GALA
PRECISION ENGINEERING

Date: 08-08-2025

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

Dear Sir/Ma'am,

Sub: Transcript of Earnings Call held for the quarter ended June 30, 2025

Pursuant to Regulation 30 read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the Company's Earnings Call held on August 6, 2025, regarding discussion on operational and financial performance for the quarter ended June 30, 2025 (Q1 & FY26) is enclosed herewith.

Please take the same on your records.

Thanks & Regards,
For Gala Precision Engineering Limited

POOJA LADHA

Digitally signed by POOJA LADHA
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Pooja Ladha
Company Secretary and Compliance Officer
Encl:

Gala Precision Engineering Ltd
Q1 FY'26 Earnings Conference Call
August 06, 2025

Moderator: Ladies and gentlemen, good day and welcome to Gala Precision Engineering Limited Q1 FY'26 Earnings Conference Call hosted by Valorem Advisors.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing '*' and '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Nupur Jainkunia from Valorem Advisors. Thank you and over to you ma'am.

Nupur Jainkunia: Thank you. Good evening everyone, and a warm welcome to you all. My name is Nupur Jainkunia from Valorem Advisors. We represent the investor relations of Gala Precision Engineering Limited. On behalf of the company and Valorem Advisors, I would like to thank you all for participating in the Company's Earnings Conference Call for the 1st Quarter of Financial Year 2026.

Before we begin, let me mention a short cautionary statement. Some of the statements made in today's earnings call may be forward-looking in nature. Such forward-looking statements are subject to risk and uncertainties which could cause actual results to differ from those anticipated. Such statements are based on management's belief as well as assumptions made by the information currently available to management. Audiences are cautioned not to place any undue reliance on these forward-looking statements in making any investment decision. The purpose of today's earnings call is purely to educate and bring awareness about the company's fundamental business and the financial quarter under review.

Let me now introduce you to the management participating with us in today's earnings call and hand it over to them for their opening remarks. We have with us Mr. Balkishan Jalan, Whole-time Director, Mr. Satish Kotwani – Whole-time Director and Mr. Srinivasan Giridhar – Chief Financial Officer of the Company.

Without any further delay, I request Mr. Satish Kotwani to start with his opening remarks. Thank you and over to you, sir.

Satish Kotwani: Good afternoon, everyone. Welcome to our Earnings Call to discuss performance of 1st Quarter of Financial Year 2026.

In the interest of some of the people who are new to the company, let me give you a brief overview of the company. Gala Precision is a preferred manufacturer of high-quality precision components. We serve various industry sectors like renewable energy, industrial and mobility. Geographically, we are diversified across sales in India, Europe, and U.S. markets. We supply to original equipment manufacturers, OEMs, Tier-1, and channel partners. We manufacture more than 750 SKU's to serve more than 175 active global customers across 25 countries. Our facilities are fully equipped with advanced technologies and integrated capabilities for designing, developing, and manufacturing of diverse product portfolios. To further strengthen our manufacturing footprint and expand the product range, we have established new facility in Chennai. This plant will focus on producing various high-tensile fasteners including bolts and nuts. These are mainly complementing the existing product category of fasteners and enhancing to meet our ability to meet customer demand.

Now, coming to the key operational highlight for the quarter under review, we saw a strong growth in top line on a year-on-year basis. Our order book for quarter stood at around Rs. 70 crores. Our fastener business represents a strong 64% sequential growth with revenue raising from Rs. 12 crores to Rs. 20 crores in Quarter 1 of FY'26. On the CAPEX front at the Chennai plant, we are making excellent progress. Various customer audits were successfully completed, and commercial production has begun in July 2025 and we expect dispatches to commence from this month, August. We have also started sales from our Wada plant to new industrial customers in our SFS business.

With that said then, I will now request our CFO Mr. Giridhar to brief you on financial highlights for the period under review. Thank you very much.

Srinivasan Giridhar: Good afternoon, everyone and welcome to the earnings call today. Let me provide a brief overview of the financial performance for the quarter of 2026.

