HAPPY FORGINGS LIMITED

INVESTOR PRESENTATION

Q4 & FY24

SAFE HARBOR

HAPPY FORGINGS LIMITED

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HAPPY FORGINGS LIMITED

Performance Highlights: Q4 & FY24

MESSAGE FROM THE MANAGING DIRECTOR

HAPPY FORGINGS LIMITED

Mr. Ashish Garg
Managing Director

We closed FY24 on a positive note registering growth, margin improvement and further diversification of our revenue streams despite slowdown in key industry segments and the Red Sea crisis. We achieved 16% growth in revenues for FY24 driven by exports and industrials business segment.

Margins and profits grew substantially on a YoY basis in FY24 as share of machined product increased from 79% to 85% of sales and together with favorable change in business mix, helped us improve our gross margins by ~3% and EBITDA margin by ~1.5%. Gross Margin stood at 56.1% and EBITDA improved to 28.5% despite increase in ESOP related costs and export freight costs. These margin improvements helped us achieve 22% growth in EBITDA and 27% growth in PAT on a YoY basis in FY24.

Revenue segment diversification continued as we marked an entry into the Passenger Vehicles segment in both domestic and export market in FY24. With recent order wins in this segment, we demonstrated our ability to expand our wallet share from existing customers, giving us good visibility to achieve the targeted contribution to sales from this segment in the next 2 years. We also witnessed a significant increase in the share of industrial segment from 4% to 12% and exports from 13% to 20% of revenues in FY24.

We continue to expand capacities and planned additions in forging and machining capacities are on track. Our balance sheet strength provides us the flexibility to capitalize on growth opportunities and further improve our returns profile as we deploy capital. The Board has recommended a dividend of Rs. 4 per share for FY24 which effectively means a payout of ~16%.

Looking ahead, we are confident in our ability to sustain this positive momentum and drive further growth and profitability and hope that improvement in underlying business segments will trigger additional growth.

Note: FY24 YoY comparisons are based on adjustment of prior period income recognized in FY23 financials

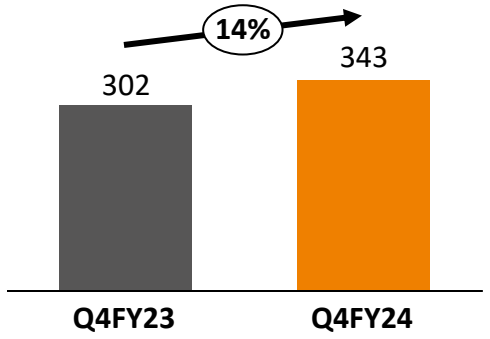
Q4 & FY24 FINANCIAL HIGHLIGHTS

HAPPY FORGINGS LIMITED

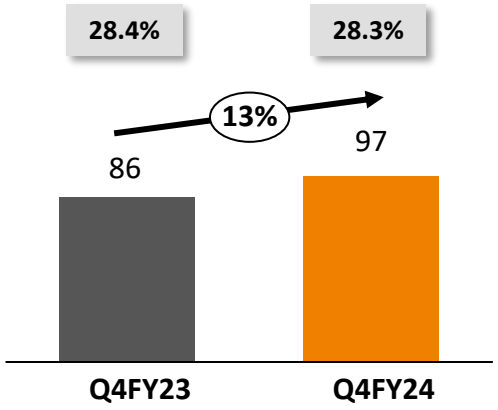
Figures (Rs. in Cr)

