



Date: 15.05.2025

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

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

Sub: Monitoring Agency Report for the quarter ended March 31, 2025

Dear Sir(s),

Pursuant to Regulation 32(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 please find enclosed herewith Monitoring Agency Report in respect of utilization of proceeds of IPO for the quarter ended March 31st, 2025, issued by Crisil Ratings Limited, Monitoring Agency.

Kindly take the same on record and acknowledge receipt.

Thanks & Regards,

For Gala Precision Engineering Limited

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

Monitoring Agency Report
for
Gala Precision Engineering Limited
for the quarter ended
March 31, 2025

CRL/MAR/ GLPEPL/2024-25/1410

May 15, 2025

To

Gala Precision Engineering Limited

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

Ghodbunder Road Majiwade,

Thane (West), Maharashtra-400610

Dear Sir,

**Monitoring Agency Report for the quarter ended March 31, 2025, - in relation to the Initial Public Offer
("IPO") of Gala Precision Engineering Limited ("the Company")**

Pursuant to Regulation 41(2) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations") and Monitoring Agency Agreement dated August 14, 2024, enclosed herewith the Monitoring Agency Report, issued by Crisil Ratings Limited, Monitoring Agency, as per Schedule XI of the SEBI ICDR Regulations towards utilization of proceeds of IPO for the quarter ended March 31, 2025.

Request you to kindly take the same on records.

Thanking you,

For and on behalf of Crisil Ratings Limited



Sushant Sarode

Director, Ratings (LCG)

Report of the Monitoring Agency (MA)**Name of the issuer:** Gala Precision Engineering Limited**For quarter ended:** March 31, 2025,**Name of the Monitoring Agency:** Crisil Ratings Limited

(a) Deviation from the objects: Not applicable


(b) Range of Deviation: Not applicable

Declaration:

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

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

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

Signature: **Name and designation of the Authorized Signatory:** Sushant Sarode**Designation of Authorized person/Signing Authority:** Director, Ratings (LCG)

1) Issuer Details:

Name of the issuer: Gala Precision Engineering Limited

Names of the promoter: a. Kirit Vishanji Gala
b. Smeet Kirit Gala

Industry/sector to which it belongs: Other Industrial Products

2) Issue Details

Issue Period: Monday, September 2, 2024, to Wednesday, September 4, 2024

Type of issue (public/rights): Initial Public Offer (IPO)

Type of specified securities: Equity Shares

IPO Grading, if any: NA

Issue size: Fresh issuance of Rs 1,353.40 million (Refer Note)

Particulars	Amount (Rs in million)
Gross Proceeds	1,353.40*
Less: Offer Expenses	141.05**
Net Proceeds	1,212.35

*Crisil Ratings shall be monitoring the gross proceeds.

**As per the Prospectus dated September 05, 2024, the approximate issue related expense is Rs 139.27 million. However, during the reported quarter, the issue expenses increased by 1.78 million, and the issue related expenses got revised to Rs 141.05 million. All the issue related expenses have been utilized as per the Management Undertaking & certificate issued by M/s M M Nissim & Co LLP., Chartered Accountants (Firm Registration Number: 107122W / W100672), Peer Reviewed Independent Chartered Accountant.

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

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

NA represents Not Applicable

[^] Certificate dated May 14, 2025, issued by M/s M M Nissim & Co LLP., Chartered Accountants (Firm Registration Number: 107122W / W100672), Peer Reviewed Independent Chartered Accountant.

4) Details of object(s) to be monitored:
i. Cost of the object(s):

Sr. No.	Item Head	Source of information/certification considered by MA for preparation of report	Original cost (as per the Offer Document) (Rs in million)	Revised Cost (Rs in million)	Comment of the Monitoring Agency	Comments of the Board of Directors		
						Reason of Cost revision	Proposed financing option	Particulars of firm arrangements made
1	Setting up a new facility at Vallam-Vadagal, SIPCOT, Sriperumbuddur, Tamil Nadu for manufacturing high tensile fasteners and hex bolts	Management undertaking, Peer-reviewed Independent Chartered Accountant certificate [^] , Prospectus	370.00	NA	No revision	No revision		
2	Funding capital expenditure requirements towards purchase of equipment, plant and machinery at Wada, Palghar, Maharashtra;		110.69	NA	No revision	No revision		
3	Repayment/prepayment, in full or part, of certain borrowings availed by the Company		454.30	NA	No revision	No revision		
4	General corporate purposes (GCP)*		279.14	277.36	Refer Note 1	No Comments		
5	Issue Expenses		139.27	141.05	Refer Note 1	No Comments		

Note 1: During the quarter ended December 31, 2024, actual utilisation towards offer related expenses was more than the estimated amount disclosed in the Prospectus, hence the surplus amount of Rs 1.78 million from offer related expenses were adjusted with GCP object resulting in decrease in GCP amount to Rs 277.36 million and consequential decrease in the net proceeds amount.