For the quarter under review, consolidated revenue from operations stood at Rs. 63 crores which increased by 19% year-on-year and declined by 16% quarter-on-quarter. Revenues for the quarter had a positive impact from a favorable cost-products rate increase in the euro which resulted in a gain of Rs. 1.2 crores and in reduction in the off-work-hourly cost. EBITDA for the quarter was around Rs. 10 crores which declined 12% year-on-year and 35% quarter-on-quarter with EBITDA margins reported at 15.21%. Gross margins improved partly supported by benefits from goods in transit and foreign exchange rate and with the remaining improvement driven by favorable product use. EBITDA was impacted by higher other expenses primarily due to FOREX laws on account of revaluation of outstanding **forward contract of** amount around Rs. 2 crores and additional costs of around Rs. 1 crore related to freight, power, labor costs, outsourcing costs, foreign travel and other operational activities. Net profit was 6.5 crores representing a growth of 3.2% year-on-year and a decline of **35%** quarter-on-quarter and part margins are reported at 10.3%.

With this we can now open the floor for Q-and-A session.

Moderator: Thank you. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press '*' and '1' on their touchtone telephone. If you wish to remove yourself from the question queue, you may press '*' and '2'. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

The first question is from the line of Prachi, an individual investor. Please go ahead.

Prachi: Good evening, sir. I just had a question on the order book. Which segment contributed to major part of your order book and what will be the time frame for implementing it?

Satish Kotwani: Yes, so I will answer this question. Renewable which contributes of wind energy and hydropower equipment contribute about 37% of our order book. Industrial is about 35% which is mainly electrical, off-highway equipment and mobility sector which is about 28% of the order book. Normally these orders are to be executed in next 3-4 months. Over and above these orders, we also get the schedule from our regular automotive customer and Tier-1 customers which are additional to the order book which comes as a monthly schedule.

Prachi: Okay Sir, thank you so much.

Moderator: The next question is from the line of Yashovardhan Banka from Tiger Assets. Please go ahead.

Yashovardhan Banka: Thank you, sir. A couple of questions. Can you give us the CAPEX visibility for say the next two years?

Balkishan Jalan: Basically, we are disclosing DRHP and we are in the same line. So, more or less in Chennai, we have completed the CAPEX phase 1 and we just started the production last month. And to phase 2 of CAPEX, we will be reviewing in next 2-3 quarters, likely by last quarter FY'26 and then we will start phase two capex which is going to be around Rs. 15 crores - Rs. 20 crores. As far as Wada is concerned, again as per the DRHP, we are incurring the CAPEX. Plus, in addition, based on how we progress, see the order book, we will be incurring the incremental capex year-on-year. That clarity normally we get 2-3 quarters in advance.

Yashovardhan Banka: So, cumulatively from the Chennai capex after phase two, what are the peak levels of revenue that you are expecting once the optimum utilization?

Balkishan Jalan: As we mentioned, the total capex in Chennai is going to be approximately Rs. 48 crores- Rs. 50 crores. And in peak capacity, it will touch around Rs. 120 crore top line. And we are seeing we should be touching this in FY'27 end or FY'28 as a run rate.

Yashovardhan Banka: Sir, what is the current order book?

Balkishan Jalan: At around Rs. 70 crores. So, our business is basically where we get a regular order schedule or projections. And firm order, we get 2-4 months in advance. The customer to customer, they have different methodology. So, they keep on giving us the projections plan, but they give a firm schedule or firm order 1-2 months in advance. As of now, we have a Rs. 70 crores order book, which we have to deliver in next 3-4 months. And plus, over and above, we regularly get the regular OEM schedules for dispatching, like auto customer. The similar type of concept is there in auto customer, industrial or even in renewable industry.

Yashovardhan Banka: So, we are not facing any sort of sluggishness in the order book, right, build up?

Balkishan Jalan: No, no, no. In fact, we have more pressure from the market to deliver.

Yashovardhan Banka: I am guessing the client stickiness also might be there.

Balkishan Jalan: Yes, yes, very much. So, all these are critical products. The customer and Gala need to put a lot of effort in, start from the RFQ to product development, validation, field trial and all. It takes 9 months- 20 for a year and that is how it brings a lot of stickiness. So, normally, the customer do not change the sources so easily.

Yashovardhan Banka: Since you mentioned critical, the criticality. So, recently, I think the government came out with an ALWM for windmills. So, how are we going to benefit from that?

Balkishan Jalan: Satish, do you have any idea about this?

Satish Kotwani: No, I do not have any idea on this.

Balkishan Jalan: As of now, the BI is something which is applicable in our fastener products, which we manufacture in India. And for that, we are getting the BI certifications and all. Otherwise, I have not heard about this concept.

Yashovardhan Banka: And just one more question before I join the queue. So, are we looking for any sort of inorganic growth, like moving ahead for our fasteners or any other?

