



Action: BUY	CMP: ₹1164.3	TGT1/TGT2: ₹1262.1/1312.8	Stop Loss: ₹1129.0	Time frame:5-6 WEEKS
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Gala Precision Engineering Ltd. (GPEL) is a manufacturer of high-precision components specializing in fastening solutions and surface engineering. The company serves critical global industries including renewable energy (wind and solar), industrials (power tools, infrastructure, and off-highway vehicles), and mobility (automotive and railways). GPEL maintains a leading position in the Indian market, particularly in the renewable energy segment where it holds a significant market share for specific fastening and spring components.

Operations and Resources: The company operates state-of-the-art manufacturing facilities in Maharashtra. These units are integrated with in-house tool design and development capabilities, allowing for the management of an extensive portfolio of over 750 SKUs.

Ownership: As of December 31, 2025, the promoter group holds 38.49% of the equity, while Public shareholders hold 55.20%, Domestic Institutional Investors (DII) hold 1.33%, and Foreign Portfolio Investors (FPI) hold 4.98%.

Market and Significance: GPEL holds a dominant 70% market share in the domestic Renewable Disc & Strip Springs (DSS) segment. Its products are vital for safety-critical applications like yaw brakes in wind turbines and high-tensile fastening in heavy infrastructure.

Financials:

Company 5-year revenue has increased from ₹105Cr (FY21) to ₹314Cr (FY26) at a 24.49% CAGR. Company YOY revenue increased from ₹105Cr (FY25) to ₹314Cr (FY26) at 31.93%. The Company's EBITDA margin has been stable at 17% for (FY26). Company Net Profit has increased from ₹27Cr (FY25) to ₹35Cr (FY26) at 29.63%.

Key Data	
Nifty 50	22567.55
Sector	Industrial Products
52 Week H/L(Rs)	1259.30/648.05
Market Cap (Rs Cr)	1439.02
Face Value (Rs)	10.00
Daily Oscillator Direction	
20 DEMA	+ve
50 DEMA	+ve
100 DEMA	+ve
200 DEMA	NA



TECHNICAL RATIONALE

- The chart is showing a bullish breakout from a long-term downward trendline.
- Price has again moved above all of the moving averages, indicating improving momentum and strengthening trend structure.
- RSI is near the bullish zone around 65, reflecting strong momentum, which can further move upwards in the short term.
- We recommend to buy at current market price ₹1164.3 with short-term targets of ₹ 1262.1-1312.8, and keep a stop-loss at ₹1129.0.

TECHNICAL GLOSSARY:

- **Symmetrical Triangle Breakout:** A chart pattern where the price consolidates within converging trendlines, forming lower highs and higher lows. A breakout above the upper trendline signals bullish momentum, while a breakdown below the lower trendline indicates bearish movement. Volume expansion during the breakout strengthens confirmation.
- **Channel/trendline Breakout:** A technical event where the price moves above the resistance or below the support line of a price channel/trendline, signaling a potential trend continuation or reversal.
- **Retest:** The price action where the stock revisits a previously broken resistance (now acting as support) to confirm the breakout's validity.
- **MACD (Moving Average Convergence Divergence):** A trend-following momentum indicator that shows the relationship between two moving averages of the stock price. Used to identify bullish or bearish signals.
- **Positive Crossover (MACD):** Occurs when the MACD line crosses above the signal line, often interpreted as a buy signal or bullish momentum.
- **RSI (Relative Strength Index):** A momentum oscillator that measures the magnitude of recent price changes to evaluate whether a stock is overbought (above 70) or oversold (below 30).
- **DEMA (Daily Exponential Moving Average):** A type of moving average that places a higher weight on recent prices, making it more responsive to recent price changes compared to a simple moving average (SMA). It is widely used in technical analysis to identify trends, support/resistance levels, and momentum.
- **A higher high occurs** when the price reaches a new peak above the previous high, indicating strong buying pressure and an ongoing uptrend in the market.
- **A higher low forms** when the price pulls back but remains above the previous low, signaling sustained buying interest and confirming the continuation of an uptrend.
- **The signal line in technical analysis** is a smoothed moving average of an indicator, such as the MACD, used to generate buy or sell signals by identifying crossovers, confirming trends, and enhancing decision-making for traders and investors.



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Analyst Certification

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