

NOTICE OF ANNUAL GENERAL MEETING

Registered Office: BXXIX, 2254/1, Kanganwal Road, P.O. Jugiana, Ludhiana, Sahnewal, Ludhiana, Punjab, India, 141120.

Corporate Office: H.B No.220, P O Rajgarh, Village- Dugri, Ludhiana-141 421

CIN: L28910PB1979PLC004008; **Tel:** +161 2510 421

Website: www.happyforgingsltd.com **Email:** complianceofficer@happyforgingsltd.co.in

NOTICE is hereby given that the Forty Fifth (45th) Annual General Meeting ("AGM") of the members of Happy Forgings Limited ("the Company"), will be held on Monday, 29th July 2024 at 11:30 A.M. (IST) through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS:

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions:

1. To receive, consider and adopt the Audited Standalone & Consolidated Financial Statements of the Company including the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement for the financial year ended 31st March, 2024, along with Auditor's Report.

"RESOLVED THAT the audited standalone and consolidated financial statements of the Company including the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement for the financial year ended March 31, 2024, together with the reports of the Board of Directors and of the Auditors thereon be and are hereby received, considered and adopted."

2. To declare dividend of ₹ 4 per Equity Shares of the Company for the Financial year ended March 31, 2024.

"RESOLVED THAT dividend at the rate of ₹ 4/- (Rupees Four only) per fully paid-up equity share of face value of ₹ 2 /- each as recommended by the Board of Directors, be and is hereby declared for the financial year ended March 31, 2024."

3. To appoint Mr. Ashish Garg (DIN: 01829082), who retires by rotation and being eligible, offers himself for re-appointment.

"RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Ashish Garg (DIN: 01829082), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS:

4. **Ratification of remuneration of Cost Auditor for 2023-24**

To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and any other applicable provisions of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014 and the Companies

(Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of ₹ 1,00,000 plus out of pocket expenses and applicable taxes, as approved by the board of directors, to be paid to M/s Rajan Sabharwal & Co., Cost Accountants (Firm Registration No.101961), the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2024 be and is hereby ratified."

5. **Ratification of remuneration of Cost Auditor for 2024-25**

To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and any other applicable provisions of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of ₹ 1,00,000 plus out of pocket expenses and applicable taxes, as approved by the board of directors, to be paid to M/s Rajan Sabharwal & Co., Cost Accountants (Firm Registration No.101961), the Cost Auditor, appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2025 be and is hereby ratified."

6. **To approve the commission payable to the Independent Directors of the Company**

To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder read with Schedule V of the Companies Act, 2013 (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force), Regulation 17(6)(a) and all other applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other law for the time being in force, and in accordance with provisions of the Articles of Association of the Company and pursuant to the recommendations of Nomination Remuneration Committee the approval of members be and is hereby accorded to pay remuneration by way

of commission to Non-Executive Directors (including Independent Directors) upto one percent (1%) of net profit of the Company during the relevant financial year in a manner that the aggregate commission payable to all the Non-Executive Directors (including Independent Directors) shall not exceed the following amount:

- a) Commission to Mr Satish Sekhri ₹ 5 Lakhs
- b) Commission to Mr Ravindra Pisharody ₹ 5 Lakhs
- c) Commission to Mrs Rajeswari Karthigeyan ₹ 5 Lakhs
- d) Commission to Mr Atul B Lall ₹ 4.25 Lakhs

for the 2023-24 in accordance with the limits prescribed under Section 197 read with Schedule V of the Companies Act, 2013 (the 'Act').

Resolved further that the above remuneration shall be in addition to fees payable to the Director(s) for attending the meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other meetings.

Resolved further that the CFO and/or Company Secretary of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things including deciding on the manner of payment of commission and settle all questions or difficulties that may arise with regard to the aforesaid resolution as it may deem fit and to execute any documents, instructions, etc. as may be necessary or desirable in connection with or incidental to give effect to the aforesaid resolution."

7. To consider and approve continuation of Mr. Satish Sekhri as Non-Executive Independent Director of the Company for his remaining term beyond 75 years of age

To consider, and if thought fit, to pass the following resolution as **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Regulation 17 (1A) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Nomination and Remuneration Policy of the Company and on the basis of approval(s) and recommendation(s) of the Nomination and Remuneration Committee and the Board of Directors of the Company, the approval of Shareholders of the Company, be and is hereby accorded to continue the directorship of Mr. Satish Sekhri as Non- Executive Independent Director (DIN: 00211478) upon attaining the age of 75 years till 3rd May, 2025 (upto completion of his first term as Independent Director).

RESOLVED FURTHER THAT the Board of Directors of the Company (including any committee of Board of the Company) be and is hereby authorised to do all such acts, deeds, matters and things and sign deeds, documents, letters and such other papers as may be necessary, desirable and expedient, as it may in its absolute discretion deem fit or necessary or desirable for such purpose including giving effect to the aforesaid resolution and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard."

8. TO CONSIDER AND RATIFY THE HAPPY FORGINGS ESOP SCHEME 2023

To consider, and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the Regulation 12 and other applicable provision(s) of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021 ("SEBI SBEB Regulations") the Securities and Exchange Board of India (LODR) Regulations 2015, Section 62 and applicable provisions of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), as per the provisions of Articles of Association of the Company, and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed while granting such approvals, permissions and sanctions, the "Happy Forgings ESOP Scheme 2023 "formulated and approved prior to the Initial Public Offering ("IPO") of the Company, which was approved and adopted by the members of the Company at the Extra Ordinary General Meeting of the Company held on 31st July, 2023 to create, offer, and grant up to 13,42,485 employee stock options to the eligible employees of the Company, in one or more tranches, of the face value of ₹ 2/- each fully paid-up on payment of the requisite exercise price to the Company, the approval of shareholders of the Company, be and are hereby accorded to amend and ratify the said Scheme within the meaning of Regulation 12 of SEBI SBEB Regulations to create, offer, issue, grant and allot at any time to or for the benefit of employee(s) / Directors whether working in India or out of India in terms of the Happy Forgings ESOP Scheme 2023, shares on exercise of options, issue fresh options, re-issue of options that may have lapsed/ cancelled/surrendered, already approved under the scheme."