Balkishan Jalan: We have appointed AVP strategy, and we are working with some merchant bankers. And yeah, we are exploring inorganic area.

Yashovardhan Banka: For any particular segment, if you can tell?

Balkishan Jalan: Basically, in precision engineering, including the fasteners.

Yashovardhan Banka: And so, what sort of, I mean, guidance could you provide for, say, mid-term, like short to mid-term, for, say, FY'26, and then follow on FY'28-FY'29, if any?

Balkishan Jalan: So, we would like to maintain that, in past, what we said is same line. We are thinking, on an average, 20% year-on-year, in mid- to long-term, with the similar type of EBITDA margin of 17% to 19%. And for FY'26, we are seeing 20% to 25% type of growth, and we still want to maintain that.

Yashovardhan Banka: Thank you so much, and all the best.

Moderator: Before we take the next question, we would like to remind the participants to press '*' and '1' to ask a question. The next question is from the line of Kunal Mehta from Sunidhi. Please go ahead.

Kunal Mehta: My first question would be, can you provide guidance, maybe on the next two years? Anything that can be helpful for us to envision what the company can grow towards? Because the current capacity expansion will take the company's revenue up to, let us say, Rs. 440 crores after the company has completed and operates at sensible capacity. So, beyond that, what is the vision?

Balkishan Jalan: Yes, so basically, broadly 425-450 type of number, that depends completely on the product mix and all. Beyond that, we actually started searching the land in Chennai or even in Maharashtra, Gujarat, and based on the customer expectation or requirement, we will be finalizing land maybe next 6-month time. As of now, we are covered for at least 1 ½ -2 years to achieve this type of number. I do not want to comment specifically what number we will be achieving or target, but capacity-wise, yes, these numbers are there. We are there, for these capacities are there for next 1 ½ -2 years at least.

Kunal Mehta: Sir, with respect to funding for this the land has been – you are talking about in either Maharashtra or Chennai and also inorganic acquisition. I think in the last call, you mentioned something in respect to oil and gas in about 6-12 months. So maybe that is also upcoming. So how will it be funded? Will it be funded through – I mean, I think cash on books will be used for the current expansion and after that, will it be through internal approvals or will you all be taking debt to fund that?

Balkishan Jalan: Yes, sure. So basically, we have as of now the general corpus which we raised in IPO, almost Rs. 25 crores plus is there in general corpus and lying in FD. Number two, there is no long-term debt, zero long-term debt on the company's book. And number three, there is a healthy cash accrual are there in company year-on-year. With these three, as of now, this is something which should meet. But inorganic, you never know, it is very premature to say anything about that. But then for organic, sufficient fund availability is there to support the organic growth which what we are seeing in next 3-5 years.

Kunal Mehta: One last question. Currently, 38% of our revenue is from exports from which 14% is USA. Any impact on that? Do we see that becoming less in Europe and the other rest of the world seeing more? Can we see domestic share improving? I mean, what is the next going ahead expected?

Satish Kotwani: Basically, for US, of course, the situation is really uncertain. So, I think whatever we were expecting between March to June, July, we got that business and orders from the customers. As of now, there is no cancellation or any postponement of orders. But of course, uncertainty continues till the time we have the finalised situation for the tariffs or now they are talking about penalties. So, there can be some impact because of this. But to mitigate that impact, of course, we are continually aggressively developing business in India, of course, and also in the European market. But of course, because of this tariff there is uncertainty at least for the next couple of months till we stabilize the situation.

Kunal Mehta: Since we are already also doing a little bit of CAPEX at Wada facilities, so that will be something like a brownfield expansion. So why is it taking so much time to shift till the balance of Rs. 7 crores is remaining? It is only Rs. 4 crores utilized. So, is there any impediments that are coming in the way where expansion is being delayed?

Balkishan Jalan: Basically, in engineering company, we keep on adding the capex and do the line balancing rather than a completely new setup or completely new line. And this, like we add pressure sometime, we add heat treatment, we add some CNC machining or different type of equipment, for example, that we keep on adding. And as we see the order book or the projections, we order and we get this machine. So, a lot of POs have already been issued. And maybe in the next 3 months or so, we will be getting a good number of machines on shop floor. But there is no such delay. And we just keep on as and when we see there is more clarity about the order.

Kunal Mehta: The gross margin has improved by Y-oY from 58% to about 61%. Is it because of the mix of fasteners? Because fasteners and bolts and all have higher utilization?

