268.13	190.50	-	-	(42.79)	28.84	225.34	225.62

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NOTE 32: ADDITIONAL/EXPLANATORY INFORMATION

e) Disclosures under Ind AS 108

Particulars	Springs, Parts, Fasteners and Assemblies		Surface Engineering Solutions		Unallocated		Total	
	31-Mar-24	31 Mar 2023	31-Mar-24	31 Mar 2023	31-Mar-24	31 Mar 2023	31-Mar-24	31 Mar 2023
OTHER INFORMATION								
Segment assets	1,800.83	1,524.94	6.53	47.72	79.48	131.20	1,886.84	1,703.86
Segment liabilities	1,395.84	(16.72)	0.87	1,072.00	(60.16)	62.60	1,336.56	1,117.88
Secured Loans	-	-	-	-	550.27	484.97	550.28	484.97
Unsecured Loans	-	-	-	-	-	101.02	-	101.01
Total liabilities	1,395.84	(16.72)	0.87	1,072.00	490.12	648.59	1,886.84	1,703.86
Provision for doubtful debts	2.06	-	0.24	-	-	-	2.30	-
Profit/(Loss) on sale/write off of assets	(2.52)	0.42	-	(0.10)	-	-	(2.52)	0.31
Capital Expenditure	127.15	152.08	-	-	-	-	127.15	152.08

Business Segments: For management purposes, the Holding Company is organised on a worldwide basis into two major operating divisions - Springs, Parts and Assemblies and Surface Engineering Solutions. The divisions are the basis on which the Holding Company reports its primary segment information. The Springs, Parts and Assemblies segment produces a broad range of disc springs for wind mill, transformers, turbines, railways, automobiles and off high way vehicles. The Surface Engineering Solutions segment manufactures centrifugal finishing machines, washing systems and media chemicals. During the year, the Holding Company has sold the Intangible assets of Surface Engineering Solutions business relating to Deburring & Polishing Systems & related Media Chemicals and remaining Property, Plant & Equipment has been put to use for other business units during the year ended 31st Mar, 2023 and hence the said division is discontinued

Geographical segments: The Holding Company's operating divisions are managed from India . In India, its home country, the Holding Company produces and sells a broad range of disc springs, coil springs, fastening solutions, washers, media chemical and machines and washing systems.

The Holding Company has disclosed Geographical Segment as the secondary segment.

Sales by market: The following table shows the distribution of the Holding Company's sales and service income by geographical market.

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NOTE 32: ADDITIONAL/EXPLANATORY INFORMATION

e) Disclosures under Ind AS 108

Sales Revenue by geographical market	31-Mar-24	31 Mar 2023
- within India	1,265.24	1,042.57
- outside India	760.22	612.08
Total revenue	2,025.46	1,654.65

Assets by market: The following table shows the distribution of the Holding Company's assets by geographical market.

Assets by geographical market	31-Mar-24	31 Mar 2023
- within India	1,703.48	1,527.73
- outside India	183.36	176.13
	1,886.84	1,703.86

Information about major customers:

The following is the transactions by the Group with customers individually contributing more than 10 or more of the Group's revenue from operations

	31-Mar-24	31 Mar 2023
Revenue from operations of 1 customer of the group represented approximately % of the revenue from operation	15%	-

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NOTE 32

ADDITIONAL/EXPLANATORY INFORMATION

f) Related party disclosures (As per Ind AS 24 - Related Party Disclosures):