"RESOLVED FURTHER THAT the Board/ Nomination and Remuneration Committee of the Company is hereby authorised to issue, allot and list the equity shares at the recognised stock exchanges upon exercise of options by the employees under Happy Forgings ESOP

Scheme 2023 from time to time in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (SBEB & SE) Regulations, 2021 and other applicable laws and regulations and shall rank pari passu in all respects with the existing equity shares of the Company."

"RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issue, bonus issue, split or consolidation of shares, merger/ amalgamation or sale of division/undertaking or other re-organisation etc. of the number of above mentioned options in the Scheme shall be appropriately adjusted."

"RESOLVED FURTHER THAT the Board of Directors/ Nomination and Remuneration Committee be and are hereby authorised to do all such acts, deeds, matters and things and sign deeds, documents, letters and such other papers as may be necessary, desirable and expedient, as it may in its absolute discretion deem fit or necessary or desirable for such purpose including giving effect to the aforesaid resolution and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard."

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 made thereunder rules and pursuant to the provisions contained in the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("the Regulation") (including any statutory amendment, modification or re-enactment to the Act or the Regulation, for the

time being in force), the Articles of Association of the Company, as recommended by the Nomination and Remuneration Committee and the Board, the consent of the members be and is hereby accorded to approve and adopt the amended HAPPY FORGINGS ESOP SCHEME 2023."

"RESOLVED FURTHER THAT Mr. Paritosh Kumar, DIN 00393387, Chairman and Managing Director or Mr. Ashish Garg, DIN 01829082, Managing Director, Mr. Pankaj Kumar Goyal, Chief Financial Officer and / or Ms Bindu Garg, Company Secretary and Compliance Officer of the Company, be and are hereby severally authorised to sign and execute the necessary agreements, letters and documents as may be required and send notices to the employees in relation to the adoption of the Restated ESOP 2023 and to do all such other deeds, things, matters as may be ancillary or incidental to the implementation of the said amended Scheme/Policy."

**By order of the Board of Directors
For Happy Forgings Limited**

**Bindu Garg
Company Secretary & Compliance Officer
Membership No. F6997**

Date: 8th June, 2024

Place: Ludhiana

Registered Office:
BXXIX, 2254/1, Kanganwal Road,
P.O. Jugiana, Ludhiana,
Sanehwal, Ludhiana, Punjab, India, 141120.
CIN: L28910PB1979PLC004008

Notes:

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") setting out material facts concerning special businesses under Item Nos. 4 to 8 of the accompanying Notice, is annexed hereto. The Board of Directors have considered that the Special businesses under Item Nos. 4 to 8, being considered unavoidable, be transacted at the 45th AGM of the Company.
2. In view of General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 20/2021 21/2021, 02/2022 and 10/2022 dated 8th April, 2020, 13th April, 2020, 5th May, 2020, 13th January, 2021, 8th December, 2021, 14th December, 2021, 5th May, 2022 and 28th December, 2022 respectively read with Circular No. 09/2023 dated 25th September, 2023 ("Collectively referred as MCA Circulars"), issued by the Ministry of Corporate Affairs (MCA) and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022 and SEBI/HO/CFD/CMD2/CIR/P/2023/5 dated 5th January, 2023 read with Circular No. SEBI/HO/DDHS/P/CIR/2023/0164 dated 6th October, 2023 ("Collectively referred as SEBI Circulars") issued by the Securities and Exchange Board of India (SEBI), wherein the relaxation of holding AGM through VC has been extended till 30th September, 2024 (MCA Circulars and SEBI Circulars are hereinafter collectively referred to as "the Circulars") and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), the 45th AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of Members at a common venue. The deemed venue for the 45th AGM shall be the Registered Office of the Company. Since the AGM will be held through VC/OAVM Facility, the Route Map, proxy form and attendance slip are not annexed to this Notice.
3. The Members can join the AGM in the VC/OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.

Members may note that the VC/OAVM Facility allows participation of upto 1,000 Members on a first-come-first-served basis. The large Members (i.e. Members holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the 45th AGM without any restriction on account of first-come first-served principle.

4. This is to inform that as physical presence of Members has been dispensed with for attending the Meeting through VC/OAVM Facility, therefore there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 45th AGM. However, Institutional/Corporate Members are required to send a scanned copy of their Board or Governing Body Resolution/Authorisation etc., authorising its representative to attend the AGM through VC/OAVM on its behalf and to vote through e-Voting/ remote e-Voting. The said Resolution/ Authorisation shall be sent to Scrutiniser by email at bathla7@gmail.com with a copy marked to complianceofficer@happyforgingsltd.co.in and insta.vote@linkintime.co.in. Attendance of the Members participating in the 45th AGM through VC/OAVM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, the 23rd day of July, 2024 to Monday, the 29th day of July, 2024 (both days inclusive) for the purpose of Dividend and AGM.
6. In compliance with the Circulars, the Annual Report 2023-24, the Notice of the 45th AGM, and instructions for e-voting are being sent through electronic mode to those Members whose e-mail addresses are registered with the Company / depository participant(s).
7. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI LODR Regulations and the circulars, the Company is providing facility of remote e-voting to its Members in respect of the businesses to be transacted at the 45th AGM. For this purpose, the Company has entered into an arrangement with Link Intime India Private Limited (LI IPL) for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a Member using remote e-voting system as well as voting on the date of the 45th AGM will be provided by LI IPL.
8. The manner of voting remotely by Members including the Members who have not registered their e-mail addresses is provided in the instructions for e-voting section which forms the part of this Notice.
9. Members may please note that the Notice and Annual Report of the 45th AGM will also be available on the website of the Company at www.happyforgingsltd.com, websites of the Stock Exchanges, i.e. Bombay Stock Exchange Limited and National Stock Exchange of India Limited, at www.bseindia.com and www.nseindia.com respectively and also on the website of Link Intime India Private Limited at <https://instavote.linkintime.co.in>.