Q4 FY24

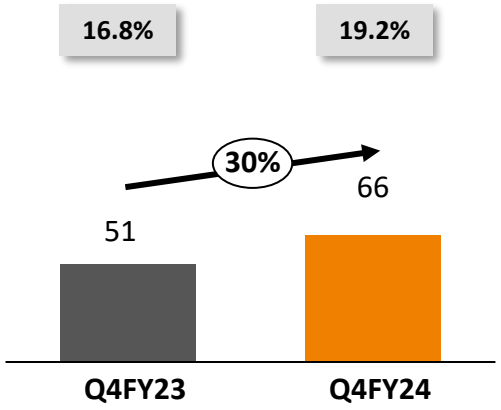
REVENUE FROM OPERATIONS



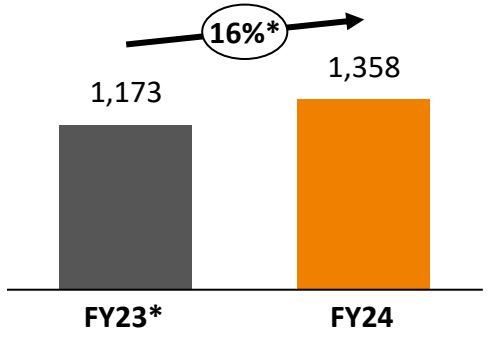
EBITDA & EBITDA%

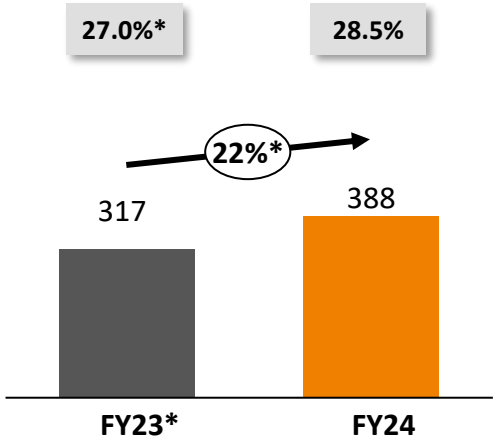


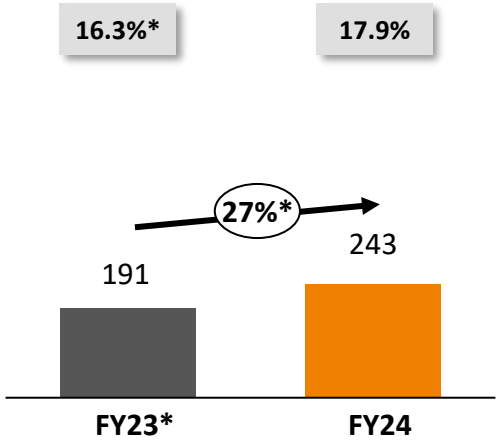
PAT & PAT%



FY24





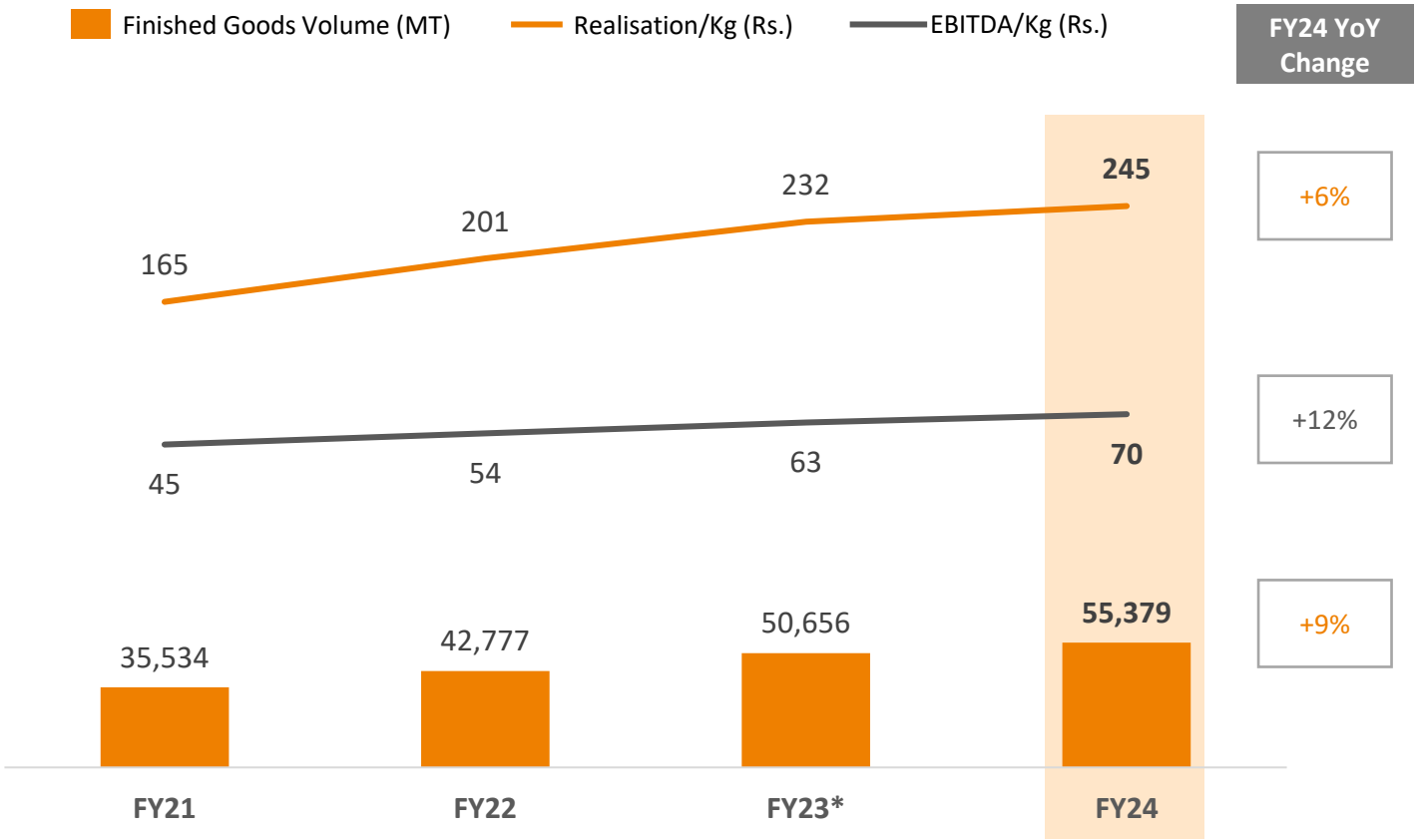


** In FY2023, a prior period income of Rs. 23.75 Cr. was recognized on account of refund of eligible net SGST incentive pertaining to earlier years. FY23 numbers, margins and YoY growth shown in above chart is after adjusting for this prior period income. Reported Revenue, EBITDA and PAT for FY23 was Rs. 1,197 Cr., Rs. 341 Cr. and Rs. 209 cr. respectively and EBITDA margin and PAT margin were 28.5% and 17.4% respectively.*

VOLUME & REALISATION TREND

HAPPY FORGINGS LIMITED

Annual Volume and Realisation Trend



Q4FY24 Volume and Realisation

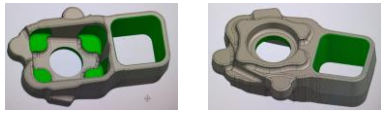
Particulars	Q4FY23	Q4FY24	YoY
FG Volume (MT)	12,955	**13,457**	+4%
Realisation/Kg (Rs.)	233	**255**	+9%
EBITDA/Kg (Rs.)	66	**72**	+9%

Despite slower industry growth and a decline in steel costs/kg, realisation/kg and EBITDA/kg registered an increase on the back of increasing share of machined products, industrial segment and exports

** Realisation/kg and EBITDA/kg for FY23 is computed after adjustment of prior period income of Rs. 23.75 Cr.*

ORDER WINS: DRIVING GROWTH AND SUCCESS

HAPPY FORGINGS LIMITED

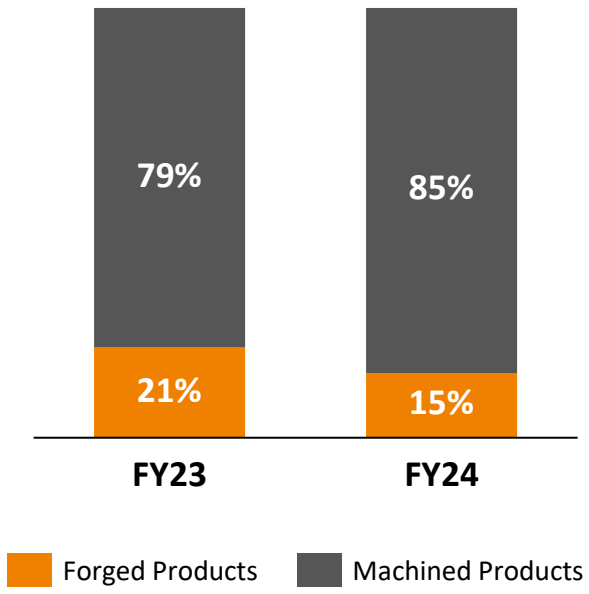
Product	Crankshaft	Brake Flange	 E Axle Components
Customer Type	Existing Customer A large Indian automobile manufacturer of a diverse range of passenger vehicles, including SUVs	Existing Customer A large leading global Tier 1 manufacturer of automobile driveline components and systems	Existing Customer A leading global manufacturer and supplier of automotive components
End Use Segment	Passenger Vehicles; SUVs	Passenger Vehicles: Utility vehicles/ pickup trucks	Passenger Vehicles: Electric SUVs
Order Size	~60-70 crores per annum (Total order size: Rs. ~400 crores)	~60-70 crores per annum (Total order size: Rs. ~500 crores)	~50 crores per annum (Total order size: Rs. ~320-350 crores)
Contract period	6 years starting from 1st April 2024	8 years starting from Q4FY26 or Q1FY27	7 years starting from Q3FY25

Recent order wins in the Passenger Vehicles segment in domestic and export markets give us revenue visibility of ~Rs. 170 Cr.+ p.a. by FY27 on fully ramped-up supply volumes

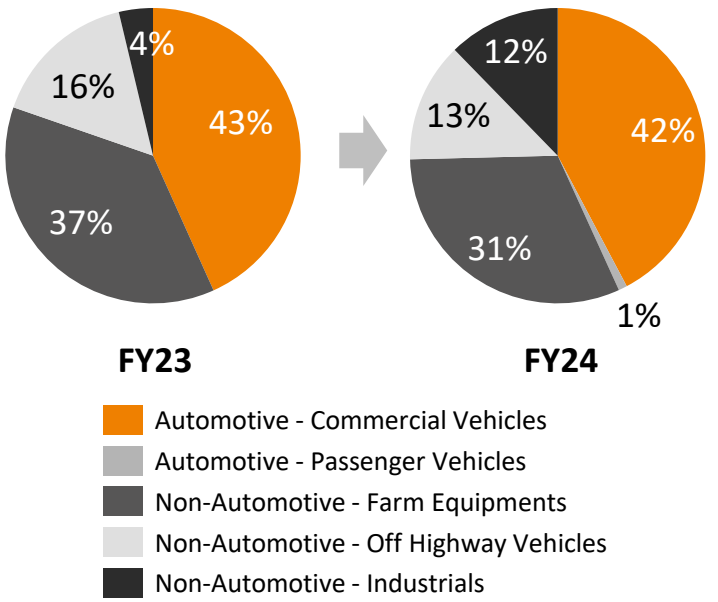
KEY DATA POINTS

HAPPY FORGINGS LIMITED

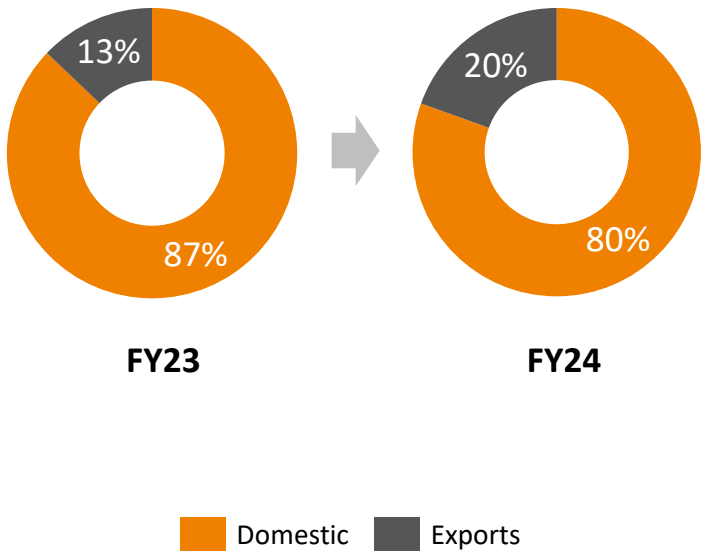
PRODUCT MIX



SECTOR MIX



GEOGRAPHY MIX



Contribution of machined products (that have higher realization and margins) increased from 79% to 85%