[^] Certificate dated May 14, 2025, issued by M/s M M Nissim & Co LLP., Chartered Accountants (Firm Registration Number: 107122W/W100672), Peer Reviewed Independent Chartered Accountant.

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

ii. Progress in the object(s):

Sr. No.	Item Head#	Source of information/certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document (Rs in million)	Amount utilized (Rs in million)			Total unutilized amount (Rs in million)	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter	During the quarter	At the end of the quarter			Reasons for idle funds	Proposed course of action
1	Setting up a new facility at Vallam-Vadagal, SIPCOT, Sriperumbuddur, Tamil Nadu for manufacturing high tensile fasteners and hex bolts	Management undertaking, Peer-reviewed Independent Chartered Accountant certificate ^, Prospectus, Bank Statements	370.00	97.45	35.99	133.44	236.56	No Comments	As and when required	
2	Funding capital expenditure requirements towards purchase of equipment, plant and machinery at Wada, Palghar, Maharashtra		110.69	19.33	6.98	26.31	84.38	No Comments	As and when required	
3	Repayment/ prepayment, in full or part, of certain borrowings availed by the Company		454.30	454.30	0.00	454.30	0.00	Proceeds were fully utilized during the Sep 30, 2024 quarter	As and when required	
4	General corporate purposes		277.36	3.05	0.00	3.05	274.31	No Comments	As and when required	
	Sub-total		1,212.35	574.13	42.97	617.10	595.25			
5	Issue expenses	141.05	141.05	0.00	141.05	0.00	Proceeds were fully utilized during the Dec 31, 2024 quarter	No Comments		
	Total	1,353.40	715.18	42.97	758.15	595.25	-	-		

^ Certificate dated May 14, 2025, issued by M/s M M Nissim & Co LLP., Chartered Accountants (Firm Registration Number: 107122W / W100672), Peer Reviewed Independent Chartered Accountant.

#Brief description of objects:

Object of the Issue	Description of objects as per the offer document filed by the issuer
<p>Setting up a new facility at Vallam-Vadagal, SIPCOT, Sriperumbuddur, Tamil Nadu for manufacturing high tensile fasteners and hex bolts</p>	<p>As part of the growth strategy and with a view to expanding its capacity of special fastening solutions for products like foundation studs, nascelle fasteners, hex bolts, nuts etc,. The Company is setting up a new manufacturing facility at Vallam-Vadagal, SIPCOT, Sriperumbuddur, Tamil Nadu ("Proposed Project").</p>
<p>Funding capital expenditure requirements towards purchase of equipment, plant and machinery at Wada, Palghar, Maharashtra</p>	<p>As a part of its strategy to enhance market position with focus on additional capacity for manufacturing of hex bolts, operational efficiency, improve safety, IT set up and quality capabilities. Accordingly, in furtherance of the aforesaid, The Company intends to utilize up to ₹ 110.69 million towards purchase of machinery for additional capacity for manufacturing of hex bolts at its existing production facilities in Wada, Palghar, Maharashtra in order to increase the automated processes available at such facilities as well as for the replacement of existing machinery, for facility improvisations.</p>
<p>Repayment/ prepayment, in full or part, of certain borrowings availed by the Company</p>	<p>The Company proposes to utilise an estimated amount of ₹454.30 million from the Net Proceeds towards full or partial repayment or pre-payment of certain borrowings availed by the Company. It may avail further loans and/or draw down further funds under existing loans from time to time. The selection of borrowings proposed to be repaid/pre-paid amongst our borrowing arrangements availed is based on various factors including (i) cost of borrowing, including applicable interest rates, (ii) any conditions attached to the borrowings restricting the ability to prepay the borrowings and time taken to fulfil or obtain waiver for such requirements, and (iii) other commercial considerations including, among others, the amount of the loans outstanding and the remaining tenor of the loan.</p>
<p>General corporate purposes</p>	<p>The general corporate purposes for which the Company proposes to utilise Net Proceeds include, without limitation, business development initiatives, design and development, meeting any expense including salaries and wages, rent, administration costs, insurance premiums, repairs and maintenance, payment of taxes and duties, inorganic opportunities and similar other expenses incurred in the ordinary course of the business any of the other Objects, payment of liabilities, capital expenditure or towards any exigencies. The quantum of utilisation of funds towards each of the above purposes will be determined by the Board of the Company, based on the amount actually available under this head and the business requirements of the Company, from time to time, subject to compliance with applicable law.</p>

iii. Deployment of unutilised proceeds^:

