



HAPPY FORGINGS LIMITED

INVESTOR PRESENTATION Q4 & FY 2026



ENGINEERING THE WAY FORWARD >>

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Q4 & FY26 PERFORMANCE HIGHLIGHTS

Delivering Growth With Strengthening Operational Performance

02

FORGING SUCCESS: VALUE-CREATING TRANSFORMATION

Building Scale, Efficiency & Sustainable Competitive Strength

03

COMPANY OVERVIEW

Engineering Excellence Across Products, Customers & Markets

04

HISTORICAL FINANCIAL PERFORMANCE

A Multi-Year Journey of Consistent Growth & Margin Expansion

05

BEYOND FINANCIALS: CREATING LASTING IMPACT

Driving Value Through Innovation, People, Sustainability & Governance



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MESSAGE FROM THE MANAGING DIRECTOR



Mr. Ashish Garg
Managing Director

Commenting on the results, Mr. Ashish Garg, Managing Director, Happy Forgings Limited, said:

“We delivered a strong performance in Q4 FY26, concluding the financial year on a high note. During the quarter, we registered volume growth of 20.6% YoY, resulting in revenue growth of 20.4% and EBITDA growth of 30.4%. PAT grew by 23.6% and lagged EBITDA growth primarily due to adverse Fx movements. The quarter also witnessed healthy margin expansion on both YoY and QoQ basis, driven by strong execution, improving product mix and operating leverage. Gross margin, EBITDA margin and PAT margin improved by 70 bps, 240 bps and 50 bps YoY respectively, with margins for the quarter standing at 59.4%, 31.5% and 19.7% respectively.

FY26 marked another milestone year in our journey as we delivered our highest-ever annual profitability. Revenue for the year stood at ₹1,546 Crs., while EBITDA margin expanded by 157 bps to 30.4% and PAT margin improved by 52 bps YoY to 19.5%. We also reduced working capital intensity, reflecting continued improvement in operational efficiency and healthy cash flow conversion. During the year, we witnessed healthy traction across commercial vehicles, passenger vehicles, farm equipment and industrial segments, supported by improving demand conditions and increasing value addition. Backed by strong customer engagement, we continue to build a robust pipeline of incremental business across existing and new customers, including encouraging business wins in the exports segment.

While recent geopolitical developments have led to some increase in raw material and manufacturing costs, we expect the overall margin impact to remain manageable, supported by existing raw material pass-through arrangements and ongoing customer discussions for recovery of other manufacturing cost inflation. Supported by our ongoing capacity expansion, strong order visibility and growing export opportunities, we believe the Company is well positioned to deliver growth ahead of its long-term historical trajectory during the current fiscal, subject to a stable macroeconomic and geopolitical environment.

Over the last several years, we have successfully transformed ourselves from a conventional forging company into a high-precision engineering company, with forged and machined components now contributing 89% of our revenue mix. Since FY21, this strategic transition has enabled a compounded growth of 21% in revenue and 28% in net profit, while simultaneously doubling manufacturing capacities. This expansion has been largely funded through strong internal cash generation with limited reliance on external capital, enabling us to maintain a fortress balance sheet, robust return ratios and liquidity of ~₹430 Crs. Our healthy cash generation and balance sheet strength continue to provide significant flexibility to support future growth and long-term value creation.”

Q4 & FY 2026 PERFORMANCE HIGHLIGHTS

Q4FY26



FG Volume

17,298 MT

+20.6% yoy



Realisation/Kg

Rs. 245

-0.2% yoy



Revenue

424 Crs

+20.4% yoy



Gross Profit

252 Crs

+21.9% yoy

Gross Margin: 59.4%



EBITDA

133 Crs

+30.4% yoy

EBITDA Margin: 31.5%



PAT

84 Crs

+23.6% yoy*

PAT Margin: 19.7%

FY 2026



FG Volume

63,105 MT

+10.9% yoy



Realisation/Kg

Rs. 245

-1.0% yoy



Revenue

1,546 Crs

+9.8% yoy



Gross Profit

915 Crs

+11.9% yoy

Gross Margin: 59.1%



EBITDA

471 Crs

+15.7% yoy

EBITDA Margin: 30.4%



PAT

302 Crs

+12.8% yoy*
(14.8% on adjusted basis)^*

PAT Margin: 19.5%

Note: Financials in Rs. Crs.

* Growth impacted by adverse Fx movement during FY26. ^ Adjusted YoY PAT growth after excluding post-tax insurance income of Rs. 4.8 Crs



PROFIT & LOSS STATEMENT

	QUARTERLY				
Consolidated P&L (Rs. Crs)	Q4FY26	Q4FY25	YoY	Q3FY26	QoQ
Revenue from Operations	424	352	20.4%	391	8.3%
Raw Material Cost & Change in Inventories	172	146		161	
Gross Profit	252	206	21.9%	230	9.2%
Gross Profit Margin	59.4%	58.7%	70bps	58.9%	46bps
Employee Cost	36	32		34	
Other Expenses	82	72		76	
EBITDA	133	102	30.4%	120	10.7%
EBITDA Margin	31.5%	29.1%	240bps	30.8%	69bps
Depreciation	25	20		22	
EBIT	109	82	32.7%	98	11.1%
Other Income	6	10		8	
EBIT Incl. Other Income	115	92		106	
Finance Cost	4	2		2	
Profit Before Tax	111	90	24.0%	104	7.1%
Profit Before Tax Margin	26.2%	25.4%	76bps	26.5%	(29bps)
Tax	28	22		25	
PAT	84	68	23.6%	79	5.9%
PAT Margin %	19.7%	19.2%	50bps	20.2%	(46bps)
EPS (Diluted)	8.85	7.18		8.36	

ANNUAL		
FY 2026	FY 2025^	YoY
1,546	1,409	9.8%
632	592	
915	817	11.9%
59.1%	58.0%	114bps
137	125	
307	286	
471	407	15.7%
30.4%	28.9%	157bps
89	77	
382	330	15.8%
31	37^	
412	367	
10	8	
402	360	11.8%
26.0%	25.5%	48bps
100	92	
302	267	12.8%
19.5%	19.0%	52bps
31.94	28.37	

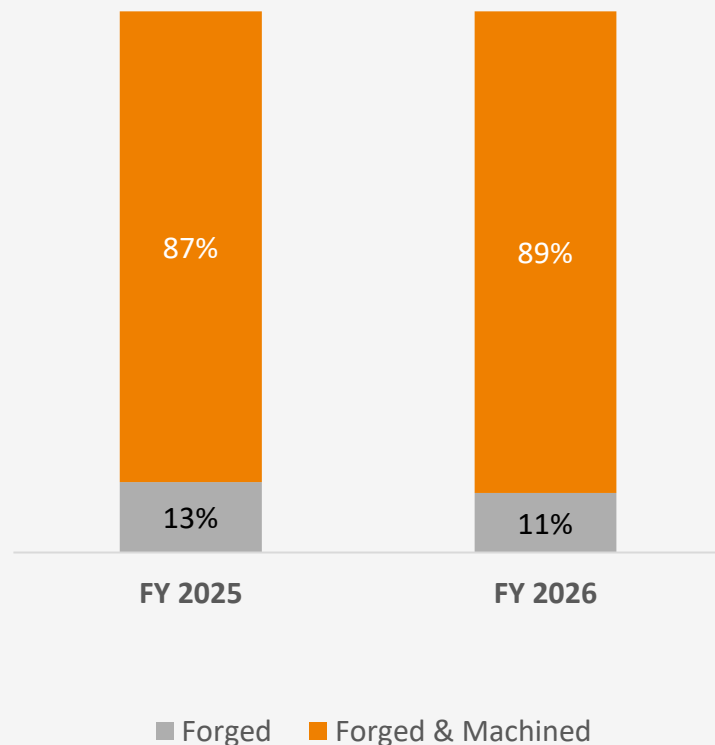
^ Other income for FY25 includes insurance income of Rs. 4.8 Crs (on a post-tax basis).