Srinivasan Giridhar: One is the increment in gross margin. One is because of the impact of increase in the Euro rate by 10% compared to March. That has given a benefit to the top line of Rs. 1.16 crores. At the same time, we have levels also benefit due to the different product mix as well as transit also, which also has contributed to the improved gross margin.

Kunal Mehta: Can we expect the gross margin to be above 60% throughout the year?

Srinivasan Giridhar: No. The gross margin will be around 58% - 60% going forward also and even the RM ratio will be around 40% - 45%.

Kunal Mehta: Do we use any hedging instruments for maintaining the gross margin?

Srinivasan Giridhar: Not for gross margin. We do take forward covers on our export collection. How we do is that we put forward covers 12 months down the line and we are able to escalate **(Inaudible) 20.16** based on the forward covers. And there is only trend of exports and export collections over the last 2-3 years back. As far as imports are concerned, we do not do. We have **(Inaudible) 20.38** also.

Kunal Mehta: Okay. I will join back the queue for further questions.

Moderator: Thank you. Participants may press '*' and '1' to ask a question. The next question is from the line of Nisarg Desai from RRR Investment. Please go ahead.

Nisarg Desai: I have two questions. Actually, the first one is that, which segment has led to the margin decline? And what will be the margin going forward? And my second question would be, what are the margins for our fasteners segment?

Srinivasan Giridhar: You see, there is no specific segment that has any margin compression. This is generally…

Moderator: Sorry sir, your voice is breaking.

Srinivasan Giridhar: Now can you hear?

Moderator: Yes sir, please go ahead.

Srinivasan Giridhar: There is no particular product segment that contributes to margin compression. Across the product, the margins are similar and not any specific to any product segment. Even for SFS also, the margins are pretty similar across the product lines.

Balkishan Jalan: I will just add, I think so when you are referring the margin, if you see the gross margin has improved, but as I mentioned, we do not see that the gross margin will be, improved margin will be there quarter-on-quarter. So, we maintain that RM cost is going to be around 40-42 or gross margin is going to be around 50-60. So, this is one. And across the product, broadly, the margins are similar. As far as the margin, when you are talking reduced, is really in EBITDA what you are referring, EBITDA margin and in this, a major impact happened because of the revaluation of the forward cover and that impacted the other expenses by almost Rs. 2 crores. This is, I think notional or non-cash and going forward, this type of impact may get reverse in fact. So, this may be a temporary impact on EBITDA.

Srinivasan Giridhar: You know, apart from the forward cover cost, there are additional cost incurred around Rs. 1 crore, mainly on foreign travel, freight, power, labor costs, outsourcing costs, foreign travel and other operational activities. We have already taken up steps to control the increasing expenditure going forward.

Nisarg Desai: Okay sir, thank you.

Moderator: Thank you. The next question is from the line of Pranjal Mukhija from GrowthSphere Ventures, LLP. Please go ahead.

Pranjal Mukhija: Thank you for giving me this opportunity, sir. I have just one question. Given the renewed volatility in the global state dynamics, particularly with the potential return of some tariffs, so have you as a company observed any on-ground shift in terms of sentiments or deal flows from U.S. clients? I am only asking this because several other Indian special engineering peers are reporting increased traction and fresh orders from the U.S. So, are you sort of experiencing a similar momentum in your business? And if so, how are we as a company positioning ourselves to sort of capture this opportunity and scale this opportunity?

Satish Kotwani: For U.S., as we mentioned, we are not seeing any decline in the orders, what we budgeted. So first quarter, whatever orders we expected, we received the orders. But I think because of the tariff situation and more on the penalty, which is still unclear, there is a lot of uncertainty in the business. And I think when we talk to our customers, of course, they are also waiting and watching. And in general, we see that this should get removed in the next couple of months once we have the complete clear picture on the business trade agreements assigned. In U.S., basically we supply two product categories, disc springs and fasteners, mainly for renewable industry. So, disc springs is a very niche product, and we normally compete with manufacturers in U.S. or from Europe or China. We do not see major impact because of very, very niche, and special category. In Fasteners, of course, we again compete with European producers, including Europe and U.K. So, we are just waiting and watching like many other players. To be very open and honest, we are not seeing any very big upside in coming months but you never know what surprises can Trump give. But at least mid to long term, maybe if there are some favourable situations for India, then it can also positively benefit to Gala.

Pranjal Mukhija: You are saying that we are sort of competing with some other countries in the U.S. market for these particular segments. So which countries are these?