10. SEBI has mandated the submission of Permanent Account Number (PAN), KYC details and nomination by physical shareholders and linking PAN with Aadhaar vide its circular No. SEBI/ HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16th March, 2023, and circular no. SEBI/HO/MIRSD/POD-1/P/ CIR/2023/181 dated 17th November, 2023. Therefore, shareholders are requested to submit their PAN, KYC and nomination details to the Company's RTA i.e. Link Intime India Private Limited. Members holding shares in electronic form are requested to submit/ update their PAN to their Depository Participants. To mitigate unintended challenges on account of freezing of folios, SEBI vide the afore-mentioned circular has done away with the provision regarding freezing of folios not having PAN, KYC, and Nomination details.
11. Members are requested to provide/update their name, postal address, email address, telephone/mobile numbers, PAN, mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.
 - i. For shares held in electronic form: to their Depository Participants
 - ii. For shares held in physical form: to the Company's RTA in prescribed Form ISR-1 and other forms pursuant to SEBI Master Circular No. SEBI/HO/ MIRSD/SECFATF/P/ CIR/2023/169 dated 12th October, 2023.
12. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act and the certificate from Secretarial Auditors of the Company pursuant to SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and all other documents will be available electronically for inspection by the Members during the 45th AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members during the AGM. Members seeking to inspect such documents can send an e-mail to complianceofficer@happyforgingsltd.co.in
13. SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/ CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/ OIAE_IAD-1/P/CIR/2023/135 dated August 04, 2023, read with Master Circular No. SEBI/HO/ OIAE/OIAE_IAD-1/P/ CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market.

Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/ Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (<https://smartodr.in/login>)
14. The Board of Directors of the Company ("the Board") has appointed Mr. Parminder Singh Bathla (FCS 4391 & C.P. No.2585) proprietor M/s. P S Bathla & Associates, Company Secretaries, as the Scrutiniser ("Scrutiniser"), for conducting the voting process in a fair & transparent manner.
15. The Scrutiniser shall after the conclusion of e-voting at the 45th AGM shall make a scrutiniser's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall then be sent to the Chairperson or a person authorised by him, within 2 working days from the conclusion of the 45th AGM, who shall then countersign and declare the result of the voting forthwith.
16. The Results declared along with the report of the Scrutiniser shall be placed on the website of the Company at www.happyforgingsltd.com and on the website of link Intime india Private Limited at <https://instavote.linkintime.co.in> immediately after the declaration of Results by the Chairperson or a person authorised by him. The results shall also be displayed on the notice board at the registered office of the Company and shall be immediately forwarded to the Stock Exchanges, i.e. BSE Limited and National Stock Exchange of India Limited.
17. Details as required in sub-regulation (3) of Regulation 36 of the SEBI LODR Regulations and Secretarial Standard on General Meeting ("SS-2") of ICSI, in respect of the Directors seeking appointment/ re-appointment at the 45th AGM, forms integral part of the Notice of the 45th AGM as Annexure I. Requisite declarations have been received from the Directors for seeking appointment/ re-appointment.
18. As an eco-friendly measure intending to benefit the society at large, we request you to be part of the e-initiatives and register your e-mail address to receive all communication and documents including Annual Reports from time to time in electronic form to the e-mail address provided by you. Members may send such communication to their respective Depository Participants (DPs).
19. Members can avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Act read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014. Members desiring to avail this facility may contact their respective DPs for recording their Nomination.

20. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs.
21. Members desirous of obtaining any information / clarification relating to the accounts are requested to submit their query in writing to the Company well in advance so as to enable the Management to keep the information ready.
22. Members who would like to express their views/ ask questions as a speaker during the Meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, e-mail ID, mobile number at complianceofficer@happyforgingsltd.co.in four days in advance of AGM date. Only those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the Meeting. The Company reserves the right to restrict the number of speakers as well as the speaking time depending upon the availability of time at the AGM.
23. E-Voting
Pursuant to Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, Regulation 44 of SEBI Listing Regulations and the MCA Circulars, the Company is pleased to provide the facility to Members to exercise their right to vote, on the Resolutions proposed to be passed at AGM, by electronic means. The Company has engaged the services of LI IPL to provide the remote e-voting facility on InstaVote and the e-voting system on the date of the AGM on InstaMeet.
 - (ii) The members who have cast their vote by remote e-voting prior to the AGM may also participate in the AGM through VC/OAVM Facility but shall not be entitled to cast their vote again.
 - (iii) The remote e-voting period commences on Friday, 26th July, 2024 (9:00 am) (IST) and ends on Sunday, 28th July, 2024 (5:00 pm) (IST). During this period Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of Monday, 22nd July, 2024 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by LI IPL (Link Intime India Private Limited) for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
 - (iv) The process and manner for remote e-voting is as under:

Remote e-Voting Instructions for shareholders:

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

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

Individual Shareholders holding securities in demat mode with NSDL:

METHOD 1 - If registered with NSDL IDeAS facility

Users who have registered for NSDL IDeAS facility:

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

OR

User who have not registered for NSDL IDeAS facility:

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

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

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

Individual Shareholders holding securities in demat mode with CDSL:

METHOD 1 – If registered with CDSL Easi/Easiest facility

Users who have registered for CDSL Easi/Easiest facility.

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

OR

Users who have not registered for CDSL Easi/Easiest facility.

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

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

- Visit URL: <https://www.cdslindia.com/>
- Go to e-voting tab.
- Enter Demat Account Number (BO ID) and PAN and click on "Submit".
- System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account.
- After successful authentication, click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

Individual Shareholders holding securities in demat mode with Depository Participant:

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

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

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

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

- Visit URL: <https://instavote.linkintime.co.in>
- Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: -

A. User ID:

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

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

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

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

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

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

- Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).