Share of industrials business increased from 4% to 12% leading to a further diversification of the business to non-auto segments

Exports share increased from 13% to 20% thereby insulating the business from slower industry growth in the domestic market

Note: Revenue segmentation is based on revenues from sale of finished goods

PROFIT & LOSS STATEMENT

HAPPY FORGINGS LIMITED

Consolidated (in Rs. Crs)	Q4 FY24	Q4 FY23	YoY	Q3 FY24	QoQ	FY24	FY23*	YoY
Revenue from Operations	**343**	**302**	***14%***	**342**	***0%***	**1,358**	**1,197**	***14%***
Raw material cost & change in inventories	149	137		152		597	551	
Gross Profit	**194**	**166**	***17%***	**190**	***2%***	**762**	**645**	***18%***
Gross Profit Margin	**56.5%**	**54.9%**		**55.5%**		**56.1%**	**53.9%**	
Employee cost	30	25		31		114	88	
Other expenses	67	56		64		260	217	
EBITDA	**97**	**86**	***13%***	**95**	***2%***	**388**	**341**	***14%***
EBITDA Margin	**28.3%**	**28.4%**		**27.8%**		**28.5%**	**28.5%**	
Depreciation	16	14		17		65	54	
EBIT	**81**	**72**	***13%***	**78**	***4%***	**323**	**287**	***13%***
EBIT Margin	**23.6%**	**23.6%**		**22.8%**		**23.8%**	**24.0%**	
Interest	1	5		4		12	12	
Other income	7	2		3		13	6	
PBT	**87**	**68**	***29%***	**78**	***13%***	**324**	**280**	***16%***
PBT Margin	**25.5%**	**22.4%**		**22.7%**		**23.9%**	**23.4%**	
Tax	22	17		20		81	71	
PAT	**66**	**51**	***30%***	**58**	***14%***	**243**	**209**	***16%***
PAT Margin	**19.2%**	**16.8%**		**16.9%**		**17.9%**	**17.4%**	
EPS (Diluted)^	7.24	5.67	*28%*	6.45	*12%*	26.74	23.32	*15%*

*^EPS for the quarterly period is not annualized. * In FY2023, a prior period income of Rs. 23.75 Cr. was recognized on account of refund of eligible net SGST incentive pertaining to earlier years. Adjusting for this prior period income in FY2023, revenue from operations, Gross Profit, EBITDA and PAT YoY growth in FY2024 has been 16%, 23%, 22% and 27% respectively. Adjusted Gross margin, EBITDA margin and PAT margin for FY2023 were 53.0%, 27.0% and 16.3% respectively.*

BALANCE SHEET

HAPPY FORGINGS LIMITED

Assets (in Rs. Crs)	Mar 31, 24	Mar 31, 23
Non-Current Assets	**1,145**	**836**
Property, Plant and Equipment	742	677
Capital work-in-progress	122	75
Intangible Assets	1	1
Intangible assets under development	5	-
Investments in Joint Venture/Subsidiary	0.1	-
Other Financial Assets	205	31
Non-Current Tax Assets (net)	-	-
Other Non-Current Assets	69	52
Current Assets	**741**	**489**
Inventories	224	170
Trade Receivables	357	308
Cash and Cash Equivalents	1	0.01
Bank Balances	117	0.3
Loans	0.2	0.3
Other Financial Assets	12	1
Current tax assets	0	0.2
Other current assets	31	10
Assets Held for Sale	**-**	**1**
Total Assets	**1,886**	**1,326**

Equity & Liabilities (in Rs. Crs)	Mar 31, 24	Mar 31, 23
EQUITY	**1,612**	**988**
Equity Share Capital	19	18
Other Equity	1,594	970
Non-current liabilities	**32**	**81**
Borrowings	-	58
Deferred tax liabilities	32	23
Current liabilities	**242**	**257**
Borrowings	143	160
Trade Payables	56	48
Other Financial Liabilities	28	26
Other Current Liabilities	9	8
Provisions	4	4
Liabilities for current tax (net)	2	11
Total Equity & Liabilities	**1,886**	**1,326**

CASH FLOW STATEMENT

HAPPY FORGINGS LIMITED

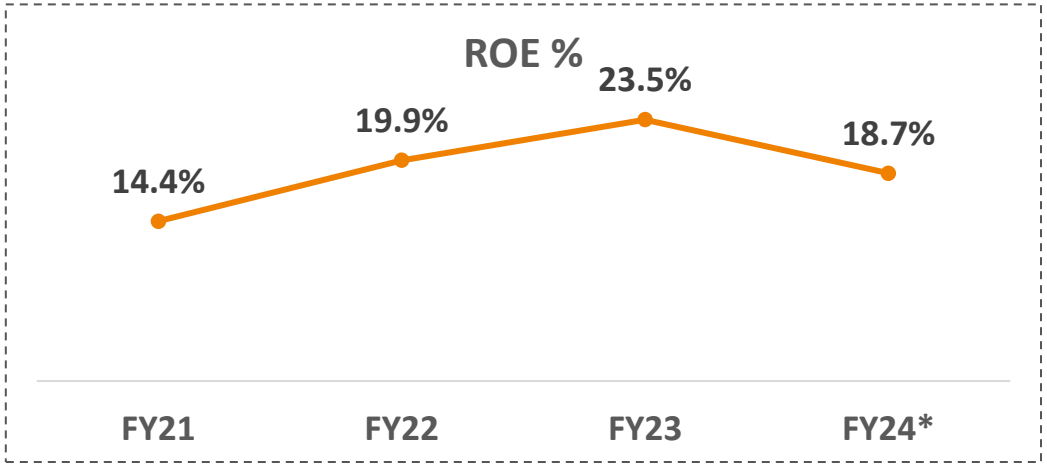
Cash Flow Statement (Rs in Cr)	FY24	FY23*
Profit Before Tax	**324**	**280**
Adjustments for Depreciation and other items	72	71
Operating profit before working capital changes	**396**	**351**
Changes in working capital	-123	-78
Cash generated from operations	**273**	**273**
Direct taxes paid (net of refund)	84	64
Net Cash from Operating Activities	**189**	**209**
Net Cash from Investing Activities	**-469**	**-172**
Net Cash from Financing Activities	**281**	**-37**
Net Change in cash and cash equivalents	0.52	-0.01

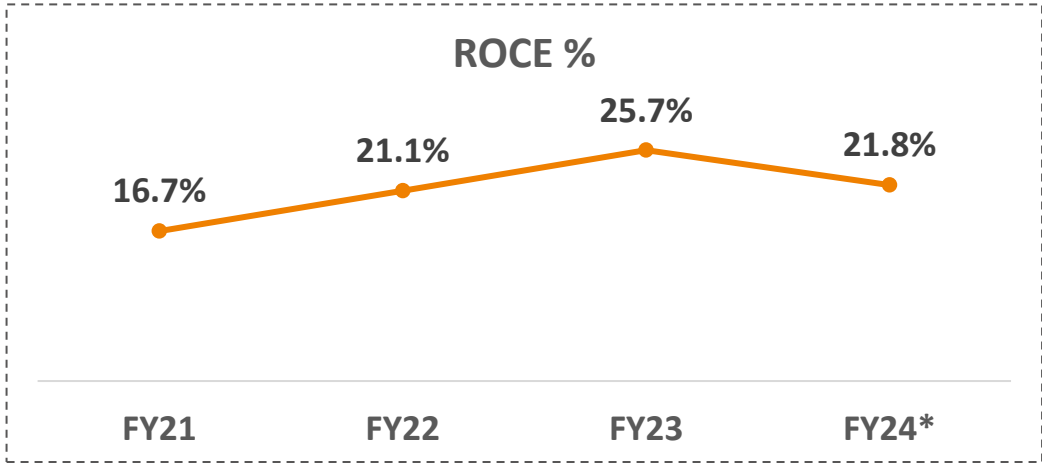
** FY23 PBT includes prior period income of Rs. 23.75 Cr.*