Satish Kotwani: For Fasteners, we compete with producers from Germany, Norway, and Denmark and U.K. They are mainly supplying to U.S. apart from India.

Pranjal Mukhija: Okay, sir. That was really helpful. Thank you.

Moderator: Before we take the next question, we would like to remind the participants to press '*' and '1' to ask a question. The next question is on the line of Yashovardhan Banka from Tiger Assets. Please go ahead.

Yashovardhan Banka: Thanks for the follow-up. I just wanted to understand the update.

Moderator: Sorry to interrupt, sir, but your voice is breaking. Could you go to a better reception area? Thank you, please go ahead.

Yashovardhan Banka: I just wanted to get an update on the seat retractor springs.

Satish Kotwani: Status is Gala testing was completed and we submitted the samples to the customer, which is basically Tier-1 customer. They have conducted basic testing, and now they are working on complete full-fledged testing and also discussing with their OEM for approval where they want to use our spring. I think progress is happening, but considering the very critical and safety component, they are going really step-by-step, doing all the testing validation very deeply. So maybe in the next 2-3 months, we will have some more updates after their full-fledged internal testing and discussion with OEM on the next step of supplying small batches where they can use in the mass production.

Yashovardhan Banka: And, sir, what is the addressable market you are looking out for this product?

Satish Kotwani: So, customers whom we are talking, they buy about Rs. 20 crores worth of retractor springs in India. Of course, globally, their demand is at least 5-7 times bigger than this. But I think one thing is to get the approvals internally with them, and considering the safety critical component, they would like to start with some OEMs and gain the confidence. So, ramp-up may be slow initially for a couple of years, till the time they and their OEM get the confidence on the product.

Yashovardhan Banka: This Rs. 20 crores is annual, right?

Satish Kotwani: Annual demand, yes.

Yashovardhan Banka: So, we will be looking out for more such clients as well, right? Once we get approved.

Satish Kotwani: Yes, yes, yes. I think till the time we have been audited by some vehicle manufacturer or OEM, we need to stick to them. Once we have some OEM approval and start of supplies of our products to this Tier-1 company and our products go to OEM, then I think we can go to other players also with this credential.

Yahovardhan Banka: And is there any other peer, you know, who is already doing this in India?

Satish Kotwani: There is a company named Kern-Lieber, which is a global company based out of Germany, but they also have a plant in India and Bangalore. And currently, they are supplying to Indian manufacturers.

Yashovardhan Banka: Okay, apart from that, no domestic manufacturer as such, right?

Satish Kotwani: No. Except Kern-Lieber, there is nobody. There was one company in joint venture with Korea, but they were not successful.

Yashovardhan Banka: And particularly talking about, say, any sort of employee incentive schemes that you are planning to introduce, and also the attrition rate, if you can touch upon that.

Balkishan Jalan: Yes, we have already employee ESOP, which has been given before IPO, and the schemes are there. And employee, based on the requirement, they keep on encashing or they are taking granted, they are still granted and allotted and all. Immediately, additionally, we are not seeing any immediate ESOP in the near future. At least we have not planned that.

Yashovardhan Banka: Got it. And the attrition rate?

Balkishan Jalan: It is below 10% and much lower than the industry benchmark.

Yashovardhan Banka: Just one last question from my end. On the plant, utilisation of the Chennai plant, what is the utilisation level you are expecting for FY'26?

Balkishan Jalan: We are targeting approximately 30 crores something number from FY'26 from Chennai.

Yashovardhan Banka: And sir, from the existing WADA plant?

Balkishan Jalan: Approximately (+/-) 270 something, depends upon how we progress.

Yashovardhan Banka: And the EBITDA margin you are planning to maintain at least 15% level or further we can see some elevation?

Balkishan Jalan: If we remove the FX loss which is almost Rs. 2 crores, the EBITDA margin we can see around more than 17% or 17%-18%. And we are seeing EBITDA margin of 17%-19%.

Yashovardhan Banka: Understood. Thank you so much. All the best.

Moderator: Thank you. Participants who wish to ask a question may press '*' and '1' at this time. The next question is from the line of Sreemant Dudhoria from Sree Capital. Please go ahead.

Sreemant Dudhoria: A couple of questions. First is, what is the present duty on our US exports?

Srinivasan Giridhar: I think before this tariff situation, the duty on our component which is fasteners and disc springs was 5.5% and now I think it is 25%.