Note: Other income for FY26 was impacted by adverse Fx movement of ~4.5 Cr. on a pre-tax basis

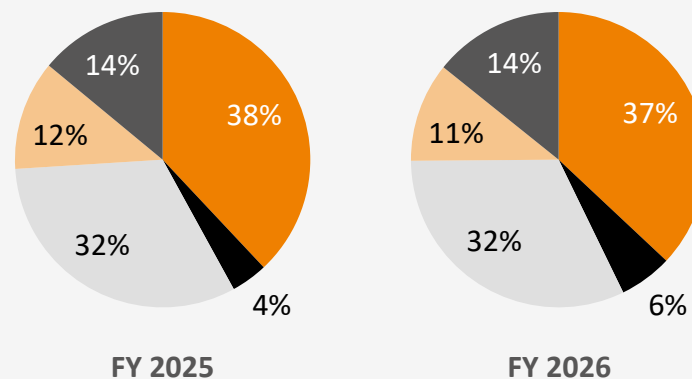


OVERVIEW OF REVENUE SEGMENTS

PRODUCT MIX

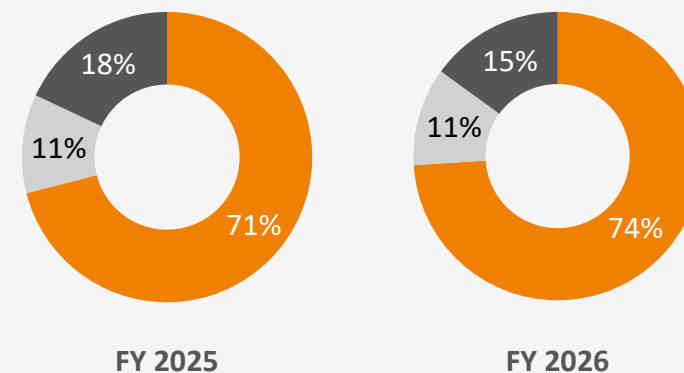


SECTOR MIX



- Automotive - Commercial Vehicles
- Automotive - Passenger Vehicles
- Non-Automotive - Farm Equipments
- Non-Automotive - Off Highway Vehicles
- Non-Automotive - Industrials

GEOGRAPHY MIX



- Domestic
- Deemed + Indirect Exports
- Direct Exports

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FORGING SUCCESS: VALUE-CREATING TRANSFORMATION

A Snapshot of Building Scale, Efficiency & Sustainable Competitive Strength (FY21 to FY26)



Scale With value

FY21-26

FG Volume	63,105 MT ↑ 1.8X
Realisations	₹ 245/Kg ↑ 1.5X

Increasing value addition supported by stronger engineering capabilities and product mix



Profitable Growth

FY21-26

Sales CAGR	21%
Gross Profit CAGR	22%
EBITDA CAGR	24%
PAT CAGR	28%
Δ Gross Margin	↑ 215 Bps
Δ EBITDA Margin	↑ 330 Bps
Δ PAT Margin	↑ ~470 Bps

Focused on profitable growth through value addition and operating efficiency



Financial Strength

FY21-26

Cumulative OCF/EBITDA	64%
ROCE	18.2% ↑ ~70 Bps
ROE	15.2% ↑ ~80 Bps
Debt/Equity	0.15x ↓ 0.08x
Credit Rating	AA Stable

Strong cash generation supporting balance sheet strength and strategic growth flexibility



Capacity Transformation

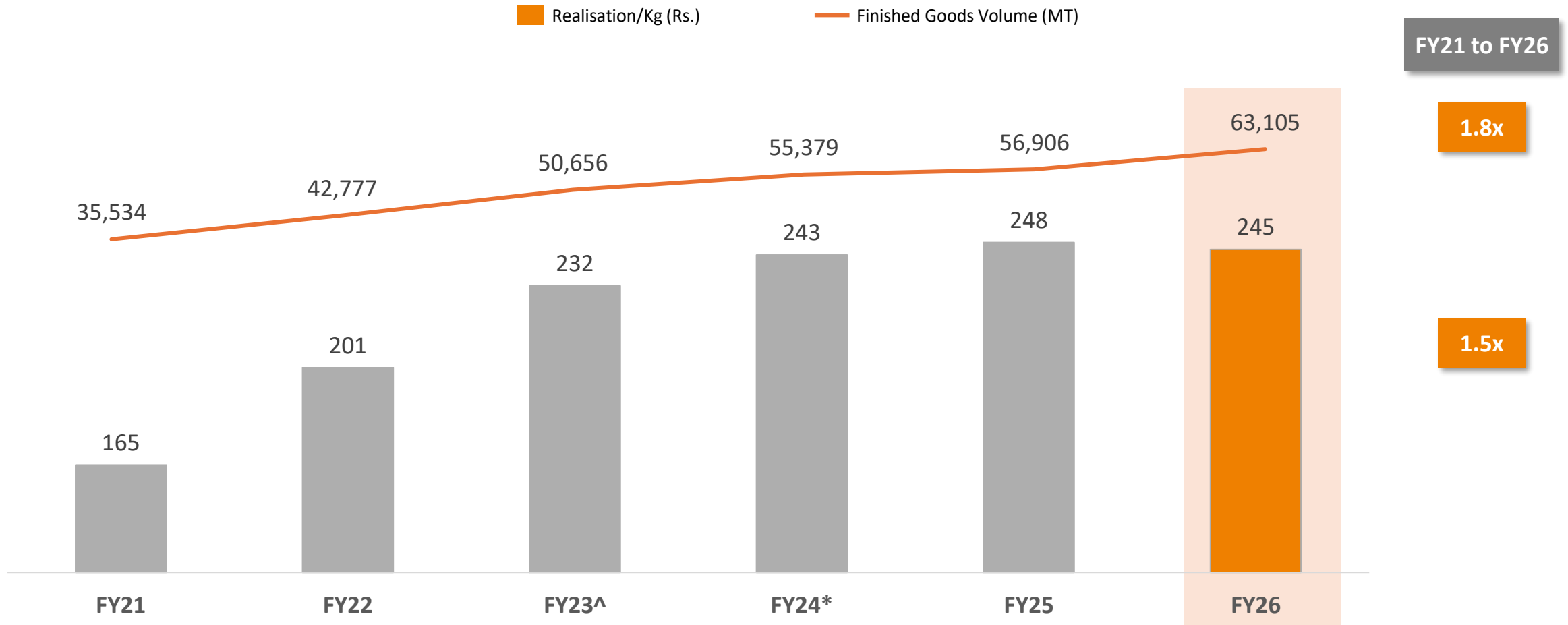
FY21-26

Forging Capacity	148,000 MT ↑ 2.2X
Machining Capacity	68,000MT ↑ 2.3X
Capex Earmarked for Heavy Forgings Capacity	~ ₹ 650 Crs.