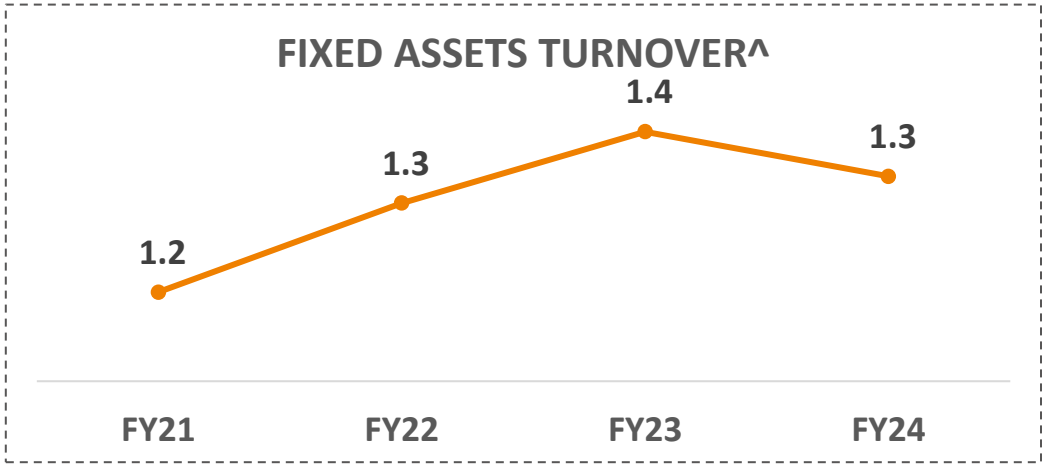
CONSISTENCY OF GROWTH AND RETURNS (2/2)

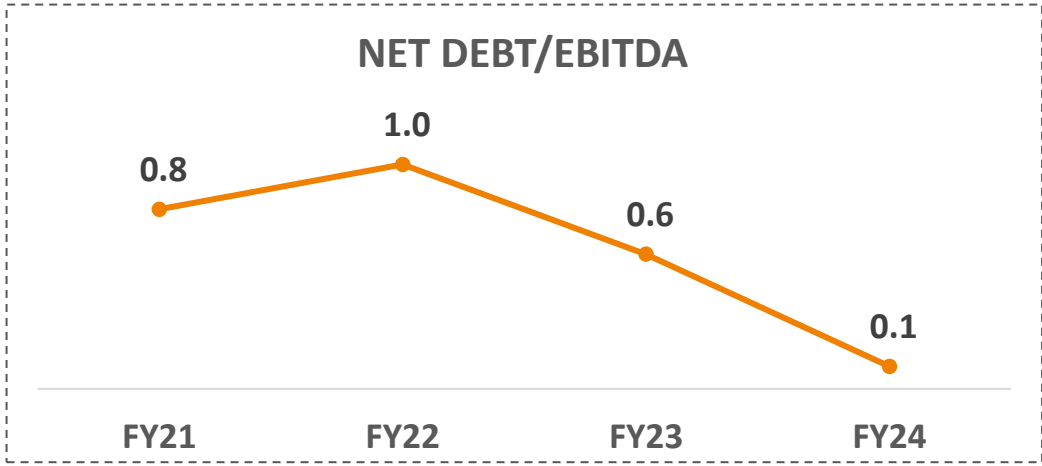
HAPPY FORGINGS LIMITED

Superior return metrics with reducing net debt/EBITDA wherein capex has been largely funded by internal accruals









** RoE for FY24 after adjusting for FDRs and post-tax interest thereon was 20.6%. ROCE for FY24 after adjusting for FDRs and interest thereon, capital advances and CWIP was 26.9%*
^ Computed on Gross Block

HAPPY FORGINGS LIMITED

Company Overview

A LEGACY OF EXCELLENCE

HAPPY FORGINGS LIMITED

About Us

Incorporated in July 1979, Happy Forgings Limited is an Indian manufacturer specializing in designing and manufacturing heavy forgings and high-precision machined components

The company manufactures high precision products such as crankshafts, front axle carriers, steering knuckles, differential housings, transmission parts, pinion shafts, suspension products and valve bodies catering to different industries and customers

Revenue FY24
Rs. 1,358 Crs

EBITDA % FY24
28.5%

~45 years
of Manufacturing Excellence

3
Manufacturing Facilities

1,20,000 tonnes
Forging capacity*

51,000 tonnes
Machining capacity*

2nd Largest
Producer of commercial vehicle and high horse-power industrial crankshafts in India

4th Largest
Engineering-led manufacturer of complex and safety-critical, heavy forged and high-precision machined components in India

Longstanding Relationships
With our top customers

Diversified Customer Base
Across Indian & Global OEMs

AA/STABLE
CRISIL and ICRA ratings

** Installed capacity as on Mar 31, 2024*

VISION MISSION STATEMENT

VISION

To be amongst the top 10 forging and machining companies globally

MISSION

- State-of-the-art Technology
- Deliver more than promised
- Respect and encourage people
- Inspire innovation and creativity
- Care for the environment and society

BUSINESS EVOLUTION SPANNING OVER FOUR DECADES

HAPPY FORGINGS LIMITED

1979

Established a single unit for manufacturing bicycle crank arms

2005

Heavy-duty hammers installed for oil engine and motor parts production

2008

Initiated installation of 8,000-tonne forging press and model grinding for 4/6-cylinder crankshafts

2010 - 2015

Expanded machining capacity. Entered commercial vehicle and industrial segments

2017 - 2018

Commissioned the second 8,000-tonne press

2020 - 2022

Installed 8 single-piece flow lines for crankshafts and the third 8,000-tonne press

2023

HFL achieved a milestone by getting listed on the NSE and BSE

2024 – 2025P

Installation and commencement of 6,300 and 10,000-tonne press lines

FULLY INTEGRATED CAPABILITIES

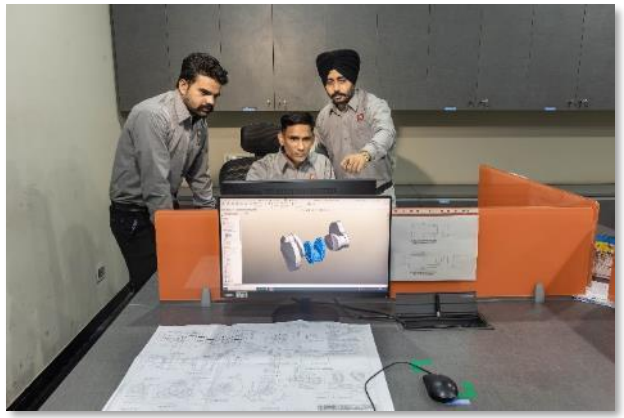
HAPPY FORGINGS LIMITED

Forging

Fully automated forging press lines and hammers to produce high-quality forged products

Machining

Advanced software and equipment to ensure that our machining processes adhere to stringent tolerance levels



Die Design & Manufacturing

Latest technology and tools to offer a wide range of services, including design, prototyping, testing and manufacturing

Metallurgical Facilities

Equipped with a range of advanced metallurgical testing and analysis equipment to ensure the highest quality in the forging manufacturing process

Heat Treatment Facilities

Equipped with the latest technology and equipment to provide precise and effective heat treatment processes for our products

Inspection and Quality Control

World class and most advanced metrology room to ensure the highest standards of quality