- Click "confirm" (Your password is now generated).

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

Cast your vote electronically:

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

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

STEP 1 – Registration

- a) Visit URL: <https://instavote.linkintime.co.in>
- b) Click on Sign up under "Corporate Body/ Custodian/Mutual Fund"
- c) Fill up your entity details and submit the form.
- d) A declaration form and organisation ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up at Sr.No. 2 above). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to insta.vote@linkintime.co.in.
- e) Thereafter, Login credentials (User ID; Organisation ID; Password) will be sent to Primary contact person's email ID.
- f) While first login, entity will be directed to change the password and login process is completed.

STEP 2 –Investor Mapping

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) Click on "Investor Mapping" tab under the Menu Section
- c) Map the Investor with the following details:
 - a. 'Investor ID' -
 - i. Members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID i.e., IN00000012345678
 - ii. Members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

- b. 'Investor's Name' - Enter full name of the entity.
- c. 'Investor PAN' - Enter your 10-digit PAN issued by Income Tax Department.
- d. 'Power of Attorney' - Attach Board resolution or Power of Attorney. File Name for the Board resolution/Power of Attorney shall be – DP ID and Client ID. Further, Custodians and Mutual Funds shall also upload specimen signature card.
- d) Click on Submit button and investor will be mapped now.
- e) The same can be viewed under the "Report Section".

STEP 3 – Voting through remote e-voting.

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

METHOD 1 - VOTES ENTRY

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

OR

VOTES UPLOAD:

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) You will be able to see the notification for e-voting in inbox.
- c) Select 'View' icon for 'Company's Name / Event number'. E-voting page will appear.
- d) Download sample vote file from 'Download Sample Vote File' option.
- e) Cast your vote by selecting your desired option 'Favour / Against' in excel and upload the same under 'Upload Vote File' option.

- f) Click on 'Submit'. 'Data uploaded successfully' message will be displayed. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

Helpdesk:

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

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

Helpdesk for Individual Shareholders holding securities in demat mode:

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

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

Forgot Password:

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

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

- o Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- o Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

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

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

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

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

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

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

- o Click on 'Login' under 'Corporate Body/ Custodian/ Mutual Fund' tab and further Click 'forgot password?'
- o Enter User ID, Organisation ID and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

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

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

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

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

Process and manner for attending the General Meeting through InstaMeet:

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in> & Click on "Login".
- Select the "Company" and 'Event Date' and register with your following details: -
 - A. **Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No
 - Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

- Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID.
 - Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company.
- B. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/Company shall use the sequence number provided to you, if applicable).
- C. **Mobile No.:** Enter your mobile number.
- D. **Email ID:** Enter your email id, as recorded with your DP/Company.
- Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

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

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

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

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

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

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote".
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the General Meeting will be eligible to attend/ participate in the General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

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

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

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

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

Other information related to e-voting

- a. A person, whose name is recorded in the register of members or in the register of beneficial owners of the Company, as on the cut-off date i.e. Monday, 22nd July, 2024 only shall be entitled to avail the facility of e-voting, either through remote e-voting and voting at the AGM. A person who is not a member as on the cut-off date should treat this notice for information purposes only.

Members who have cast their vote by remote e-voting prior to the AGM will be entitled to

attend the AGM and their presence shall be counted for the purpose of quorum. However, they shall not be entitled to cast their vote again. In case a member casts his vote by more than one mode of voting including remote e-voting, then voting done through remote e-voting shall prevail and other shall be treated as invalid.

- b. Voting rights of the members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e. Monday, 22nd July, 2024.
- c. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the notice and holds shares as of the cut-off date may follow the procedure for remote e-voting as enumerated in detail hereinabove. They may also refer to the FAQs and e-voting manual available at <https://instavote.linkintime.co.in/> (under help section) or write an email to complianceofficer@happyforgingsltd.co.in
- d. Every client ID no./folio no. will have one vote, irrespective of number of joint holders. However, in case the joint holders wish to attend the meeting, the joint holder whose name is higher in the order of names among the joint holders, will be entitled to vote at the AGM.
- e. The members may also update their mobile number and e-mail ID in the user profile details of their respective client ID no./folio no., which may be used for sending future communication(s).

24. General Information

The Scrutiniser shall submit a consolidated Scrutiniser's Report of the total votes cast in favour or against, within 2 working days of the conclusion of the AGM, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.

- a. The results along-with the consolidated Scrutiniser's Report shall be declared by means of:
 - (i) dissemination on the website of the Company i.e. www.happyforgingsltd.com and website of LIIPL i.e. <https://instavote.linkintime.co.in/> and
 - (ii) communication to BSE Limited and National Stock Exchange of India Limited, thereby enabling them to disseminate the same on their respective websites.

25. Correspondence

Members are requested to make all correspondence in connection with shares held by them by addressing

letters directly to the Company at complianceofficer@happyforgingsltd.co.in quoting their folio number or DP ID - client ID, as the case may be.

26. Payment of Dividend

The final dividend, as recommended by the Board of Directors, if approved at the AGM, payment of such dividend subject to deduction of tax at source will be made within 30 days of the Annual General Meeting as under:

- (i) To all Beneficial Owners in respect of shares held in dematerialised form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), as of the close of business hours on Monday 22nd July, 2024
- (ii) To all Members in respect of shares held in physical form after giving effect to transmission or transposition requests, change of name lodged with the Company as of the close of business hours on Monday 22nd July, 2024

The Company shall make the payment of dividend to those Members directly in their bank accounts whose bank account details are available with the Company and those who have given their mandate for receiving dividends directly in their bank accounts through the National Automated Clearing House (NACH). In terms of the MCA and SEBI Circulars, in case, the Company is unable to pay dividend to any Member by the electronic mode, due to non-availability of the details of the bank account, the Company shall dispatch the dividend warrant to such Member by post.

Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company to provide efficient and better services.