Expanding scalable capabilities across high-value and heavy forging opportunities

SCALING VOLUMES WHILE ENHANCING VALUE ADDITION AND REALISATIONS

Growth Driven by Increasing Penetration In High-value and Precision-engineered Components



Realisations Remained Broadly Stable and Range-bound in FY26 Despite Softening Raw Material Prices

[^] FY23 realisation excludes prior period income

^{*} FY24 adjusted for higher realization on account of air freight costs recovery on one order



DELIVERING STRONG & STEADY GROWTH ACROSS FINANCIAL METRICS

21% CAGR (FY21-26)

10 Year CAGR – 15%^

22% CAGR (FY21-26)

10 Year CAGR – 17%^

24% CAGR (FY21-26)

10 Year CAGR – 20%^

28% CAGR (FY21-26)

10 Year CAGR – 33%^

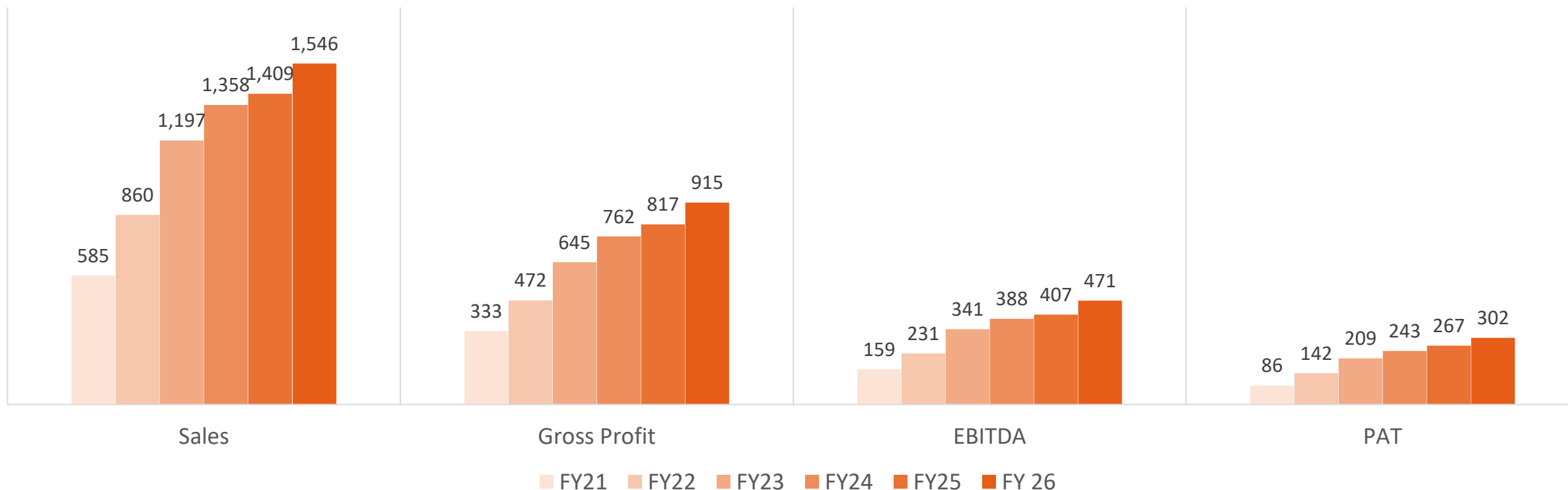
●>>> FY21-26 — **2.6x**

●>>> FY21-26 — **2.7x**

●>>> FY21-26 — **3.0x**

●>>> FY21-26 — **3.5x**

Rs Crs.



^ 10 Year CAGR for the period FY16 – FY26



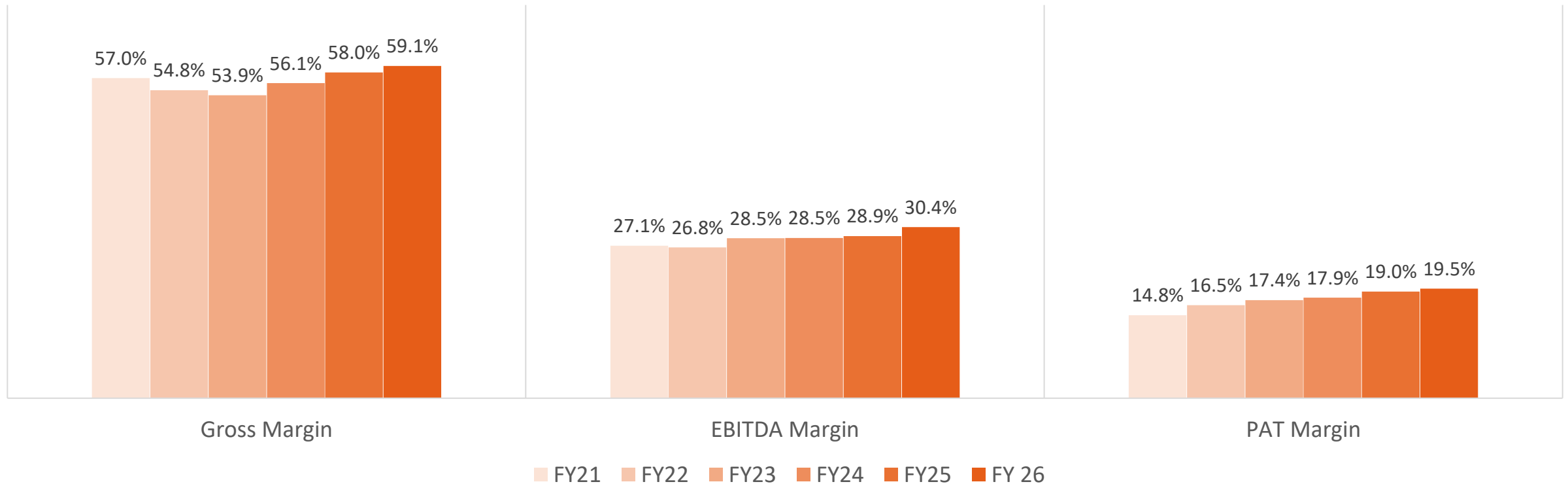
HAPPY FORGINGS LIMITED

MARGIN EXPANSION DRIVEN BY VALUE ADDITION AND EFFICIENCY

↑ **215** bps (FY21-26)

↑ **330** bps (FY21-26)

↑ **473** bps (FY21-26)



Improving Product Mix and Execution Driving Sustained Profitability Expansion



STRONG CASH GENERATION FUNDING CAPACITY BUILD-UP

Strong Cash Accruals Driven by High Margins and Working Capital Efficiency Supporting Capacity Expansion