COMPLETE PROCESS FLOW

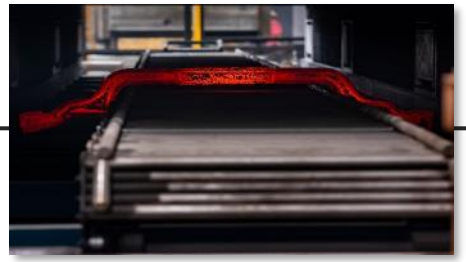
HAPPY FORGINGS LIMITED

Covered Raw Material Yard

Billet Cutting Section

Metallurgical Testing Lab

Forging



Control Cooling

Heat Treatment

Machining

Standard Room

Final Inspection

Packaging & Dispatch

MULTI-PRODUCT AND MULTI-INDUSTRY OFFERINGS (1/2)

HAPPY FORGINGS LIMITED

Commercial Vehicles

Front Axle Components

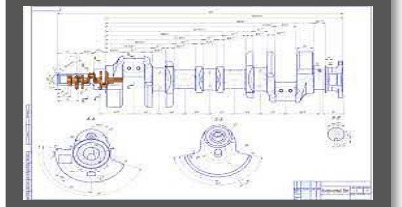
Rear Axle Component

Suspension Products

Crankshaft

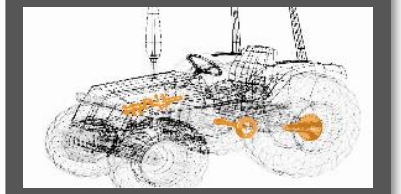
Differential Case

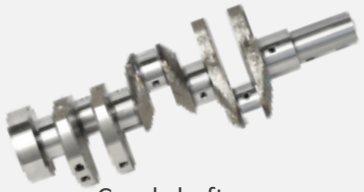
Power Generation



Crankshaft

Farm Equipment





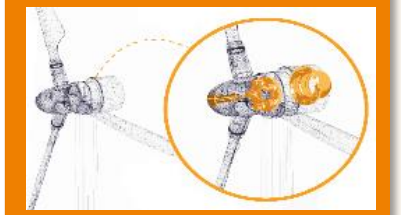
Crankshaft

Crown Wheel

Axle Shaft

Pinion

Windmill Applications



Housing

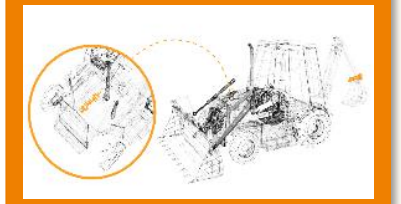
Output Shaft

Planet Carrier

MULTI-PRODUCT AND MULTI-INDUSTRY OFFERINGS (2/2)

HAPPY FORGINGS LIMITED

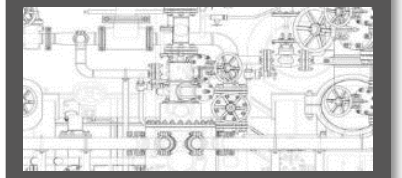
Off-highway Vehicles



Crankshaft

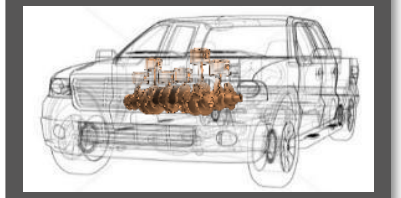
Bucket Link

Oil & Gas



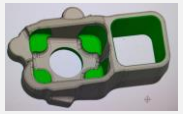
Valve Bodies

Passenger Vehicles



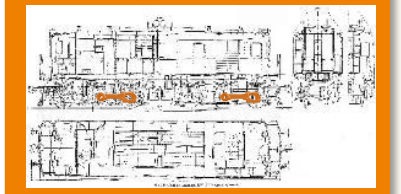
Crankshafts

Brake Flange



E Axle Components

Railways



Piston Pin

Connecting Rod

PAVING OUR PATH TOWARDS ACCELERATED VALUE CREATION

HAPPY FORGINGS LIMITED

Transition from a forging led player to a leading manufacturer of machined components in India

In-house design capabilities & fungible production lines have led to a diverse product offering, continuous value addition

Increasing global presence through increase in direct & indirect exports

Increased wallet share from customers by offering additional products to existing customers

Track record of consistently building capabilities and infrastructure with a focus on capital efficiency

HIGH ENTRY BARRIERS

HAPPY FORGINGS LIMITED

CAPITAL INTENSIVE BUSINESS

- Capital-intensive business that involves complex technology, machinery and systems acting as an entry barrier for smaller and unorganized players

STRATEGIC RESILIENCE

- Lengthy customer and product approval processes

SELECTIVE SUPPLIER DYNAMICS

- Difficulty in acquiring new customers without existing relationships

PRECISION IN PRACTICE

- Importance of implementing and sustaining quality systems while providing critical & high precision components involving tight tolerances (eg: tolerance for machined products ranges between 0.005 mm & 0.2 mm)

PRODUCT RELIABILITY

- Global industry leaders are highly selective in qualifying new suppliers with respect to critical products given the high costs and risks of switching suppliers, especially where product reliability is critical

HAVE DEMONSTRATED THE ABILITY TO INSTALL AND OPERATE HIGH TONNAGE PRESSES AND PRECISION MACHINING (1/2)

HAPPY FORGINGS LIMITED

Facility	Kanganwal I	Kanganwal II	Dugri
	Started in 1995	Started in 2006	Started in 2021
Location	Kanganwal, Ludhiana	Kanganwal, Ludhiana	Dugri, Ludhiana
Forging Annual Installed Capacity*	14,000 MT	53,000 MT	53,000 MT
Machining Annual Installed Capacity*	-	29,500 MT	21,500 MT

** Installed Capacity as on **March 31, 2024***

Strategic Location of Facilities

- Facilities located near inland container depot facility in Ludhiana and Dedicated Freight Corridor (DFCs) provides cost and logistical advantages

Continuous Investment in in-house infrastructure

- Installation of new 14,000 tonne press, makes HFL the only **second company in India to have such press or higher forging press**
- The ability to forge heavier and complex parts up to 250 kgs to cater to different industries which require heavy and complex parts

Operating Efficiencies

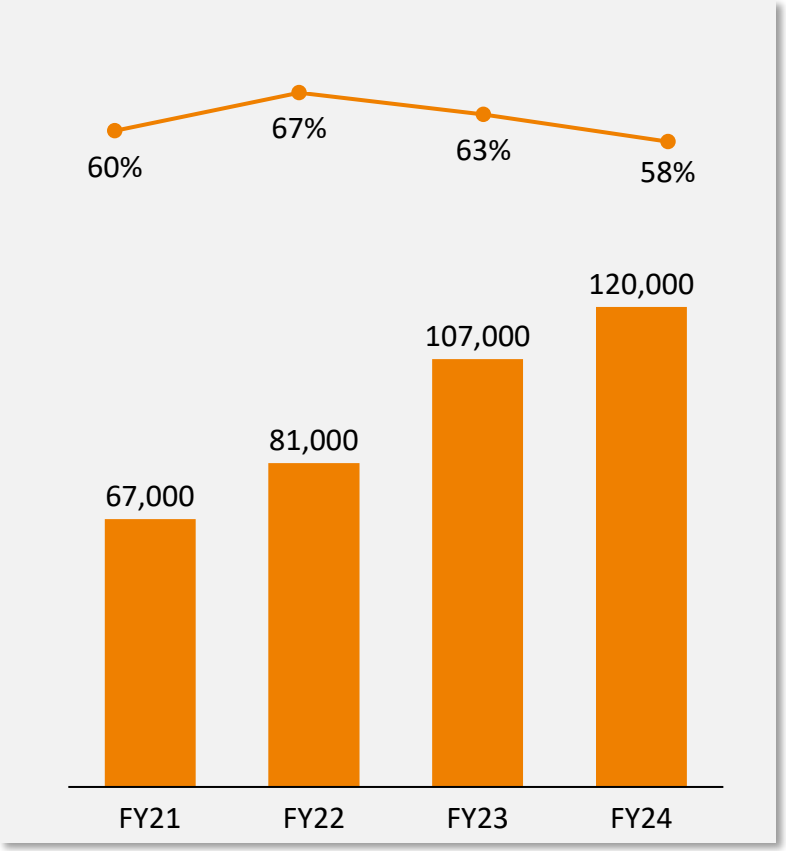
- Fungible product lines along with vertically integrated facilities helps drive diverse product offering, reduced operating costs and improve productivity