To avoid the incidence of fraudulent encashment of dividend warrants, Members are requested to intimate the Company under the signature of the Sole / First Joint holder, the following information, so that the bank account number and name and address of the bank can be printed on the dividend warrants:

- Name of Sole / First Joint holder and Folio number
- Particulars of bank account, viz.
 - i) Name of bank
 - ii) Name of branch
 - iii) Complete address of bank with PINCODE

- iv) Account type, whether Savings (SB) or Current Account (CA)
- v) Bank Account Number

Further, in case Members have not updated their bank account details, please do so by sending a copy of a cancelled cheque leaf (self-attested), with name, bank account number, bank address and IFSC code printed thereon. In case the cheque leaf does not contain the aforesaid details, please submit a copy of the first page of the bank account passbook showing the aforesaid details, duly attested and signed by the bank manager.

Members are encouraged to use the Electronic Clearing Services (ECS) for receiving dividends.

27. Deduction of Tax at Source on Dividend:

Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders with effect from 1st April, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G (applicable to individual) / Form 15H (applicable to an individual above the age of 60 years), provided that the eligibility conditions as prescribed under the Act are met. To avail the benefit of non-deduction of tax at source, the documents are to be submitted through Form 15G and 15H which can be downloaded from the link <https://liiplweb.linkintime.co.in/client-downloads.html> and the required form 15G and 15H can be submitted through <https://liiplweb.linkintime.co.in/formsreg/submission-of-form-15g-15h.html> or email to happyforgingdivtax@linkintime.co.in by Monday, 22nd July, 2024 Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate,

Form 10F, any other document which may be required to avail the tax treaty benefits by uploading the documents at aforesaid link or sending an email to happyforgingdivtax@linkintime.co.in

The aforesaid declarations and documents need to be submitted by the shareholders by Monday, 22nd July, 2024

- 28. Since there was no unpaid dividend, no amount was required to be transferred to Investor Education and Protection Fund ("IEPF")

29. Information for Non-Resident Indian Shareholders

Non-resident Indian shareholders are requested to immediately inform the Company/ RTA, if shares are held in physical mode or to their DP, if the holding is in electronic mode, regarding change in the residential status on return to India for permanent settlement and/or the particulars of the NRE account with a bank in India, if not furnished earlier.

30. Depository System

The Company has entered into agreements with the Depositories. The Depository System envisages the elimination of several problems involved in the scrip based system such as bad deliveries, fraudulent transfers, fake certificates, thefts in postal transit, delay in transfers, mutilation of share certificates, elimination of concept of market lot, elimination of bad deliveries, reduction in transaction costs, improved liquidity, etc. As per SEBI Circular with effect from April 1, 2019, the Company has stopped effecting transfer of securities in physical form.

Members are therefore requested to demat their physical holding for any further transfer. Members can however continue to make request for transmission or transposition of securities held in physical form.

However, as per SEBI circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022, the Company / RTA will issue Letter of Confirmation (LOC) in lieu of share certificate, which should be dematerialised within 120 days from the date of issue of LOC.

For **Happy Forgings Limited**
By Order of the Board

Place: Ludhiana **Company Secretary and Compliance Officer**
Date: 8th June, 2024 Membership No.: F6997

EXPLANATORY STATEMENT**(Explanatory Statement pursuant to Section 102 of the Companies Act, 2013)****ITEM NO. 4 & 5**

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment of M/s. Rajan Sabharwal & Co., Cost Accountants (Firm Registration No. 101961) as Cost Auditor of the Company for the financial year ending on 31st March, 2024, to conduct audit of cost records of the Company as may be required for cost audit under the Companies Act, 2013, and Rules made thereunder, at a remuneration of ₹ 100,000/- plus out of pocket expenses and applicable taxes.

Further, the Board of Directors, on the recommendation of the Audit Committee, has approved the appointment of M/s. Rajan Sabharwal & Co., Cost Accountants (Firm Registration No. 101961) as Cost Auditor of the Company for the financial year ending on 31st March, 2025, to conduct audit of cost records of the Company as may be required for cost audit under the Companies Act, 2013, and Rules made thereunder, at a remuneration of ₹ 100,000/- plus out of pocket expenses and applicable taxes.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at item no. 4 & 5 in the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending on 31st March, 2024 and year ending on 31st March, 2025.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

ITEM NO. 6

The Directors of the Company bring with them significant professional expertise and rich experience across a wide spectrum of functional areas such as corporate strategy, macro economics, governance, legal, finance and risk management and it is necessary that adequate compensation should be given to the Non-Executive (Non-Independent and Independent) Directors ("NEDs") for the valuable contribution made by them towards the business of the Company. Pursuant to the provisions of Section 197 of the Act, an amount not exceeding one percent per annum of the Net Profits of the Company, calculated in accordance with the provisions of Sections 197 and 198 of the Companies Act, 2013, could be paid by way of Commission to directors who are neither managing directors nor whole-time directors. Considering the rich experience and expertise brought to the Board by the NEDs, the Board of Directors of the Company had, at its meeting held on 24th May, 2024, approved payment of Commission to NEDs subject to the approval of the Members of the Company. Such payment

will be in addition to the sitting fees for attending Board/Committee Meetings. In view of the above, the approval of the Members of the Company is sought to pay commission to NEDs an amount of

- a) Commission to Mr. Satish Sekhri ₹ 5 Lakhs
- b) Commission to Mr. Ravindra Pisharody ₹ 5 Lakhs
- c) Commission to Ms. Rajeswari Karthigeyan ₹ 5 Lakhs
- d) Commission to Mr. Atul B Lall ₹ 4.25 Lakhs

for the 2023-24 in accordance with the limits prescribed under Section 197 read with Schedule V of the Companies Act, 2013 (the 'Act').

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at item no. 6 in the Notice for approving commission to be paid to NEDs.

Except the directors mentioned above, none of the other Directors/Key Managerial Personnel ("KMP") of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution stated above.