Cash Accrual and Deployment in Capex

Particulars (Rs. Crs.)	FY21	FY22	FY23	FY24	FY25	FY26	Σ (FY21-FY26)
EBITDA	159	231	341	388	407	471	1,995
EBITDA Margin (%)	27.1%	26.8%	28.5%	28.5%	28.9%	30.4%	
Operating Cash Flow	50	92	209	189	292	445	1,277
Op. Cash Flow/EBITDA (%)	31%	40%	61%	49%	72%	94%	64%
Capex	92	191	175	194	281	461	1,393

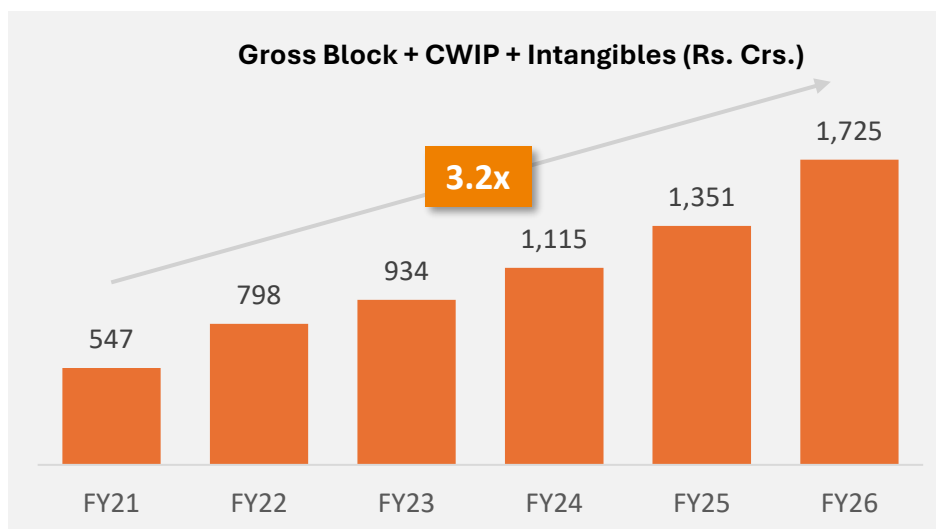
✓ Healthy operating cash accruals have largely funded capex

✓ Enabled rapid scaling of manufacturing capacities

✓ Current liquidity surplus of ~Rs. 430 Cr.

✓ Current liquidity exceeds primary capital raised during IPO

Gross Block and Capacity Build-up Since 2021



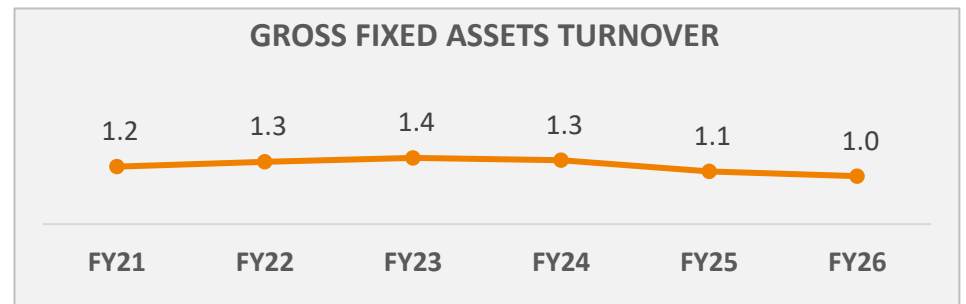
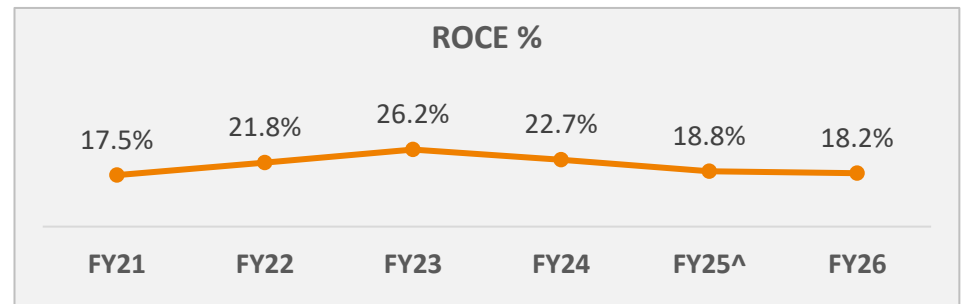
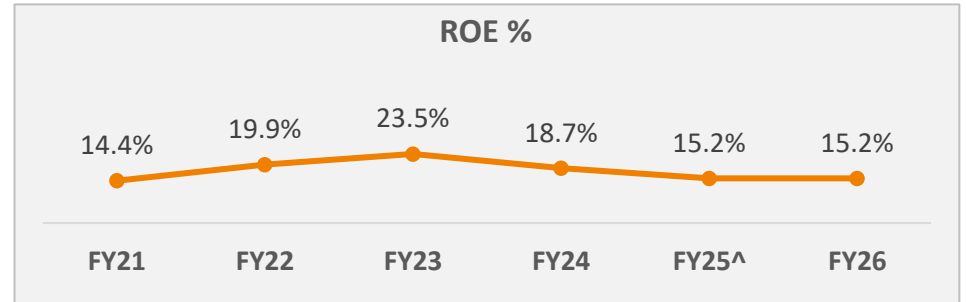
Capacity (in MT)	FY21	FY26
Forging	67,000	148,000
Machining	29,500	68,000



FORTRESS BALANCE SHEET SUPPORTING LONG TERM GROWTH

Strong Return Ratios Maintained Through Disciplined Capital Allocation With Further Upside From Utilisation Ramp-up

Particulars (Rs Crs.)	FY21	FY22	FY23	FY24	FY25	FY26
Net Worth	645	788	988	1,612	1,850	2,128
Borrowings	153	240	219	143	228	330
Trade Payables	38	44	48	56	45	59
Other Liabilities	38	55	71	75	92	116
Total Liabilities	874	1,127	1,326	1,886	2,215	2,633
Net Block + CWIP + Intangibles	455	668	753	870	1,031	1,346
Inventories & Receivables	287	406	478	581	659	628
Cash & Bank + Curr. Liquid Assets	28	1	0	122	226	421
Other Assets	104	52	95	313	299	239
Total Assets	874	1,127	1,326	1,886	2,215	2,633
Debt / Equity	0.24x	0.31x	0.22x	0.09x	0.12x	0.15x
Net Debt/EBITDA	0.79x	1.03x	0.64x	0.06x	0.00x	-0.19x



Robust Balance Sheet with AA Stable Credit Rating

Provides flexibility to pursue organic and inorganic growth opportunities

Focus on judicious capital allocation and maintaining a strong balance sheet to create value

* Net debt computed by including short term liquid mutual fund investments and short-term fixed deposits along with cash and bank balances