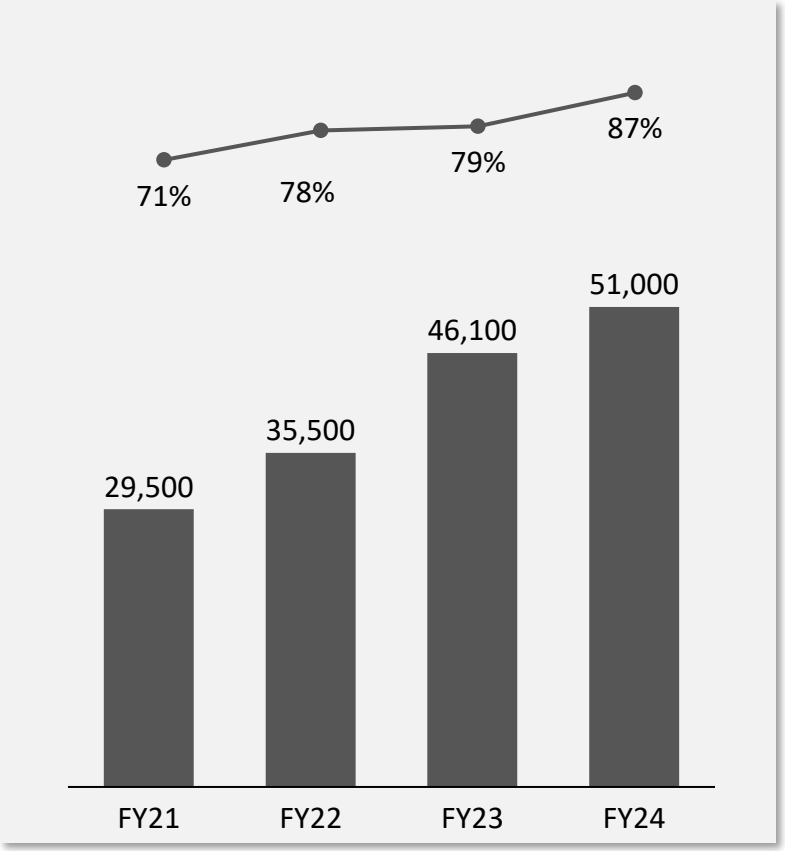
Note: Installed capacity represents the installed capacity as on the last date of the relevant Fiscal

HAVE DEMONSTRATED THE ABILITY TO INSTALL AND OPERATE HIGH TONNAGE PRESSES AND PRECISION MACHINING (2/2)

HAPPY FORGINGS LIMITED

Strategically adding capacity with a strong focus on capital efficiency





Forging Capacity (in MT)

Utilisation

Machining (in MT)

Utilisation

Significant manufacturing capacities act as an entry barrier for other manufacturers and OEMs that do not have such in-house engineering capabilities and production facilities

Addition in capex positions the Company well to take advantage of emerging growth opportunities

Note: Installed capacity represents the installed capacity as on the last date of the relevant Fiscal. Capacity utilization is based on the average available capacity for the period

ARCHITECTS OF PROGRESS

HAPPY FORGINGS LIMITED

Paritosh Kumar Garg

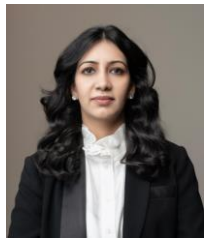
Chairman & Managing Director

- 44+ years of experience in the industrial sector
- Bachelor's degree in arts from S.C. Dhawan Government (Evening) College, Ludhiana, Panjab University
- Involved in the strategic decision making of HFL, oversees the company's business activities and is proficient in financial management, budgeting involved in setting up the governance standards

Ashish Garg

Managing Director

- Has ~17 years of experience in the industrial sector
- Holds a bachelor's degree in science (accounting and finance), and a master's degree in science (manufacturing systems engineering) from the University of Warwick, UK
- Responsible for managing the company's business operations, financial performance, growth strategies and investments in different capacities and product developments



Megha Garg

Whole - Time Director

- Has ~ 8 years of experience in the industrial sector
- Holds a bachelor's degree in science (economics) from the University of Nottingham, United Kingdom
- Responsible for managing the digital marketing to engage prospects and capture leads and spearheading ESG initiatives

Narinder Singh Juneja

CEO & Whole - Time Director

- Has over 50 years of experience in the industrial sector
- Holds a post diploma course in mechanical engineering (machine tools operation and maintenance) from Y.M.C.A. Institute of Engineering, State Board of Technical Education, Haryana

Pankaj Kumar Goyal

Chief Financial Officer

- Has over 20 years of experience in the finance sector
- Holds a bachelor's degree in commerce from Government College, Malerkotla, Punjabi University, and is an associate member of the Institute of Chartered Accountants of India
- Proficient in financial management, budgeting, cost control, and strategic planning, with a focus on maximizing values for stakeholders.

Patwinder Singh

Chief Operating Officer

- Has over 22 years of overall experience
- Holds a bachelor's degree in science from Guru Nanak Dev University, and a master's degree in business administration from CSM Institute of Graduate Studies

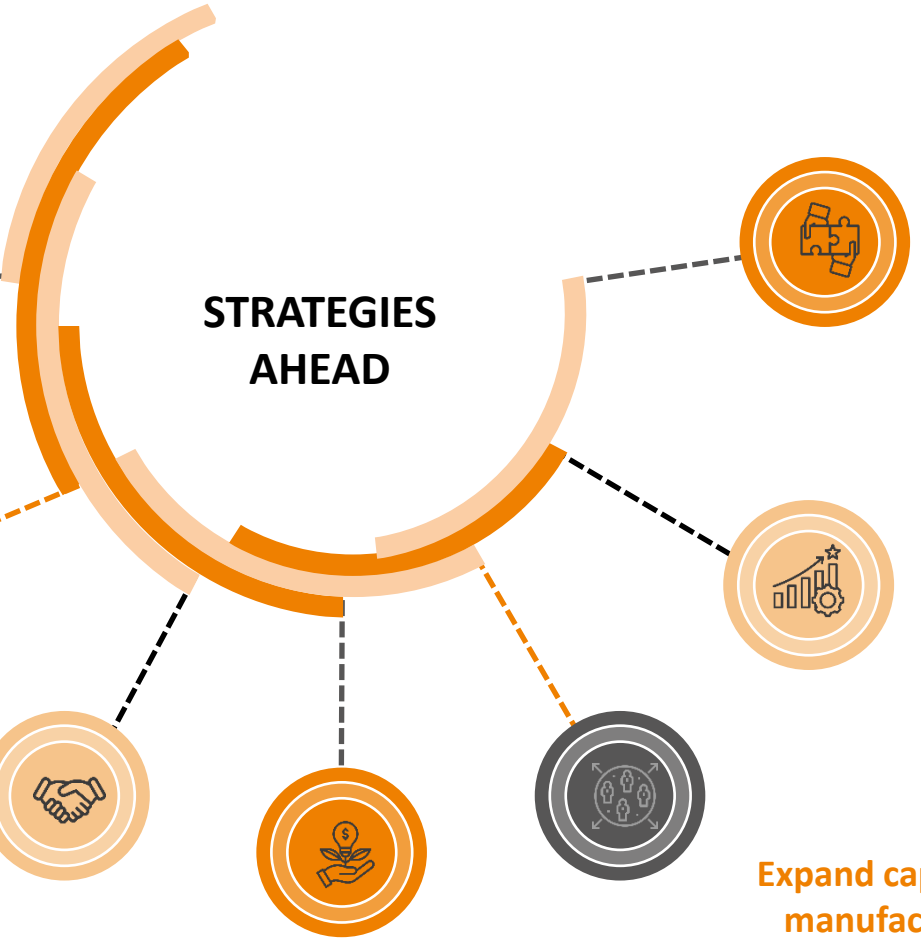
Mangesh Shantaram Purandare

Chief Marketing Officer

- He has over 27 years of experience in the marketing sector. Mainly in auto components including Castings / Forgings / Gears and Bearings.
- Holds a bachelor's degree in engineering (industrial) and a master's degree in business administration from University of Pune
- Responsible for New Business Development International and Domestic.