ITEM NO 7

Mr. Satish Sekhri, aged 74 years, is the Non-Executive Independent Director of the Company. In accordance with Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, no listed entity shall appoint a person or continue the Directorship of any person as a Non-Executive Director who has attained the age of seventy-five years unless a special resolution is passed to that effect.

Since, Mr. Satish Sekhri will attain the age of 75 years in March 2025 (before his current term ends which is upto 3rd May, 2025), it is required to take approval from shareholders by special resolution for continuation of office of Mr. Satish Sekhri after he turns 75 till the expiry of his term as Independent director which is upto 3rd May, 2025. Hence, the approval of the shareholders is sought for the continuation of his Directorship on the Board of the Company even after attaining the age of 75 years.

His brief profile is given below:

He holds a bachelor's degree in Engineering from Delhi College of Engineering and Masters in Business Administration from Punjab University, Chandigarh. He has more than 48 years of experience in the field of sales and marketing and the industrial sector. Currently, he is a Board member of JK Files and Engineering Limited and Rico Auto Industries Limited. He has been on our Board since 4th May, 2020.

The Nomination and Remuneration Committee and the Board of the Company is of the opinion that Mr. Satish Sekhri has been an integral part of the Board and has provided valuable insights to the Company and his continuation as Director will be in the interest of the Company notwithstanding his completion of seventy five years of age. Hence, in view

of his rich experience and contributions throughout his association with the Company and on the recommendation of the Nomination and Remuneration Committee, the Board considered the continuity of his directorship as justified and recommended continued association of Mr. Satish Sekhri as the Non-executive Independent Director of the Company after attaining the age of seventy five years.

Mr. Satish Sekhri meets the criteria of independence as stipulated under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.

Accordingly, the Board recommends the Resolution in relation to the continuation of Mr. Satish Sekhri as the Non-executive Independent Director of the Company after attaining the age of seventy five years, for the approval of the Members of the Company, by way of Special Resolution. The disclosures prescribed under Regulation 36 of the Listing Regulations read with the provisions of the Secretarial Standard on General Meetings ('SS-2') issued by the Institute of Company Secretaries of India are provided in Annexure-I of the Notice.

Mr. Satish Sekhri is not debarred from holding the office of the director by virtue of any order passed by the SEBI or any other such authority pursuant to BSE Circular LIST/COMP/14/2018-19 dated 20th June, 2018 and NSE circular NSE/CML/2018/24 dated 20th June, 2018. Mr. Satish Sekhri may be deemed to be concerned or interested in the resolution with respect to continuation of his Directorship.

Except Mr. Satish Sekhri, none of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise in the resolution set out at item No. 7. The relatives of Mr. Satish Sekhri may be deemed to be interested in the resolution set out at Item No. 7 of the Notice, to the extent of their shareholding interest, if any, in the Company.

ITEM NO 8

Pursuant to the resolution passed by the Shareholders dated 31st July, 2023, the Company had approved the Happy Forgings ESOP Scheme 2023. The aggregate number of options that can be granted under the ESOP scheme is 13,42,485 Equity Shares.

In terms of Regulation 12(1) of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 no company shall make any fresh grant of employee stock options which involves allotment or transfer of shares to its employees under any schemes formulated prior to its Initial Public Offering ("IPO") and prior to the listing of its equity shares ("Pre-IPO Scheme") unless: (i) such Pre-IPO Scheme is in conformity with the SEBI (SBEB & SE) Regulations, 2021; and (ii) Such Pre-IPO Scheme is ratified by its Shareholders subsequent to the IPO. Further, as per proviso to Regulation 12(1) of the SEBI (SBEB & SE) Regulations 2021, the ratification under clause (ii) may be done any time prior to grant of new options under such Pre-IPO Scheme. ESOP Scheme 2023 is compliant with the SEBI

(SBEB & SE) Regulations 2021 except for a clause for which amendment is proposed as below to make it in line with the SEBI (SBEB & SE) Regulations 2021.

The amendment to ESOP Scheme 2023 is not in any way detrimental to the interest of the employees and the provisions as per Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

The amendments to be made to clause 14.3 (i) of Happy Forgings ESOP Scheme 2023 is:

14.3 Resignation, Retirement and Company Termination (Existing clause)

(i) If an Employee should, with the written consent of the Company, retire or resign from the employment of the Employer Company, or if an Employee accepts retirement under any scheme of Voluntary Retirement of the Employer Company, or if the employment of the Employee is terminated by the Employer Company other than for misconduct (as specified in Article 14.2 above) the Unvested Options, shall lapse.

Provided that, subject to the aforesaid, the Nomination and Remuneration Committee shall have full powers to accelerate the Vesting of the Unvested Options and/or specify the period for Exercise of such Vested Options.

Amended Clause 14.3 (i)

If an Employee should, with the written consent of the Company, resign from the employment of the Employer Company, or if the employment of the Employee is terminated by the Employer Company other than for misconduct (as specified in Article 14.2 above) the Unvested Options, shall lapse.

In case of retirement or voluntary retirement under any scheme of Voluntary Retirement approved by the Board, the unvested options shall continue to vest as per the vesting schedule.

Provided that, subject to the aforesaid, the Nomination and Remuneration Committee shall have full powers to accelerate the Vesting of the Unvested Options and/or specify the period for Exercise of such Vested Options

Deleting clause 16.1 (ii)

any provision for mandatory transfer of shares in the event of resignation/retirement /termination of an employee.

In terms of Regulation 12(1) of the SEBI (SBEB & SE) Regulations 2021, the Company cannot make any fresh grant under ESOP Scheme 2023, unless ESOP Scheme 2023 is ratified by the Shareholders of the Company.

Considering that the Company came out with an IPO of its equity shares, and its equity shares got listed on the BSE Limited and the National Stock Exchange of India Limited with effect from December 27, 2023 and accordingly in terms of the Regulation 12(1) of the SEBI (SBEB & SE) Regulations 2021, the Company seeks

approval from its shareholders to amend and ratify the Happy Forgings ESOP Scheme 2023 in order to enable Company to make any fresh grants under Happy Forgings ESOP Scheme 2023.