^ Excluding post-tax insurance income of Rs. 4.8 Crs

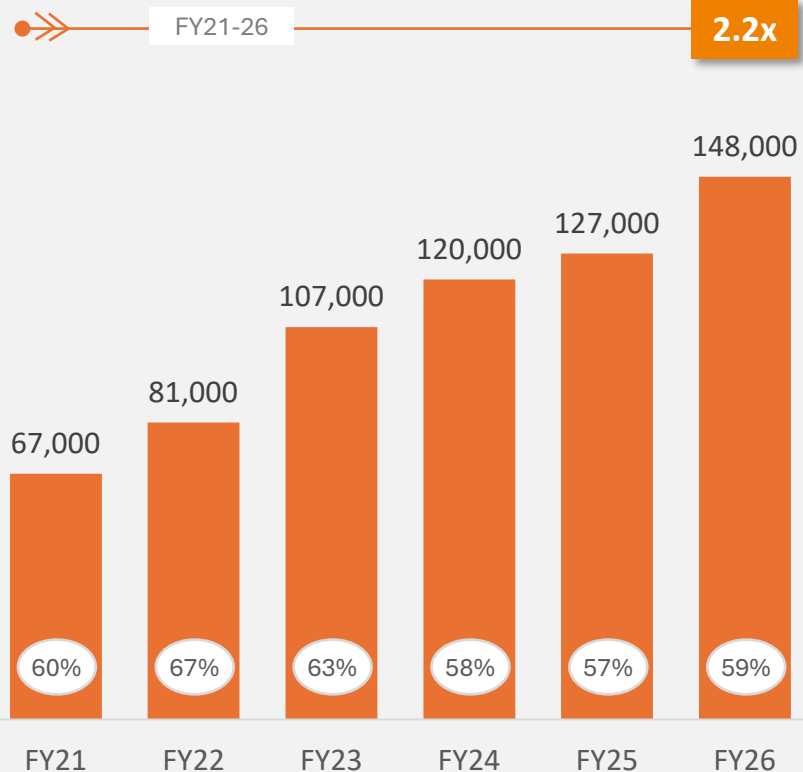


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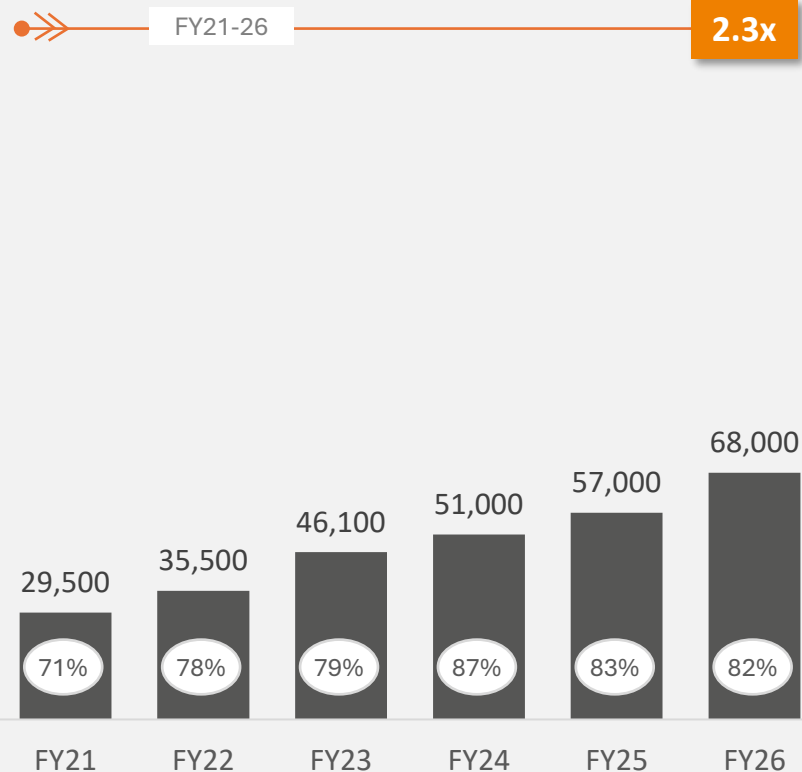
BUILDING CAPACITIES FOR RESILIENT AND SUSTAINABLE GROWTH

Installed Capacity and Utilisation

Forging Capacity (in MT)



Machining Capacity (in MT)



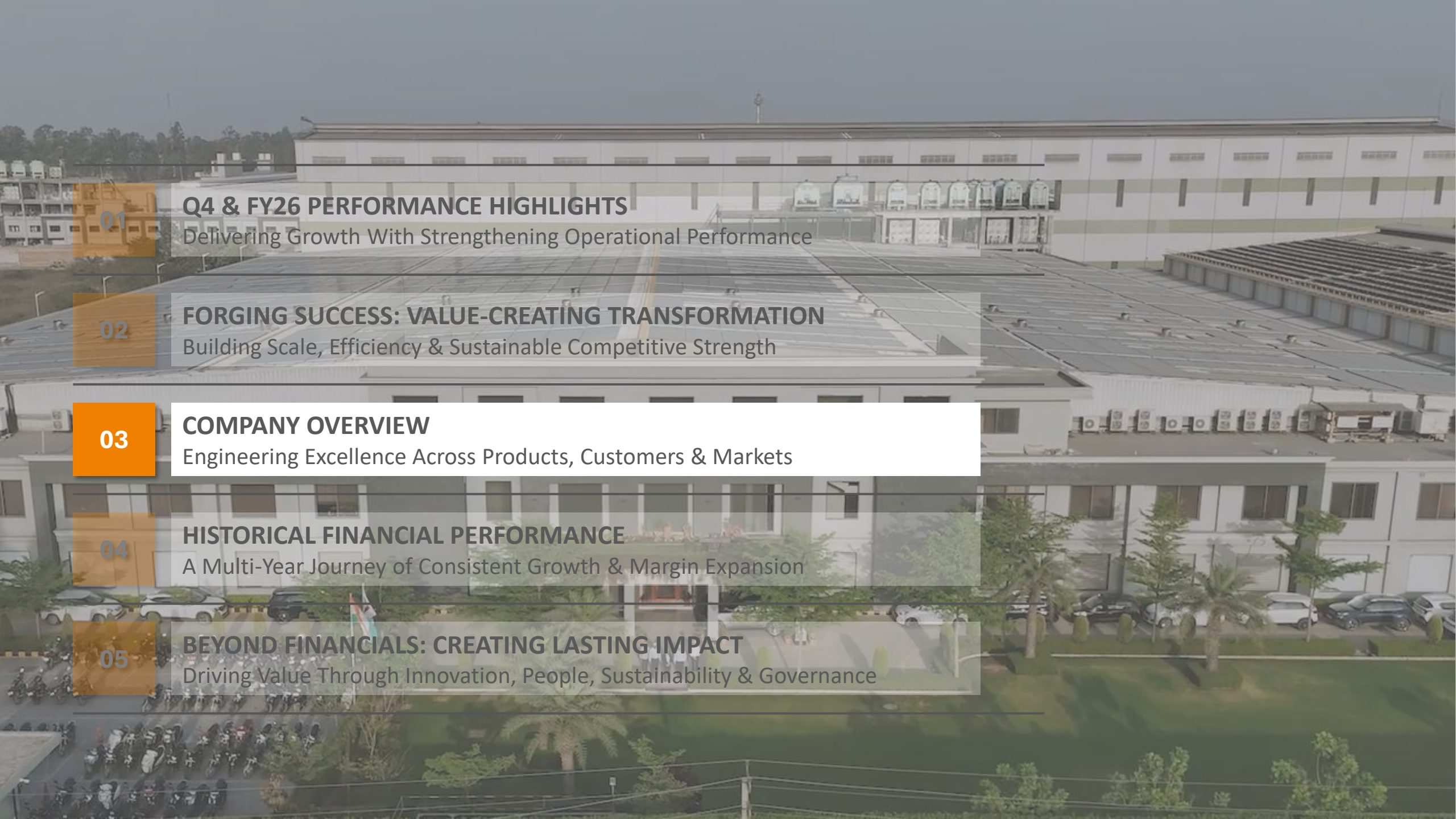
Capacity Updates

- 10,000-ton press commissioned in Q4FY26
- 4,000-ton press to be commissioned in H1FY27

