

Happy Forgings Signs MoU For Long-Term Supply of Heavy, Forged and Precision Machined Industrial Components

February 11, 2025, Ludhiana: Happy Forgings Limited (HFL), one of India's largest engineering-led manufacturer of complex, safety-critical, heavy-forged and high-precision machined components, has signed a Memorandum of Understanding (MoU) with a global manufacturer and supplier of industrial equipment and construction machinery. This MoU sets the main terms and principles for a binding long-term supply contract, which will be signed when approved components start shipping in 2028. It also marks HFL's strategic expansion into the production of heavy-weight forged and precision-machined components, with individual parts weighing up to ~1,000 kilograms for industrial and mining applications.

Under the MoU, the customer has committed an initial investment of approximately INR 20 crore for tooling and development, with sampling and testing planned for 2027. The binding supply contract will commence in 2028 with the delivery of approved components. Annual revenues are expected to be approximately INR 95 crore based on minimum committed volumes, with a peak potential of INR 160 crore per year, contingent on the customer's equipment sales.

This order will be executed through HFL's upcoming heavy forging facility, which is being developed as part of a Board-approved capital expenditure plan of INR 650 crs. sanctioned in January 2025. These new capabilities will position Happy Forgings among the select manufacturers capable of producing heavy forged and precision-machined components exceeding 250 kilograms.

Commenting on the development, **Mr. Ashish Garg, Managing Director of Happy Forgings Limited, said:** *"We are pleased to announce our first MoU in the heavy forged and precision-machined components segment for parts exceeding 250 kg with a leading global manufacturer. This agreement provides strong visibility for the deployment of our new heavy forging capacity upon commissioning. It also reinforces our engineering expertise and positions HFL to pursue additional large-scale, heavyweight component opportunities across various industrial sectors. Expanding into this high-value segment aligns with our long-term strategy to diversify our portfolio, drive profitability, and create lasting value for 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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