

Happy Forgings Board Approves ~Rs. 650 Crs Investment to Expand into Heavyweight Forged & Machined Components for Diverse Industrial Applications

January 6, 2025, Ludhiana: Happy Forgings Limited (HFL), one of India's largest engineering-led manufacturers of complex, safety-critical, heavy-forged, and high-precision machined components, has announced that its Board of Directors' has approved a capital investment of up to Rs. 650 crores to establish advanced forging capabilities to serve the non-automotive industrial segment. This new facility will be the first of its kind in Asia and the second largest globally.

The capex investment is focused towards heavy forged and machined components such as large crankshafts for industrial and marine applications, as well as other heavy components like axles, gears, oil & gas valves and flanges, spindles, connectors and shafts etc. These components will serve a range of non-automotive industries including, power generation, marine, mining, high-horsepower farm equipment, material handling equipment and cranes, wind energy, oil & gas and specialized segments like aerospace, defense and nuclear.

With this investment, the company will expand into the higher-weight segment, producing components up to 3,000 kilograms. This strategic enhancement of forging capabilities positions HFL to cater to the non-automotive industrial segment, addressing niche applications where heavyweight components are critical. The total capital expenditure for this facility will be spread over the next 2–3 years, primarily financed through internal accruals and partially through debt, with production anticipated to commence by the end of FY2027.

This milestone investment underscores HFL's commitment to innovation, scalability, and leadership in forging and machining excellence. It positions the company at the forefront of the global supply chain for heavyweight components, ready to meet the increasing demand from industrial and strategic sectors globally.

Mr. Ashish Garg, Managing Director of Happy Forgings Limited, shared his vision for this investment: *"We are delighted to announce this significant investment of INR ~650 crores to establish cutting-edge forging capacities that will redefine our capabilities in the heavyweight components segment. This move aligns with our strategy to capitalize on untapped opportunities in a market characterized by limited suppliers and capturing demand for precision-engineered, large-sized components. We believe that this investment will accelerate our growth in the Industrials segment, enhance profitability, and strengthen our export footprint while delivering value to all our stakeholders."*



About Happy Forgings Limited

Happy Forgings is one of the largest engineering led manufacturer of complex and safety critical, heavy forged and high precision machined components in India in terms of forgings capacity. The Company through its vertically integrated operations is engaged in engineering, process design, testing, manufacturing, and supply of a variety of components that are both margin accretive and value-additive. The Company primarily caters to domestic and global original equipment manufacturers (“OEMs”) manufacturing commercial and passenger vehicles in the automotive sector and in the non-automotive sector, the company caters to manufacturers of farm equipment, off-highway vehicles and manufacturers of industrial equipment and machinery for oil and gas, power generation, railways and wind turbine industries.

Safe Harbor Statement

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.

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