Heavy Forging Capacities

- Investments in heavy component forging capacities remain on schedule
- Commissioning expected in FY27, with trials commencing by the end of FY27
 - Setting up one of the largest facilities of its kind in Asia and the second-largest globally
 - Enables expansion into the higher-weight segment (components weighing 250–3,000 kilograms)
 - Will cater to heavy forged component requirements in the Industrials and Farm Equipment segments

Note: Figures represent Annual Installed Capacity as on the last date of the relevant period. Capacity utilisation is based on the average available capacity for the period.



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HAPPY FORGINGS LIMITED

A LEGACY OF EXCELLENCE

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**

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

46 years

of Manufacturing
Excellence

2nd Largest

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

3rd Largest

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

3

Manufacturing
Facilities

1,48,000 MT

Forging capacity*

68,000 MT

Machining capacity*

**Diversified
Customer Base**

Across Indian & Global OEMs

Rs. 1,546 Crs

FY25 Revenue

30.4%

FY26 EBITDA Margin

AA/STABLE

CRISIL and ICRA Credit Rating



OUR VISION

To be amongst the top 10 forging and
machining companies globally



OUR MISSION

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



HAPPY FORGINGS LIMITED

BUSINESS EVOLUTION SPANNING 4 DECADES



1979

Established with a single unit for manufacturing crank arms



2005

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



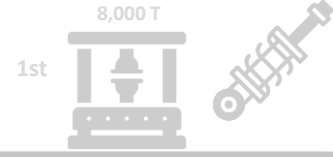
2006

Commenced operations at Kanganwal Facility II



2007

Crossed ₹100 Crs in revenue.



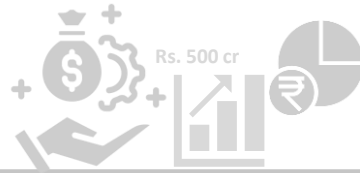
2008

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



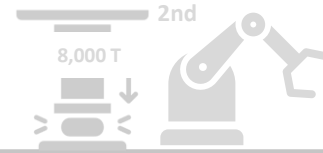
2021

Commenced operations at the Dugri facility
Installed the 3rd 8,000-tonne forging press line



2018

Crossed ₹500 Crs In Revenue
Secured funding through the financial sponsor route from the India Business Excellence Fund III



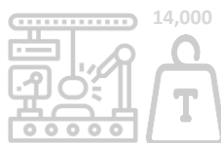
2017

Commissioned the second 8,000-tonne forging press.



2010-15

Expanded machining capacity and entered commercial vehicles and industrial segments



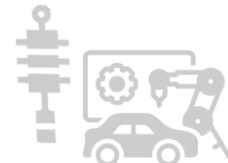
2022

Installed eight dedicated crankshaft manufacturing lines.
Commissioned the first 14,000 tonne forging press line



2023

Crossed ₹1,000 Crs in revenue.
Completed IPO and public market listing



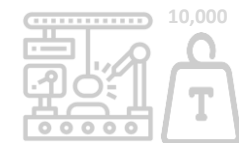
2024

Commenced supply of crankshafts for SUVs



2025

Installed and began operations of the 6,300-tonne press along with expansion in machining capacity



2026

Commissioned the 10,000-tonne forging press line



HAPPY FORGINGS LIMITED

FULLY INTEGRATED CAPABILITIES



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 & analysis equipment to ensure 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



HAPPY FORGINGS LIMITED

COMPLETE PROCESS FLOW



Covered Raw Material Yard



Billet Cutting Section



Metallurgical Testing Lab



Forging



Machining



Heat Treatment



Control Cooling



Standard Room



Final Inspection

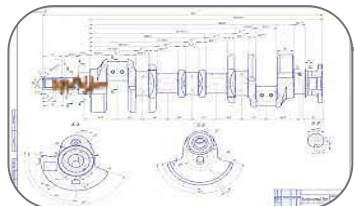


Packaging & Dispatch

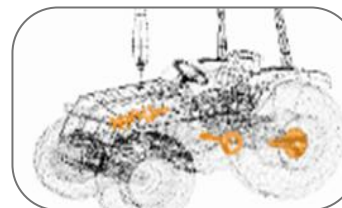
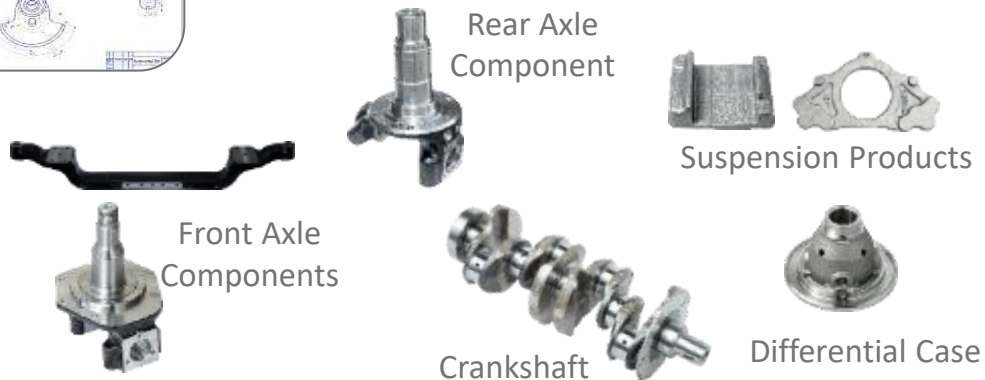


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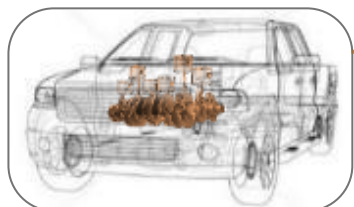
MULTI-PRODUCT AND MULTI-INDUSTRY OFFERINGS (1/2)



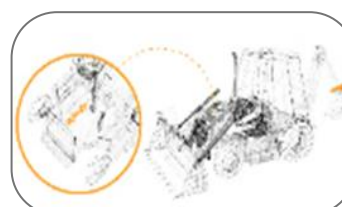
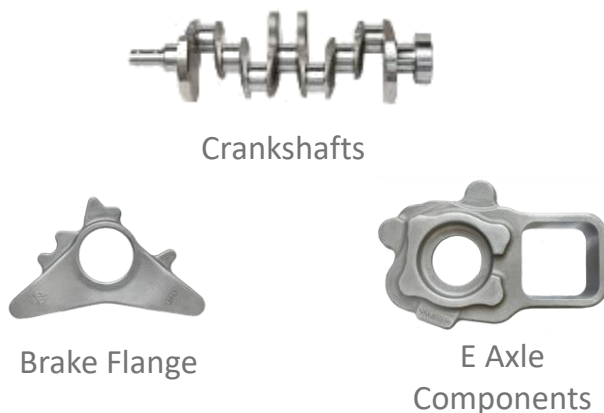
Commercial Vehicles