Sr. No	Type of instrument and name of the entity invested in	Amount Invested (in Million)	Maturity date	Earning	Return on Investment (%)	Market Value as at the 31/03/2025 (In million)
1	Yes Bank Fixed Deposit no 007730100000098	30.00	06/04/2025	1.09	7.55%	31.09
2	Yes Bank Fixed Deposit no '007730100000101	30.00	06/04/2025	1.09	7.55%	31.09
3	Yes Bank Fixed Deposit no 007730100000111	40.00	06/04/2025	0.70	7.55%	40.70
4	HDFC Bank Fixed Deposit no 50301040029593	50.00	20/09/2025	0.12	7.55%	50.12
5	HDFC Bank Fixed Deposit no 50301040030186	50.00	20/09/2025	0.12	7.55%	50.12
6	Yes Bank Fixed Deposit no 007740300023608	5.00	07/04/2026	0.09	8.00%	5.09
7	Yes Bank Fixed Deposit no 007740300023638	20.00	08/04/2026	0.36	8.00%	20.36
8	Yes Bank Fixed Deposit no 007740300023618	20.00	09/04/2026	0.36	8.00%	20.36
9	HDFC Bank Fixed Deposit no 50301132566302	50.00	23/07/2025	0.08	7.10%	50.08
10	HDFC Bank Fixed Deposit no 50301132567522	50.00	23/07/2025	0.08	7.10%	50.08
11	HDFC Bank Fixed Deposit no 50301132568360	50.00	23/07/2025	0.08	7.10%	50.08
12	HDFC Bank Fixed Deposit no 50301132569146	50.00	23/07/2025	0.08	7.10%	50.08
13	HDFC Bank Fixed Deposit no 50301132570058	50.00	23/07/2025	0.08	7.10%	50.08
14	HDFC Bank Fixed Deposit no 50301132570901	50.00	23/07/2025	0.08	7.10%	50.08
15	HDFC Bank Fixed Deposit no 50301132571953	50.00	23/07/2025	0.08	7.10%	50.08
16	Balance lying in MA account (Refer Note 2)	9.66	-	0.00	-	9.66
	Total	604.66	-	4.49	-	609.15

^ On the basis of management undertaking and certificate dated May 14, 2025, issued by M/s M M Nissim & Co LLP., Chartered Accountants (Firm Registration Number: 107122W/W100672), Peer Reviewed Independent Chartered Accountant.

Note 2: At the quarter ending the outstanding balance with MA Account was Rs 9.66 million out which Rs 9.41 million pertains to interest realised from fixed deposit & the remaining Rs 0.25 million pertains to unutilised issue proceeds

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

Object(s)	Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the Offer Document	Actual		Reason of delay	Proposed course of action
Setting up a new facility at Vallam-Vadagal, SIPCOT, Sriperumbuddur, Tamil Nadu for manufacturing high tensile fasteners and hex bolts;	Fiscal 25 Rs 250 million	Refer Note 1	Refer Note 1	As and when required	
Funding capital expenditure requirements towards purchase of equipment, plant and machinery at Wada, Palghar, Maharashtra	Fiscal 25 Rs 110.69 million	Refer Note 2	Refer Note 2	As and when required	
General corporate purposes	Fiscal 25 Rs 100	Refer Note 3	Refer Note 3	As and when required	

Note 1: As per Company's Prospectus dated 5th of September 2024 ("offer document"), the Company had proposed to deploy Rs 250 million towards the object of Setting up a new facility at Vallam-Vadagal, SIPCOT, Sriperumbuddur, Tamil Nadu for manufacturing high tensile fasteners and hex bolts by fiscal 2025. However, the Company has utilized Rs 133.51 million as at the end of fiscal 2025, hence, there is a delay from the proposed schedule of implementation as specified in the offer document.

Note 2: As per Company's Prospectus dated 5th of September 2024 ("offer document"), the Company had proposed to deploy Rs 110.69 million towards the object of Funding capital expenditure requirements towards purchase of equipment, plant and machinery at Wada, Palghar, Maharashtra by fiscal 2025. However, the Company has utilized Rs 26.24 million as at the end of fiscal 2025, hence, there is a delay from the proposed schedule of implementation as specified in the offer document.

Note 3: As per Company's Prospectus dated 5th of September 2024 ("offer document"), the Company had proposed to deploy Rs 100.00 million towards the object of Funding capital expenditure requirements towards purchase of equipment, plant and machinery at Wada, Palghar, Maharashtra by fiscal 2025. However, the Company has utilized Rs 3.05 million as at the end of fiscal 2025, hence, there is a delay from the proposed schedule of implementation as specified in the offer document.