NAVIGATING THE PATH TO SUSTAINABLE GROWTH

HAPPY FORGINGS LIMITED



Use in-house capabilities for product development to tap into industrial market opportunities

Grow inorganically through strategic acquisitions and alliances

Enter lightweight forging and machining for passenger vehicle sector

Continue to reduce operating costs and improve operational efficiencies

Expand wallet share and acquire new business by leveraging existing OEM relationships and adding new customers

Capitalise on increasing demand from international markets to grow exports

Expand capacity at existing manufacturing facilities

HAPPY FORGINGS LIMITED

Historical Financial Statements

PROFIT & LOSS STATEMENT

HAPPY FORGINGS LIMITED

Profit and Loss (in Rs. Crs)	FY24	FY23*	FY22
Revenue from Operations	**1,358**	**1,197**	**860**
Cost of Materials Consumed	597	551	388
Gross Profit	**762**	**645**	**472**
Gross Profit Margin (%)	**56.1%**	**53.9%**	**54.8%**
Employee Cost	114	88	69
Other Expenses	260	217	172
EBITDA	**388**	**341**	**231**
EBITDA Margin (%)	**28.5%**	**28.5%**	**26.8%**
Depreciation	65	54	38
EBIT	**323**	**287**	**193**
Finance Cost	12	12	7
Other income	13	6	6
Profit before Tax	**324**	**280**	**192**
Tax	81	71	50
PAT	**243**	**209**	**142**
PAT Margin (%)	**17.9%**	**17.4%**	**16.5%**
EPS (Basic)	26.7	23.3	15.9

** In FY2023, a prior period income of Rs. 23.75 Cr. was recognized on account of refund of eligible net SGST incentive pertaining to earlier years. Adjusting for this prior period income in FY2023, Gross margin, EBITDA margin and PAT margin for FY2023 were 53.0%, 27.0% and 16.3% respectively.*

BALANCE SHEET

HAPPY FORGINGS LIMITED

Assets (in Rs. Crs)	Mar'24	Mar'23	Mar'22
Non-Current Assets	**1,145**	**836**	**704**
Property, Plant and Equipment	742	677	455
Capital work-in-progress	122	75	212
Intangible Assets	1	1	2
Intangible assets under development	5	-	-
Investments in Joint Venture/Subsidiary	0.1	-	0.4
Other Financial Assets	205	31	7
Non-Current Tax Assets (net)	-	-	0.2
Other Non-Current Assets	69	52	28
Current Assets	**741**	**489**	**425**
Inventories	224	170	184
Trade Receivables	357	308	222
Cash and Cash Equivalents	1	0.01	0.02
Bank Balances	117	0.3	1
Loans	0.2	0.3	0.2
Other Financial Assets	12	1	3
Current tax assets	-	0.2	-
Other current assets	31	10	14
Assets Held for Sale	**-**	**1**	**1**
Total Assets	**1,886**	**1,326**	**1,130**

Equity & Liabilities (in Rs. Crs)	Mar'24	Mar'23	Mar'22
EQUITY	**1,612**	**988**	**788**
Equity Share Capital	19	18	18
Other Equity	1,594	970	770
Non-current liabilities	**32**	**81**	**97**
Borrowings	0	58	74
Deferred tax liabilities	32	23	23
Current liabilities	**242**	**257**	**245**
Borrowings	143	160	166
Trade Payables	56	48	44
Other Financial Liabilities	28	26	20
Other Current Liabilities	9	8	5
Provisions	4	4	3
Liabilities for current tax (net)	2	11	6
Total Equity & Liabilities	**1,886**	**1,326**	**1,130**

CASH FLOW STATEMENT

HAPPY FORGINGS LIMITED

Cash Flow Statement (Rs in Cr)	Mar'23	Mar'23	Mar'22
Profit before tax	**324**	**280**	**192**
Adjustments for depreciation and other items	72	71	40
Operating profit before working capital changes	**396**	**351**	**232**
Changes in working capital	-123	-78	-109
Cash generated from operations	**273**	**273**	**123**
Direct taxes paid (net of refund)	84	64	43
Net cash from operating activities	**189**	**209**	**80**
Net cash from investing activities	**-469**	**-172**	**-166**
Net cash from financing activities	**281**	**-37**	**83**
Net change in cash and cash equivalents	0.52	-0.01	-3

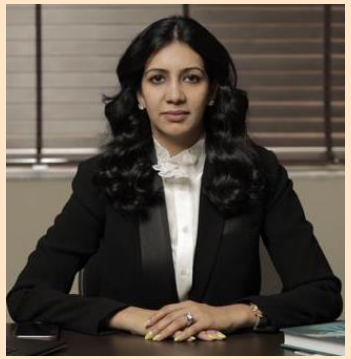
Impact Beyond Financial Performance

ESG GOVERNANCE - KEY INITIATIVES

HAPPY FORGINGS LIMITED

ESG Governance

Director's Statement



*"We are at a pivotal stage in our organization's growth path and **committed to embrace robust frameworks and procedures** that translate our core values into **tangible actions marked by measurable goals**, showcasing our commitment to delivering sustainable value to all our stakeholders.*

*To improve our governance standards, we have **prioritised diversity within our Board**, ensuring a range of expertise, perspectives, and demographic representation to uphold transparency and accountability across our operations.*

*We have **established an ESG committee** which will develop a comprehensive strategy and execution plan and oversee our progress against set targets and milestones.*

*Being conscious of our environmental footprint, we have committed to **halving our Scope 1 and Scope 2 carbon emissions by 2030** alongside a commitment to **achieve 100% wastewater recycling by 2025**. We are focusing on several initiatives including increasing proportion of renewable energy usage and ensuring effective resource management by implementing rainwater harvesting and recharging groundwater.*

*We endeavor to **create a safe and enabling working environment for our employees**. We aim to increase the participation of women in our workforce and are committed to enhancing employee skills through increased training and development programs.*

*Furthermore, we **continue to increase our investments in a wide range of CSR efforts** that focus on empowering vulnerable and marginalized sections of the society.*

As a responsible organization, we will endeavor to develop and adopt best practices in ESG, striving to become an exemplar in our sector."

Formation of ESG Committee

A five-member body established in March 2024 headed by the **Whole-time Director**

A **women-majority body** with representation from various staff functions

Agenda is to **institutionalise ESG Governance** drive formulation of **Sustainability/ESG Strategy** and **roadmap** and establish **policies and processes**

Bi-weekly meetings to review and monitor progress and launch sustainability initiatives

Key Outcomes/Highlights

- **S.R. Batliboi & Co. LLP** appointed as auditors since FY2020-21. Internal audit conducted by an **independent external** audit form
- **Voluntarily adopted** multiple policies over and above regulatorily mandated policies
- **Regular trainings** and orientation on code of conduct and material Policies provided to the staff
- **No whistleblower and POSH complaints** received during the year
- 1-day **ESG orientation and training** conducted in Q4 FY2024 for 21 senior members representing multiple functions and departments of the organization

GOVERNANCE - A DIVERSE BOARD WITH STRONG INDEPENDENT DIRECTORS

HAPPY FORGINGS LIMITED

Director (Name, Age & Experience)	Areas of Expertise	Key Board Memberships & associations (Current & past)
74 48 **Satish Sekhri (Ind. Director)**	▪ Sales & marketing and ▪ Rich industrial sector experience	▪ **Current**: JK Files & Engineering Ltd. and Rico Auto Industries ▪ **Past**: Harita Fehrer
68 38 **Ravindra Pisharody (Ind. Director)**	▪ Sales & marketing ▪ Strategy development ▪ Diverse industry experience	▪ **Current**: Savita Oil Technologies Ltd., Muthoot Finance, Bonfiglioli Transmissions and Kinara Capital ▪ **Past**: Tata Motors Ltd. and Castrol India
53 30 **Rajeswari Karthigeyan (Ind. Director)**	▪ Credit Ratings & appraisal ▪ Financial and economic research	▪ **Current**: Craftsman Automation and Belstar Microfinance ▪ **Past Role**: Associate Director – CRISIL Ratings
62 29 **Atul Behari Lall (Ind. Director)**	▪ Business Strategy & Operations ▪ Electronics manufacturing services industry	▪ **Current**: Dixon Technologie (MD & Vice Chairman) and Max Estates Limited ▪ **Past**: Member of Technical Evaluation Committee for Electronic Manufacturing Services (DeitY)
45 19 **Vikas Giya (Ind. Director)**	▪ Finance & Accounting ▪ Project Financing, Corporate Restructuring & Insolvency	▪ **Current:** Viksun Consultants Private Ltd. and Partner at Anup Kumar Jain & Co.