The Board of Directors ("Board") of the Company at its meeting held on 8th June, 2024 approved and recommended to the shareholders of the Company, amendment and ratification of the Happy Forgings ESOP Scheme 2023 and the grant of options to the eligible employees of the Company (including both existing and future).

Particulars as required under Section 62(1)(b) of the Companies Act, 2013 read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and disclosure required under SEBI (SBEB & SE) Regulations 2021 are as given below:

i. Brief Description of the Scheme(s):

This proposed Scheme called the Hapy Forgings ESOP Scheme 2023 is intended to reward the Eligible Employees of the Company and its subsidiary and associate company(ies) in India and abroad, for their performance and to motivate them to contribute to the growth and profitability of the Company. Your Company also intends to use this Scheme to retain talent in the organisation as it views options as instruments that would enable the Employees to share the value they create for the Company and align individual objectives of employees with objectives of the Company in the years to come.

The Company contemplates to enable the implementation of the Scheme by dealing in/ acquiring Equity Shares directly from the Company ("Primary Shares").

ii. Total number of Options to be granted:

Options exercisable into Equity Shares of ₹ 2/- (Rupees Two Only) each totaling to not more than 13,42,485 options would be available for being granted to employees and Directors of the Company and its present and future subsidiaries and associates under the Scheme. Each option when exercised would be converted into one Equity Share of ₹ 2/- (Rupees Two Only) each fully paid up.

The Board is authorised to re-grant such lapsed / cancelled options as per the provisions of the Scheme, within overall ceiling.

SEBI Regulations require that in case of any corporate action(s) such as merger, demerger etc. or change in capital structure such as rights issues, bonus issues, sub-division / consolidation of the nominal value of shares, a fair and reasonable adjustment needs to be made to the Options granted. Accordingly, if any additional

Equity Shares are required to be issued for making such fair and reasonable adjustment, the ceiling of Equity Shares shall be deemed to be increased to the extent of such additional Equity Shares issued/to be issued. Further the Board and/ or Nomination and Remuneration Committee shall in such cases also have the power to make appropriate adjustments to the number of shares to be allotted pursuant to the exercise of the Options, the Exercise price and other rights and obligation under the Options granted.

iii. Identification of classes of employees entitled to participate in the Employee Stock Option Scheme(s):

Following classes of employees are entitled to participate in the Scheme :

- a) Permanent employees of the Company working in India or out of India;
- b) Directors of the Company; and
- c) Permanent employees and Directors of the subsidiary and associate company(ies).

Following persons are not eligible:

- (i) an employee who is a Promoter or belongs to the Promoter Group;
- (ii) a Director who either by himself or through his relatives or through any Body corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company; and
- (iii) an Independent Director within the meaning of the Companies Act, 2013.

iv. Requirements of vesting and period of vesting:

The Options granted shall vest so long as the employee continues to be in the employment of the Company or the subsidiary or associate company or as the case may be. The Board may, at its discretion, lay down the period of time and/ or specify certain performance metrics on the achievement of which the granted Options may vest (subject to the minimum vesting period as specified below). The vesting of the Options may also happen in tranches in accordance with the above-mentioned conditions.

The Nomination and Remuneration Committee may, at its discretion, lay down certain performance metrics on the achievement of which such options would vest, the detailed terms and conditions relating to such vesting, and the proportion in which options granted would vest subject to the minimum vesting period of 1 (one) year.

The exact proportion in which and the exact period over which the Options would vest would be determined by the Board.

- v. Maximum period for vesting:
The Nomination and Remuneration Committee shall specify in the Grant Letter the period and the manner in which the Options shall vest, which may include time -based conditions or performance conditions as may be specified by them.
- vi. Exercise Price or Pricing Formula:
The exercise price shall be decided by the Board of Directors and/or Nomination and Remuneration Committee on the date of Grant or from time to time as per its complete discretion but shall not be lower than the face value of the Share (presently ₹ 2/- per share).
The Company shall be entitled to recover from the employee any tax that may be levied upon or in relation to the Options, by whatever name called, whether at time of Grant, Vesting, Exercise or Sale of Options.
- vii. Exercise Period and the process of Exercise:
The Exercise Period shall be a period of 5 (five) years from the date of Vesting of the Option or as such period may be determined by the nomination and remuneration committee.
The Grantee may at any time during the Exercise Period, but subject to fulfillment of all the conditions of the Grant and such administrative procedures as may be determined by the Nomination and Remuneration Committee, exercise at the discretion of the Grantee all or any of the Vested Options by submitting an application to the Nomination and Remuneration Committee to allot to the Grantee the Shares pursuant to the Vested Options, accompanied by payment of the Exercise Price in respect of such Shares and such other writing, if any, as the Board / Nomination and Remuneration Committee, may specify.
The options shall lapse if not exercised within the specific exercise period.
- viii. Appraisal Process for determining the eligibility of the employees to ESOP.
The appraisal process for determining the eligibility of the employee will be specified From time to time and at such times as deemed fit by the Nomination and Remuneration Committee after this Plan comes into effect, the Nomination and Remuneration Committee shall, based on the various criteria for selection of the Employees (which criteria shall be decided from time to time by the Board or the Nomination and Remuneration Committee for assessing the contribution of Employees), decide on the Employees who are eligible for a Grant under the Plan and the terms and conditions thereof.
- ix. Maximum number of Options to be issued per employee and in aggregate:
The aggregate number of Options that may be granted to any specific employee of the Company or of its subsidiary or associate company under the Scheme, in any financial year and in aggregate under the Plan shall be less than 1% of the issued Equity Share Capital (excluding outstanding warrants and conversions) of the Company.
- x. Maximum quantum of benefit to be provided per employee under a scheme(s)
There is no internal quantum defined. It will be as per the SEBI regulations.
Transferability of Employee Stock Options.
Options shall not be transferable. During the lifetime of the Employee the Options shall be exercisable only by such Employee, and in case of death or permanent incapacity of an Employee shall be exercisable by the Employee's designated legal heirs or nominees, as the case may be.
- xi. Route of Scheme implementation:
The Scheme shall be implemented and administered directly by the Company.
- xii. Source of Shares:
The Scheme contemplates new Issue of Shares by the Company ("Primary Shares").
- xiii. The amount of loan to be provided for implementation of the Scheme(s) by the Company to the trust, its tenure, utilisation , repayment terms etc.
Not applicable as the Scheme shall be implemented and administered directly by the Company.
- xiv. maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme(s);
Not applicable as the Scheme contemplates new Issue of Shares by the Company ("Primary Shares").
- xv. Accounting Policies:
The Company has complied with the disclosure and the accounting policies as per Regulation 15 and the applicable Ind-AS.
- xvi. Method of option valuation:
To calculate the employee compensation cost, the Company shall use the Fair Value Method for valuation of the Options granted.
- xvii. The following statement if applicable:
In case the Company opts for expensing of share based employee benefits using the intrinsic