Other related parties with whom transactions have taken place during the year

- Key Managerial Personnel	Mr.. Kirit Gala - Managing Director (upto 29.11.23) Mr.. Kirit Gala - Chairman and Managing Director (w.e.f 30.11.2023) Mr. Balkishan Jalan, Executive Director (upto 29.11.23) Mr. Balkishan Jalan, Whole Time Director (Executive) (w.e.f 30.11.23) Mr. Satish Kotwani, Business Development Director (upto 29.11.23) Mr. Satish Kotwani, Whole Time Director - Marketing (w.e.f 30.11.23) Mr. S. Giridhar - Chief Financial Officer (w.e.f 30.11.2023) Ms. Pooja Ladhha - Company Secretary (w.e.f 09.10.2023)
- Entity in which Directors having substantial interest	Vishanji H. Gala - HUF Kirit V. Gala - HUF Balkishan Jalan - HUF Workamp Spaces Pvt. Ltd. Gala Springs LLP Slate Workspaces Pvt Ltd
- Relatives of Key Managerial personnel	Mr. Vishanji H Gala - Father of Mr. Kirit V Gala Mrs. Taramati V Gala - Mother of Mr. Kirit V Gala Mrs. Rumie K Gala - Wife of Mr. Kirit V Gala Mrs. Alpa Chheda - Sister of Mr. Kirit V Gala Mrs. Nayna Gala - Sister of Mr. Kirit V Gala Mr. Smeet Kirit Gala - Son of Mr Kirit V Gala

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NOTE 32

ADDITIONAL/EXPLANATORY INFORMATION

f) Related party disclosures (As per Ind AS 24 - Related Party Disclosures):

Particulars	Entity in which Directors having substantial interest		Other Related Party		Key Managerial Personnel	
	31-Mar-24	31 Mar 2023	31-Mar-24	31 Mar 2023	31-Mar-24	31 Mar 2023
Other Expenses :						
Workamp Spaces Pvt. Ltd.	-	0.35	-	-	-	-
Interest Expense :						
Vishanji H Gala	-	-	0.14	0.42	-	-
Slate Workspaces Pvt Ltd	2.40	-	-	-	-	-
Taramati V Gala	-	-	0.07	0.17	-	-
Kirit V Gala	-	-	-	-	2.49	2.81
Rumie K Gala	-	-	0.14	0.33	-	-
Kirit V. Gala (HUF)	0.04	0.09	-	-	-	-
Alpa Chheda	-	-	0.40	0.83	-	-
Vishanji H Gala (HUF)	0.03	0.03	-	-	-	-
Remuneration:*						
Kirit V Gala	-	-	-	-	9.44	6.48
Balkishan Jalan	-	-	-	-	9.59	8.62
Satish Kotwani	-	-	-	-	7.52	6.75
Smeet Gala	2.34	2.21	-	-	-	-
Mr. S. Giridhar	-	-	-	-	0.72	-
Ms. Pooja Ladha	-	-	-	-	0.41	-
Loan repaid:						
Vishanji H Gala	-	-	3.65	7.60	-	-
Taramati V Gala	-	-	1.65	3.00	-	-
Kirit V Gala	-	-	-	-	91.10	70.35
Rumie K Gala	-	-	4.75	5.25	-	-
Kirit V. Gala (HUF)	0.90	1.15	-	-	-	-
Alpa Chheda	-	-	9.20	-	-	-
Slate Workspaces Pvt Ltd	108.20	-	-	-	-	-
Vishanji Gala (HUF)	0.58	-	-	-	-	-
Loan received:						
Vishanji H Gala	-	-	3.65	7.60	-	-
Taramati V Gala	-	-	1.65	3.00	-	-
Kirit V Gala	-	-	-	-	91.10	70.35
Rumie K Gala	-	-	4.75	5.25	-	-
Kirit V. Gala (HUF)	0.90	1.15	-	-	-	-
Slate Workspaces Pvt Ltd	108.20	-	-	-	-	-

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NOTE 32

ADDITIONAL/EXPLANATORY INFORMATION

f) Related party disclosures (As per Ind AS 24 - Related Party Disclosures):

Balance:

Particulars	Entity in which Directors having substantial interest		Other Related Party		Key Managerial Personnel	
	31-Mar-24	31 Mar 2023	31-Mar-24	31 Mar 2023	31-Mar-24	31 Mar 2023
Alpa Chheda	-	-	-	9.20	-	-
Vishanji Gala (HUF)	-	0.33	-	-	-	-
Trade receivables:	-	-	-	-	-	-
Workamp Spaces Pvt Ltd	-	3.76	-	-	-	-
Slate Workspaces Pvt Ltd	-	0.87	-	-	-	-

* Remuneration does not include provisions made for Gratuity as it is determined on an actuarial basis for the Group as a whole.