* w.e.f. close of business hours May 24, 2024

Key Board Highlights

Diverse Board in terms of professional and industry experience, age and gender

Majority Independent Directors*

20% Female Directors

2 committees out of 6 headed by Independent Directors (Audit and NRC)

~96% attendance of the Board members in Board meetings in FY 2024

~280+ years of collective experience of Board Members

~165 Years of collective experience of Independent Directors

~58 years average age of the Board Members

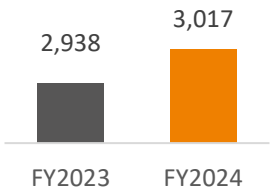
SOCIAL - KEY INITIATIVES & OUTCOMES

HAPPY FORGINGS LIMITED

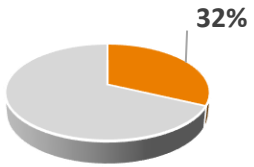
Organizational Highlights

Job Creation

Year-end staff count



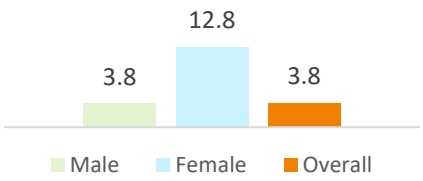
% staff < 30 Yrs.



Training & Development

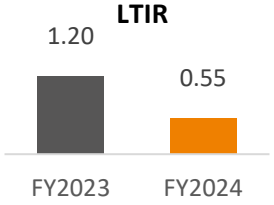
11,525 cumulative training Hours in FY2024

Avg. Training Hours



Employee Safety & Health

LTIR



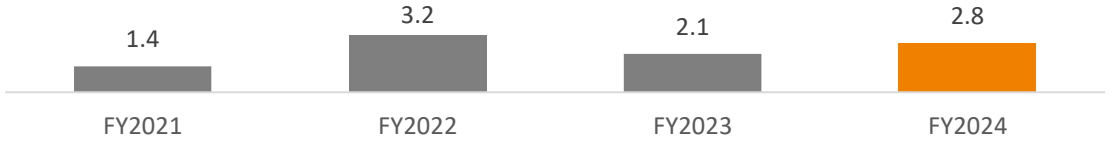
990 employees covered under health & safety trainings in FY2024

Employee Engagement

- Celebrated Quality Week, Safety Week & Environment Day and Women's Day
- Game activities conducted: Chess, Carrom, Tug of War, Table Tennis etc.
- Instituted "Best Trainer of the Month" Award

Multiple CSR initiatives

Amount spent on CSR initiatives (Rs. Cr.)



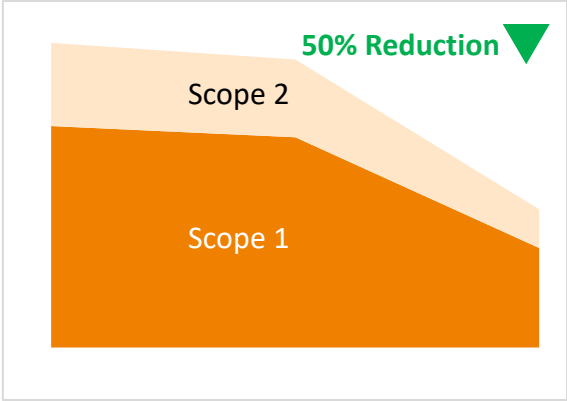
Area	Funding support in FY24 for	Beneficiaries / Outcomes
Healthcare	5 Dialysis Machines donated in Jan 2024	700 Dialysis (Jan to Mar 2024)
	X Ray machines donated to a Charitable Hospital	5,143 patients (concessional rates)
Education	Govt. Primary School adopted at Kanganwal, Ludhiana	1,658 students enrolled in 2023-24
	Noble Foundation - education of underprivileged kids	100 slum students
Children & Adolescents with Special Needs	Ludhiana Education Society – School for deaf children *(education and vocational training)*	85 students enrolled
	Vocational rehabilitation center for blind	103 visually impaired children
	Darpan NGO – Bags donated for specially-abled children	850 bags
Vocational Training	Bal Vikas Trust – Infrastructure development for Vocational Training college for underprivileged girls	5 courses planned which will benefit 1,000 girl students annually
Environment	Punjab Agricultural University	Construction of walkways, green cover enhancement & maintenance
	Maintenance of Public Park	
Animal Welfare	Dhyan Foundation & Krishan Balram Gaushala	Animal welfare
Senior Citizen Welfare	Senior Citizen council of Ludhiana	250 senior citizens benefitted
Defence Services	Border Security Force	20 shelters

ENVIRONMENT – OUR COMMITMENTS AND KEY INITIATIVES

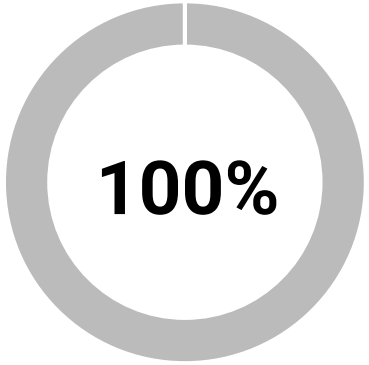
HAPPY FORGINGS LIMITED

Our Commitments

50% Reduction in Scope 1 and Scope 2 carbon emissions by 2030



100% wastewater recycling by 2025



Environment Centric Initiatives

5MW capacity Solar power plants installed at our manufacturing facilities

1,600 kVAR Hybrid Automatic power factor control panel to improve the power factor for three manufacturing facilities, reducing energy wastage

Replaced halogen lights with LED lights, resulting in a reduction in electricity consumption from 1.5 kw to 1.2 kw per light

Redesigned heat treatment facility and **replaced conventional use of low sulfur fuel oil** with LPG Line

Replaced all oil-fired furnaces on forging lines with electric heating systems resulted in reduction in use of furnace oil

AWARDS, ACCREDITATIONS AND RECOGNITIONS

HAPPY FORGINGS LIMITED

2024

- *Received 'Best Supplier Award' at the Global supplier meet 2024 from TAFE*

2023

- *'Supplier Excellence Award' for delivery performance at AAM (American Axle Manufacturing) India Supplier Event 2023*
- *'Award for Outstanding Contribution in Gear Business' at the Annual Supplier Conference 2023 organised by Eicher Engineering Components, VE Commercial Vehicles*
- *Received the ISO 14001:2015& ISO 45001:2018 accreditation for manufacture of forged and machined components and excluding product design Dugri Facility*
- *Received 'The Entrepreneur & Leadership Award' at the JCB Annual Supplier Conference 2023*
- *Received a certificate of appreciation for supplier Agri machinery under 'Business Excellence Process/ Digitalisation' by Escorts Kubota Ltd.*

2022

- *Received the IATF 16949:2016 accreditation for manufacture of forged and machined components and excluding product design Dugri Facility*
- *"Excellence Award" by Escorts Kubota Limited.*

2021

- *Received the ISO 45001: 2018 & ISO 14001: 2015 accreditation for manufacture of forged and machined components Kanganwal Facility I*
- *Received IATF 16949:2016 accreditation for manufacturing of forged and machined components without product design responsibility and with the extended manufacturing site(s) for Kanganwal Facility I*

FOR FURTHER INFORMATION, PLEASE CONTACT

COMPANY

HAPPY FORGINGS LIMITED

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