Farm Equipment



Passenger Vehicles



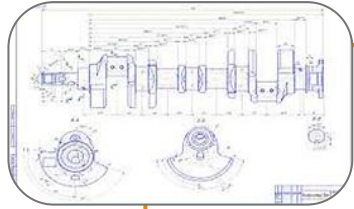
Off-highway Vehicles





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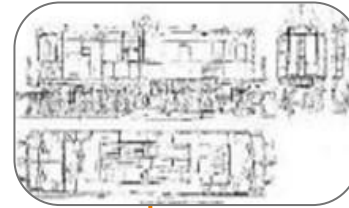
MULTI-PRODUCT AND MULTI-INDUSTRY OFFERINGS (1/2)



Power Generation



Crankshaft



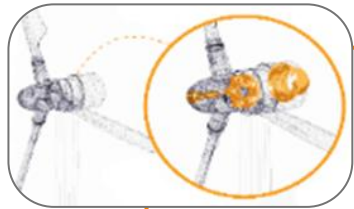
Railways



Piston Pin



Connecting Rod



Windmill Applications



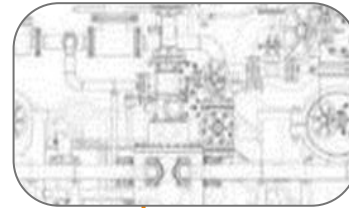
Housing



Output Shaft



Planetary Carrier



Oil & Gas



Valve Bodies



HAPPY FORGINGS LIMITED

PAVING OUR PATH TOWARDS ACCELERATED VALUE CREATION



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



HAPPY FORGINGS LIMITED

HIGH ENTRY BARRIERS



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



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



PRECISION IN PRACTICE

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

HAVE DEMONSTRATED THE ABILITY TO INSTALL AND OPERATE HIGH TONNAGE PRESSES AND PRECISION MACHINING

1,48,000 MT

Total Forging
Capacity*

68,000 MT

Total Machining
Capacity*

46 Years
of Engineering
Excellence

2nd Largest
Producer of Crankshafts
in India for Commercial Vehicle
and High Horsepower Industrial
applications

Kanganwal I, Ludhiana (Started in 1995)



Continuous Investment in in-house infrastructure

- Second company in India to have 14,000 Tonne press
- The ability to forge heavier and complex parts up to 250 kgs to cater to different industries which require heavy and complex parts

Kanganwal II, Ludhiana (Started in 2006)



Strategic Location of Facilities

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

Dugri, Ludhiana (Started in 2021)



Operating Efficiencies

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



HAPPY FORGINGS LIMITED

ARCHITECTS OF PROGRESS

Executive Directors



Paritosh Kumar
Chairman & Managing Director

- 46+ Years of experience
- Founded Happy Forgings in 1979
- B.A. from S.C. Dhawan Government College, Ludhiana (P.U.)



Ashish Garg
Managing Director

- 19+ Years of experience
- Joined Happy Forgings in 2006
- Bachelor's degree in science (accounting and finance) & a Master's degree in science (manufacturing systems engineering), University of Warwick, UK



Megha Garg
Whole-time Director

- 10+ Years of experience
- Joined Happy Forgings in 2016
- Bachelor's degree in science (economics) from the University of Nottingham, UK

Senior Management



Narinder Singh Juneja
Chief Operating Officer

- 50+ Years of experience
- Postgraduate diploma in mechanical engineering, Y.M.C.A. Institute of Engineering, State Board of Technical Education, Haryana



Sushant Pustake
Chief Operating Officer

- 40+ Years of experience
- Joined Happy Forgings in 2025
- Bachelor's degree in metallurgical engineering, College of Engineering, Pune



Patwinder Singh
Chief Operating Officer

- ~30 Years of experience
- Joined Happy Forgings in 2016
- Bachelor's Degree in Science, Guru Nanak Dev University and MBA from CSM Institute of Graduate Studies



Brijender Singh
Chief Operating Officer

- 30+ Years of experience
- Joined Happy Forgings in 2026
- B.SC. II (N.M) & Mechanical Engineering from Y.M.C.A. Institute of Engineering



Mangesh Shantaram Purandare
Chief Marketing Officer

- 30+ Years of experience
- Joined Happy Forgings in 2019
- Bachelor's degree in Engineering and MBA from University of Pune



Pankaj Kumar Goyal
Chief Financial Officer

- ~24 Years of experience
- Joined Happy Forgings in 2013
- Fellow Member of Institute of Chartered Accountants of India



G.S. Sandhu
Chief Human Resource Officer

- 30+ Years of experience
- Joined Happy Forgings in 2019
- MBA in HR and Alumnus of ISB (Future CHRO Programme)

Growth at Happy Forgings has never been about chasing momentum.
It is about making deliberate choices that create value over the long term.



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



Enter **lightweight forging and machining** for passenger vehicle sector



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



Grow **inorganically** through strategic acquisitions and alliances



Continue to **reduce operating costs and improve operational efficiencies**

01

Q4 & FY26 PERFORMANCE HIGHLIGHTS

Delivering Growth With Strengthening Operational Performance

02

FORGING SUCCESS: VALUE-CREATING TRANSFORMATION

Building Scale, Efficiency & Sustainable Competitive Strength

03

COMPANY OVERVIEW

Engineering Excellence Across Products, Customers & Markets

04

HISTORICAL FINANCIAL PERFORMANCE

A Multi-Year Journey of Consistent Growth & Margin Expansion

05

BEYOND FINANCIALS: CREATING LASTING IMPACT

Driving Value Through Innovation, People, Sustainability & Governance

SJ-410

Mitutoyo



PROFIT & LOSS STATEMENT

Profit and Loss (Rs. Crs)	FY26	FY25^	FY24	FY23	FY22	FY21
Revenue from Operations	1,546	1,409	1,358	1,197	860	585
Raw Material Cost & Change in Inventories	632	592	597	551	388	252
Gross Profit	915	817	762	645	472	333
Gross Profit Margin (%)	59.1%	58.0%	56.1%	53.9%	54.8%	57.0%
Employee Cost	137	125	114	88	69	49
Other Expenses	307	286	260	217	172	126
EBITDA	471	407	388	341	231	159
EBITDA Margin (%)	30.4%	28.9%	28.5%	28.5%	26.8%	27.1%
Depreciation	89	77	65	54	38	36
EBIT	382	330	323	287	193	123
Interest	10	8	12	12	7	12
Other Income	31	37	13	6	6	6
Profit Before Tax	402	360	324	280	192	117
Tax	100	92	81	71	50	31
PAT	302	267	243	209	142	86
PAT Margin (%)	19.5%	19.0%	17.9%	17.4%	16.5%	14.8%
EPS (Diluted)	31.94	28.37	26.75	23.32	15.90	9.7