d) Terms and conditions of transactions with related parties;

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March, 2024, 31 March 2023, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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NOTE 32

ADDITIONAL/EXPLANATORY INFORMATION

(Rupees in Million)

g) Disclosures as per IND AS - 19 - Employee Benefits

During the year, the Holding Company has recognised the following amounts in the Statement of Profit and Loss:

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
i) Employer's contribution to Provident Fund and Family Pension Fund* *Included in " Contribution to Provident and other Funds" (Note 23).	8.66	7.74
iii) Defined benefit obligation:		
a) Leave Encashment - Unfunded	4.48	4.56
b) The valuation results for the defined benefit gratuity plan as at 31st March are produced in the tables below:		

i) Changes in the Present Value of Obligation

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Present Value of Obligation as at the beginning	42.74	47.43
Current Service Cost	3.81	3.98
Interest Expense or Cost	2.88	2.95
Re-measurement (or Actuarial) (gain) / loss arising from:		
- Due to Demographic Assumption	0.48	
- change in financial assumptions	0.75	(0.90)
- experience variance (i.e. Actual experience vs assumptions)	3.61	(2.15)
Benefits Paid	(2.33)	(8.55)
Present Value of Obligation as at the end	51.94	42.74

ii) Changes in the Fair Value of Plan Assets

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Fair Value of Plan Assets as at the beginning	2.84	8.44
Investment Income	0.12	0.38
Adjustment to opening Fair Value of Plan Asset	-	-
Return on Plan Assets excluding interest income	5.51	(0.17)
Employer's Contribution	2.71	2.75
Benefits Paid	(2.33)	(8.55)
Fair Value of Plan Assets as at the end	8.85	2.84

iii) Expenses Recognised in the Income Statement

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Current Service Cost	3.81	3.98
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	2.76	2.57
Expenses Recognised in the Income Statement	6.57	6.54

iv) Other Comprehensive Income

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Actuarial (gains) / losses		
- change in financial assumptions	0.75	(0.90)
- experience variance (i.e. Actual experience vs assumptions)	3.61	(2.15)
Return on Plan Assets excluding interest income	(5.51)	0.17
Components of defined benefit costs recognised in other comprehensive income	(1.15)	(2.88)

v) Major categories of Plan Assets (as percentage of Total Plan Assets)

Particulars	As on	
	31-Mar-24	31-Mar-23
Funds managed by Insurer	100%	100%

- In the absence of detailed information regarding Plan assets which is funded with Insurance Holding Company, the composition of each major category of Plan assets, the percentage or amount for each category to the fair value of Plan assets has not been disclosed.

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NOTE 32

ADDITIONAL/EXPLANATORY INFORMATION

(Rupees in Million)

g) Disclosures as per IND AS - 19 - Employee Benefits
vi) Actuarial Assumptions

a. Financial Assumptions

The principal financial assumptions used in the valuation are shown in the table below:

Particulars	As on	
	31-Mar-24	31-Mar-23
Discount rate (per annum)	6.97%	7.16%
Salary growth rate (per annum)	8.00%	8.00%

b. Demographic Assumptions

Particulars	As on	
	31-Mar-24	31-Mar-23
Mortality Rate (% of IALM 12-14)	IALM (2012-14) Ult	IALM (2012-14) Ult
Withdrawal rates, based on age: (per annum)		
Up to 40 years	6.50%	8.00%

vii) Amount, Timing and Uncertainty of Future Cash Flows

a. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	As on	As on
	31 March 2024	31 March 2023
Defined Benefit Obligation (Base)	51.94	42.74

Particulars	31-Mar-24		31-Mar-23	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	56.21	48.17	45.89	39.96
(% change compared to base due to sensitivity)	31.51%	12.69%	7.36%	-6.51%
Salary Growth Rate (- / + 1%)	48.40	55.85	40.18	45.59
(% change compared to base due to sensitivity)	13.24%	30.67%	-5.99%	6.66%

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

b. Asset Liability Matching Strategies

The scheme is managed on funded basis.

c. Effect of Plan on Entity's Future Cash Flows

- Funding arrangements and Funding Policy

The scheme is managed on funded basis.