value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the Company shall also be disclosed in the Directors' Report.

Not applicable

xviii. Period of lock in.

The Shares acquired under the Plan shall not be subject to any lock-in period Terms & Conditions for buyback, if any, of specified securities covered under these regulations.

Not applicable

As the Scheme is placed for the ratification of ESOP policy called as "Happy Forgings ESOP Scheme 2023", consent of the members is being sought pursuant to the Companies Act, 2013 and all other applicable provisions, if any, of the Act.

None of the Directors of the Company are in any way, concerned or interested in the resolution, except to the extent of their shareholding in the Company and/or the Options that may be offered to them under the scheme.

The Board recommends the Special Resolution set out at Item No. 8 of the Notice for approval by the Members.

**By order of the Board of Directors
For Happy Forgings Limited**

Bindu Garg
Company Secretary & Compliance Officer
Membership No. F6997
Date: 8th June 2024

Place: Ludhiana
Registered Office:
BXXIX, 2254/1, Kanganwal Road,
P.O. Jugiana, Ludhiana,
Sanehwal, Ludhiana, Punjab, India, 141120
CIN -L28910PB1979PLC004008

"ANNEXURE -I"

Details of Directors seeking appointment/ re-appointment at the AGM

(Pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India is given below).

Name of the Director	ASHISH GARG	SATISH SEKHRI
DIN	01829082	00211478
Date of Birth	8 th April, 1985	28 th March, 1950
Age	39	74
Date of first appointment on Board	01.10.2007	04.05.2020
Qualifications	Bachelor of Science (Accounting and finance) and Master of Science (Manufacturing Systems Engineering)	Bachelor of Science (Mechanical Engineering) from University of Delhi, MBA from Punjab University, Chandigarh
Brief profile, experience and expertise	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, United Kingdom. Has more than 17 years of experience in the industrial sector. Currently manages our Company's business operations, financial performance, growth strategies and investments in different capacities and product developments.	He has more than 48 years of experience in the field of sales and marketing and the industrial sector. Currently, he is a Board member of JK Files and Engineering Limited and Rico Auto Industries Limited.
Number of meetings of the Board attended during the year	10	10
Terms and conditions of appointment or re-appointment	Reappointed as Managing Director with effect from 11 th April 2023 for five years upto 10 th April 2028	Appointed as Independent Non-Executive Director for 5 years with effect from 4 th May 2020 upto 3 rd May 2025
Details of remuneration sought to be paid and the remuneration last drawn by such person	As reported in Board's report.	As reported in Board's report
Directorships held in other Companies	1.Ayush Capital Financial Services Private Limited 2.HFL Technologies Private Limited	1.Rico Auto Industries Limited 2.JK Files and Engineering Limited
Committee Positions held in Board as on 31 st March, 2024	Chairperson of Risk Management Committee Member of Audit committee Member of CSR committee Member of IPO Committee Member of Stakeholders Relationship Committee	Chairperson of Nomination and Remuneration Committee Member of Audit committee Member of CSR committee
Membership/ Chairmanship of Committees of other Boards as on 31 st March, 2024	NIL	J K Files and Engineering Limited – member of Audit Committee & CSR committee Chairman of Nomination and Remuneration Committee
Listed entities from which the person has resigned in the past three years	NIL	Cessation of directorship on completion of two terms as Independent Director in Uno Minda Limited (formerly Known as Minda Industries Limited)

Name of the Director	ASHISH GARG	SATISH SEKHRI
Shareholding in Happy Forgings Limited including shareholding as a beneficial owner as on 31 st March, 2024	1,29,46,200 equity shares of FV ₹2/- in individual capacity	NIL
Skills and capabilities required for the role and the manner in which the proposed person meets such requirements	-	The NRC taking into consideration the skills and capabilities required for the Independent Director in the context of the business and sector in which the Company operates concluded and recommended to the Board that Mr. Satish Sekhri's qualifications and the rich experience of over 48 years in the areas as mentioned in the resolution at Item no. 7 of this Notice, read with the explanatory statement thereto meets the skills and capabilities required for the role of Independent Director of the Company
Relationship with other directors inter se, manager and other Key Managerial Personnel of the Company	Son of Mr. Paritosh Kumar, Chairman and Managing Director Husband of Ms. Megha Garg, Whole Time Director	No

**By order of the Board of Directors
For Happy Forgings Limited**

Bindu Garg
Company Secretary & Compliance Officer
Membership No. F6997
Date: 8th June, 2024
Place: Ludhiana

Registered Office:
BXXIX, 2254/1, Kanganwal Road,
P.O. Jugiana, Ludhiana,
Sanehwal, Ludhiana, Punjab, India, 141120
CIN -L28910PB1979PLC004008