The Prospectus further states that, "Further, in the event, the Net Proceeds are not utilized (in full or in part) for the objects of the Offer during the period stated above due to any reason, including (i) the timing of completion of the Offer; (ii) market conditions outside the control of our Company; and (iii) any other economic, business and commercial considerations, the remaining Net Proceeds shall be utilized in subsequent periods for the years 2024-2025, 2025-2026 and if not in these years then by year 2026-2027 as may be determined by our Company, in accordance with applicable laws."

[^] On the basis of management undertaking and certificate dated May 14, 2025, issued by M/s M M Nissim & Co LLP., Chartered Accountants (Firm Registration Number: 107122W/W100672), Peer Reviewed Independent Chartered Accountant.

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

Sr. No.	Item heads	Amount (In million)	Comments of Monitoring Agency
Not Applicable [^]			

[^] On the basis of management undertaking and certificate dated May 14, 2025, issued by M/s M M Nissim & Co LLP., Chartered Accountants (Firm Registration Number: 107122W/W100672), Peer Reviewed Independent Chartered Accountant.

Disclaimers:

- a) *This Report is prepared by Crisil Ratings Limited (hereinafter referred to as "Monitoring Agency" / "MA" / "CRL"). The MA has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever.*
- b) *This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments. For the purpose of this Report, MA has relied upon the information provided by the management /officials/ consultants of the Issuer and third-party sources like Peer-reviewed Independent Chartered Accountants (or from peer reviewed CA firms) appointed by the Issuer believed by it to be accurate and reliable.*
- c) *Nothing contained in this Report is capable or intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The MA is also not responsible for any errors in transmission and specifically states that it, or its directors, employees do not have any financial liabilities whatsoever to the users of this Report.*
- d) *The MA and its affiliates do not act as a fiduciary. The MA and its affiliates also do not act as an expert to the extent defined under Section 2(38) of the Companies Act, 2013. While the MA has obtained information from sources it believes to be reliable, it does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives from auditors (or from peer reviewed CA firms), lawyers, chartered engineers or other experts, and relies on in its reports.*
- e) *The MA or its affiliates may have other commercial transactions with the entity to which the report pertains. As an example, the MA may rate the issuer or any debt instruments / facilities issued or proposed to be issued by the issuer that is subject matter of this report. The MA may receive separate compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.*
- f) *The MA report is intended for the jurisdiction of India only. This report does not constitute an offer of services. Without limiting the generality of the foregoing, nothing in the report is to be construed as CRL providing or intending to provide any services in jurisdictions outside India, where it does not have the necessary licenses and/or registration to carry out its business activities referred to above.*
- g) *Access or use of this report does not create a client relationship between CRL and the user.*
- h) *CRL is not aware that any user intends to rely on the report or of the manner in which a user intends to use the report. In preparing this report, MA has not taken into consideration the objectives or particular needs of any particular user.*
- i) *It is made abundantly clear that the report is not intended to and does not constitute an investment advice. The report is not an offer to sell or an offer to purchase or subscribe for any investment in any securities, instruments, facilities or solicitation of any kind to enter into any deal or transaction with the entity to which the report pertains. The report should not be a basis for any investment decision within the meaning of any law or regulation (including the laws and regulations applicable in the US).*
- j) *The report comprises professional opinion of CRL as of the date they are expressed, based on the information received from the issuer and other sources considered reliable by CRL. Any opinions expressed here are in good faith, are subject to change without notice, and are only current as of the stated date of their issue. The report does not constitute statements of fact or recommendations to purchase, hold or sell any securities/instruments or to make any investment decisions.*
- k) *Neither CRL nor its affiliates, third-party providers, as well as their directors, officers, shareholders, employees or agents guarantee the accuracy, completeness or adequacy of the report, and shall not have any liability for any errors, omissions or interruptions therein, regardless of the cause, or for the results obtained from the use of any part of the report. CRL and each aforesaid party disclaims any and all express or implied warranties, including but not limited to any warranties of merchantability, suitability or fitness for a particular purpose or use or use. In no event shall CRL or any aforesaid party be liable to any user for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of any part of the report even if advised of the possibility of such damages.*
- l) *CRL has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with the preparation of this report. CRL has in place a code of conduct and policies for managing conflict of interest.*

- m) Unless required under any applicable law, this report should not be reproduced or redistributed to any other person or in any form without prior written consent from CRL.*
- n) By accepting a copy of this Report, the recipient accepts the terms of this Disclaimer, which forms an integral part of this Report.*