	Year Ended	Year Ended
	31 March 2024	31 March 2023
- Expected Contribution during the next annual reporting period		

The Holding Company's best estimate of Contribution during the next year (In Lacs)	3.81	3.98
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- Maturity Profile of Defined Benefit Obligation

Weighted average duration (based on discounted cash flows)	7.65 Years	6.84 Years
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	Year Ended	Year Ended
	31 March 2024	31 March 2023
- Expected cash flows over the next (valued on undiscounted basis):		

1 year	3.81	5.07
2 to 5 years	17.67	14.79
6 to 10 years	26.22	20.42

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NOTE 32: ADDITIONAL/EXPLANATORY INFORMATION

h) Lease Accounting (Disclosure as per Ind AS 116 : Lease)

(i) The movement in Lease liabilities during the year

Particulars	(Rupees in Million)		
	As at 31st March 2024	As at 31st March 2023	As at 31st March 2022
Opening Balance	17.79	-	-
Additions during the year	-	18.50	-
Finance costs incurred during the year	1.65	0.61	-
Payments of Lease Liabilities	(4.56)	(1.31)	-
Closing Balance	14.88	17.79	-

(ii) The carrying value of the Rights-of-use and depreciation charged during the Year

For details pertaining to the carrying value of right of use of lease assets and depreciation charged thereon during the year, kindly refer note -2(b).

(iii) Amount Recognised in Statement of Profit & Loss Account during the Year

Particulars	(Rupees in Million)	
	Year Ended 31 March 2024	Year Ended 31 March 2023
Expenses related to Short Term Lease & Low Asset Value Lease	3.36	4.55
Total Expenses	3.36	4.55

(iv) Maturity analysis of lease liabilities

Particulars	(Rupees in Million)		
	As at 31st March 2024	As at 31st March 2023	As at 31st March 2022
Maturity Analysis of contractual undiscounted cash flows			
Less than one year	3.45	2.91	-
One to five years	11.43	14.89	-
Total undiscounted Lease Liability	14.88	17.79	-
Balances of Lease Liabilities			
Non Current Lease Liability	11.43	14.89	-
Current Lease Liability	3.45	2.90	-
Total Lease Liability	14.88	17.79	-

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NOTE 32: ADDITIONAL/EXPLANATORY INFORMATION

(Rupees in Million)

Particulars	As at 31 March 2024	As at 31st March 2023
i) Capital Commitment		
(i) Estimated amount of contracts remaining to be executed on Capital Account, net of advances and not provided for -	74.40	15.80
j) Contingent Liabilities not provided for:		
(a) Disputed Income Tax Demands	32.97	32.97
(b) Patent Act*	20.00	
(c) Bank guarantees	7.96	8.43
(d) Letters of credit	37.45	6.25

* A patent infringement suit was filed by Nord-Lock AB & Nord-Lock (India) Pvt. Ltd. against Gala Precision Engineering Pvt. Ltd. & Gala Fasteners Pvt. Ltd. Infringement of patents related to Wedge-Lock technology washers and involves the manufacture, sale, and advertisement of 'Gallock Washers' by Gala Precision Engineering. The Plaintiffs' have reserved their rights to enhance their claim amount at a later stage taking into account the Defendants' total sales revenue for all the infringing products sold during the entire period of infringement, which will be assessed after the trial takes place. As the matter is currently under litigation, it is not possible to estimate the financial outcome at this stage. Consequently, no provision has been made in the financial statements in relation to this lawsuit.

k) During the year ended 31st March, 2023, the Holding Holding Company has completed the sale of the land and building located at Thane. The decision to sell the property was based on Holding Holding Company's strategic objectives, including optimizing its asset portfolio and reallocating resources to support its core business activities. Considering the significance of this transaction, the gain from the sale has been classified as an exceptional item and separately disclosed. (Refer Note 27)

l) Discontinuing Operations:

On 22nd June, 2022, the Board of Directors of the Holding Company ratified the decision of the management to dispose of Company's Surface Engineering Solutions division, which is also a separate segment as per AS 17, Segment Reporting. The disposal is consistent with the Holding Company's long-term strategy to focus its activities in the areas of Springs, Parts, Fasteners and Assemblies, and to divest unrelated activities.. (Refer Note 27)