Sreemant Dudhoria: And would this tariff confusion have an impact on the ramp-up plan for the Chennai phase 1 expansion?

Srinivasan Giridhar: Not on the phase 1 because initially Chennai plant we already planned to supply to our domestic customers. And so, I think Chennai plant there will not be any impact because of this situation.

Sreemant Dudhoria: I think in the last call you said, you know, the first customer you got for the Chennai plant is for export to the US customers. And more audits are ongoing. So, would the ramp-up plan have an impact because of the tariff confusion?

Satish Kotwani: So basically, Chennai plant, of course, we got the first order of bolts which is a new product from this US customer and we already supplied that also after manufacturing in Chennai. And we supplied from our Wada factory after completing the remaining processes, so that business will continue. We have the visibility for next 2-3 orders from them. But that business is not substantial which can impact the Chennai plant. Chennai plant, as we discussed in the last call, we went to Chennai since lot of wind turbine manufacturers, existing customers of Gala are having base in Chennai and they wanted us to be closer. And since Wada we already were utilising full capacity, we expanded in Chennai. So, I think majority of Chennai plant revenue in phase 1, which is current year FY'26, is mainly coming from the Indian OEMs and domestic market.

Sreemant Dudhoria: Okay, understood. And if the tariff stays at 25%, who would absorb the higher cost? Any discussions happening with the customers on this context?

Satish Kotwani: There is no discussion started because this news came only, I think 4-5 days back about 25%. But our import terms with all the customers are without any import duty added in our price. So even when the tariff was 5.5%, sorry, import duty was 5.5%, it was absorbed by customers. And currently there is no legal bounding that whatever tariff comes, we have to absorb. But depending on the situation with customer, we will understand their situation of competition, which is mainly from Europe. And in case, as a business case, we need to adjust the price, we will take the business call accordingly.

Sreemant Dudhoria: Secondly, I want to get a better sense of your hedging policy. If you could detail, what are the various currency exposures that you have? How do you hedge it? What is naturally hedged? What is unhedged? What is left unhedged across your line items?

Satish Kotwani: See, as a product policy, based on the past tense, we do hedge on the Euro, which is to the extent of 65, only 61% of the indexes we hedge meaning 35% we keep it open in the market.

Sreemant Dudhoria: Can not hear you sir. Not getting numbers, sorry.

Satish Kotwani: Yes, we do hedge for Euro exports as well as USD exports. We hedge to the extent of 65% of the total contract value, and 35% we leave it for the open market. And we take a forward cover for the next 12 months, as of now. And we have an SIP mechanism, which follows every month. Every 10 days, we take forward cover under the SIP mechanism. And we also do forward cover for export for USD, but that is very, very less. But the net of the import also, which is in USD, the net of that we do the balance for the hedging, which again is very, very less. Because the majority of the hedging is done in the Euro exports only.

Sreemant Dudhoria: If understood right, USD you are more or less naturally hedged and Euro **(36:55- inaudible)**

Satish Kotwani: Correct.

Sreemant Dudhoria: Okay. Thank you.

Moderator: Before we take the next question, we would like to remind the participants to press '*' and '1' to ask a question.

The next question is from the line of Vishal, an individual investor. Please go ahead.

Vishal: My question is regarding the product mix that we would be producing at the Wada plant. Like what kind of product mixes would be there?

Satish Kotwani: At Wada, we produce all the three product lines. The spring, which is the biggest division, a coil spring, and the fastener as well. In Chennai, we produce only fastener items.

Vishal: By what time will the funds be deployed for the Wada plant?

Satish Kotwani: Wada plant, maybe another 6-9 months and Chennai, maybe another 1- 1 ½ year.

Vishal: The last question would be like how much revenue will we be expecting from that?

Satish Kotwani: So, already in past we guided, when we reached to a complete deployment of the CAPEX, so WADA and Chennai put together, we will be seeing the capacity of 425 crores, to further depend upon the product mix.

Vishal: Okay, sir. Thank you so much.

Moderator: Thank you. Participants who wish to ask a question may press '*' and '1' at this time. I repeat, participants who wish to ask a question may press '*' and '1' now. As there are no further questions from the participants, I now hand the conference over to the management for closing comments.

Srinivasan Giridhar: Thank you all for participating in this earnings con-call. I hope we have been able to answer your questions satisfactorily. If you have any further questions or would like to know more about the company, please reach out to our IR managers at Valorem Advisors.

Moderator: Thank you. On behalf of Gala Precision Engineering Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.