The Holding Company sold the Intangible assets of SES business relating to Deburring & Polishing Systems & related Media Chemicals and remaining Property, Plant & Equipment has been put to use for other business units during the year ended 31st Mar, 2024. The amounts of other assets comprising of "Assets and Liabilities" are regular business transactions which in view of the management are likely to be settled or disposed in due course of time. On 31st May, 2022, the Holding Company signed a contract to sell the SES Division to S M Systems Pvt Ltd for Rs. 30 Million. In October 2023, the Holding Company signed a contract with Gala Finishing Solutions Pvt. Ltd. for Rs. 3.50 Million

"The amount of revenue and expenses in respect of the ordinary activities attributable to the discontinuing operation during the current year are as under"

Particulars	31-Mar-24	31-Mar-23
Revenue from operations	3.50	39.79
Profit Before Tax	(3.85)	16.49

As per Management, only those income & expenses directly attributable to the discontinuing operations are considered for disclosure

m) The Group had taken proactive steps to transfer its China business to its distributor. Going forward, the Group intended to sell products to the local distributor, who would then sell to Chinese customers. However, as of March 2024, the Company has initiated winding-up proceedings for Gala China for which it has incurred expenses amounting to Rs. 2.94 Million. Given the ongoing winding-up process and the shift in business strategy to a distributor model, the Group has decided to write off the inventory amounting to Rs. 23.65 Million of Gala China.

Name of entity in the group	(Rupees in Million)							
	Net Assets (Total assets - Total liabilities)		Share in profit		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
As at 31 March 2024								
Parent								
Gala Precision Engineering Limited	99.94%	1,043.80	102.04%	227.88	100.00%	4.86	101.99%	232.74
Subsidiary								
Gala Precision Components (Shanghai) Private Limited	0.06%	0.61	-0.90%	-2.00	0.00%	-	-0.88%	(2.00)
Gala Springs LLP	0.01%	0.06	-1.14%	-2.55	0.00%	-	-1.12%	(2.55)
Elimination								
Total	100.00%	1,044.47	100.00%	223.33	100.00%	4.86	100.00%	228.19
As at 31 March 2023								
Parent								
Gala Precision Engineering Limited	100.96%	844.55	69.76%	168.91	100.00%	2.24	70.04%	171.16
Subsidiary								
Gala Precision Components (Shanghai) Private Limited	-1.27%	(10.60)	30.24%	73.23	0.00%	-	29.97%	73.23
Gala Springs LLP	0.31%	2.59	-0.01%	-0.02	0.00%	-	-0.01%	(0.02)
Total	100.00%	836.54	100.00%	242.12	100.00%	2.24	100.00%	244.36

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NOTE 32: ADDITIONAL/EXPLANATORY INFORMATION

(Rupees in Million)

o) Additional regulatory information required by Schedule III

- i No proceedings have been initiated or pending against the Group under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder
- ii The Group is not declared wilful defaulter by any bank or financial Institution or government or any government authority
- iii The Group has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- iv The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of layers) Rules 2017

- v The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- vi The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- vii The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Holding Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- viii There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year
- x The Group has not revalued its Property, Plant and Equipment (including Right-of-Use Assets) or intangible assets or both during the current or previous year.
- xi The title deeds of all the immovable property (other than properties where the Group is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Group.
- xii There are no charges or satisfaction which are yet to be registered with ROC beyond the statutory period.

For M.M.Nissim & Co LLP
Chartered Accountants
Firm Reg.No. 107122W

For and on behalf of the Board of Directors

Sd/
Kirit V. Gala
Chairman and Managing Director
DIN : 01540274

Sd/
Balkishan S. Jalan
Whole Time Director
DIN : 02876873

Sd/
N. Kashinath
Partner
Membership No. 036490
Mumbai, 12th June, 2024

Sd/
S. Giridhar
Chief Financial Officer
Mumbai, 12th June, 2024

Sd/
Pooja Ladha
Company Secretary
Mumbai, 12th June, 2024