^ In FY25 other income includes insurance income of Rs. 6.4 Crs. (Rs. 4.8 Crs on a post-tax basis included in PAT)



BALANCE SHEET

HAPPY FORGINGS LIMITED

Assets (Rs. Crs)	Mar 31, 2026	Mar 31, 2025	Mar 31, 2024	Mar 31, 2023	Mar 31, 2022
Non-Current Assets	1,562	1,297	1,144	836	704
Property, Plant and Equipment	1,097	900	742	677	455
Capital work-in-progress	229	116	122	75	212
Intangible Assets	11	8	1	1	2
Intangible assets under development	8	6	5	-	-
Other Financial Assets & investments	41	151	204	31	8
Other Non-Current Assets	174	115	70	52	28
Current Assets	1,071	919	742	489	423
Inventories	233	232	224	170	184
Trade Receivables	395	427	357	308	222
Cash and Cash Equivalents	26	13	0.6	0.01	0.02
Bank Balances	27	124	121	0.3	1
Other Financial Assets	376	109	8	1	3
Other current assets	15	14	31	10	12
Assets Held for Sale		-	-	1	1
Total Assets	2,633	2,215	1,886	1,326	1,127

Equity & Liabilities (Rs. Crs)	Mar 31, 2026	Mar 31, 2025	Mar 31, 2024	Mar 31, 2023	Mar 31, 2022
EQUITY	2,128	1,850	1,612	988	788
Equity Share Capital	19	19	19	18	18
Other Equity	2,109	1,831	1,594	970	770
Non-current liabilities	49	39	32	81	97
Borrowings	-	-	-	58	74
Deferred tax liabilities	49	39	32	23	23
Current liabilities	456	326	242	257	243
Borrowings	330	228	143	160	166
Trade Payables	59	45	56	48	44
Other Financial Liabilities	37	25	28	26	18
Other Current Liabilities	26	19	9	8	5
Provisions	3	5	4	4	3
Liabilities for current tax (net)	0	4	2	11	6
Total Equity & Liabilities	2,633	2,215	1,886	1,326	1,127

CASH FLOW STATEMENT

Cash Flow Statement (Rs. Crs)	Mar 31, 2026	Mar 31, 2025	Mar 31, 2024	Mar 31, 2023	Mar 31, 2022
Profit before tax	402	360	324	280	192
Adjustments for depreciation and other items	78	65	72	71	40
Operating profit before working capital changes	480	424	396	351	232
Changes in working capital	58	-49	-123	-78	-98
Cash generated from operations	537	376	273	273	135
Direct taxes paid (net of refund)	-93	-83	-84	-64	-43
Net cash from operating activities	445	292	189	209	92
Net cash from investing activities	-497	-320	-470	-172	-177
Net cash from financing activities	65	40	281	-37	83
Net change in cash and cash equivalents	13	12	0.6	-0.01	-3

Improvement in working capital efficiency during FY26 led to strong cash flow conversion

01

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Driving Value Through Innovation, People, Sustainability & Governance



GOVERNANCE - A DIVERSE BOARD WITH STRONG INDEPENDENT DIRECTORS

Director
(Name, Age, Experience)

Area of
Expertise

Key Board
Memberships

64

30+



Atul Behari Lall
Independent Director

- Business Strategy & Operations
- Electronics manufacturing services industry

- **Current:** Dixon Technologies (MD & Vice Chairman), Max Estates Limited and Aditya Infotech Ltd.
- **Past:** Member of Technical Evaluation Committee for Electronic Manufacturing Services

55

30+



Rajeswari Karthigeyan
Independent Director

- Credit Ratings & appraisal
- Financial and economic research

- **Current:** Craftsman Automation, Sunbeam Lightweighting Solutions Pvt. Ltd. and Belstar Microfinance
- **Past Role:** Associate Director – CRISIL Ratings

70

~40



Ravindra Pisharody
Independent Director

- Sales & marketing
- Strategy development
- Diverse industry experience

- **Current:** Savita Oil Technologies Ltd., Muthoot Finance, Bonfiglioli Transmissions and Kwaliti Walls (India) Limited
- **Past:** Tata Motors Ltd., Castrol India and Kinara Capital

Key Board Highlights

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

50% Independent Directors (3 out of 6)

2 Female Directors out of 6

3 committees out of 5 headed by Independent Directors (Audit, NRC and SRC)

~100% attendance of the Board members in Board meetings in FY 2025

~170+ years of collective experience of Board Members

~100+ Years of collective experience of Independent Directors

~57 years average age of the Board Members



Director's Statement

"As we continue our journey as a listed organisation, we are strengthening the integration of Environmental, Social and Governance (ESG) principles into our strategy and operations. During the year, we formalised our ESG roadmap with clear priorities and governance structures to guide execution.

Our focus is now on institutionalising ESG practices by strengthening systems, policies, and processes to ensure consistent implementation and accountability. As a key partner to global OEMs, we remain committed to meeting evolving regulatory and customer expectations through high standards of compliance and responsible business conduct.

On the environmental front, we are advancing initiatives to improve resource efficiency, increase the use of cleaner energy, and reduce emissions and waste. These efforts are being undertaken alongside a significant capex cycle, with new capacities under ramp-up. The progress achieved reflects this transition phase, with further gains expected as utilisation stabilises.

We continue to foster a safe and inclusive workplace, invest in employee development, and strengthen governance oversight. Our endeavour remains to embed ESG as a core pillar of sustainable growth and long-term value creation."

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Material
Topics
identified

ENVIRONMENT

- Energy Management
- Emissions Management
- Climate Strategy & Governance
- Waste Management & Product Stewardship
- Water Management

SOCIAL

- Labour Practices
- Health & Safety
- Human Rights
- Diversity & Inclusion
- Community Relations

GOVERNANCE

- ESG/Corporate Governance
- Supply Chain Management
- Risk Management
- Data Protection & Security



HAPPY FORGINGS LIMITED

ESG TARGETS AND COMMITMENTS

Environment



- Reduce Scope 1 and Scope 2 emissions by 50% by 2030[#]
- Achieve 100% Zero Liquid Discharge implementation across all sites
- Lower freshwater consumption by 35% by 2031-32[#]
- Install a 20 MW solar plant by 2028
- Reduce non-hazardous waste by 30%[#]

20 MW

Captive Solar Power
Capacity being built

98,300 tCO₂e

7% reduction in Total
GHG Emissions (Scope 1
& 2) YoY

3.8 GJ/Lakh ₹
of Turnover

5% reduction in Energy
Intensity YoY

Social



- Cover 100% of our workforce with skill development programs
- Lower LTIFR by 50% by 2030[#]
- Provide human rights and safety training to all raw material suppliers

Rs. 23.7 Crs

Cumulative CSR Expenditure
For FY2021-26

~22,160 Hours

Cumulative Employee Training Hours

0.64

LTIFR

100%

- Workforce Medical Coverage
- Employees covered under PF, ESI and Gratuity
- Grievance closure rate in 2024-25

Governance



- Screen suppliers for sustainability alignment
- Strengthen policies on ethical conduct and compliance
- Link ESG performance to Board evaluation KPIs
- Introduce an ESG risk management framework

~30 Years

Average Experience of
Directors

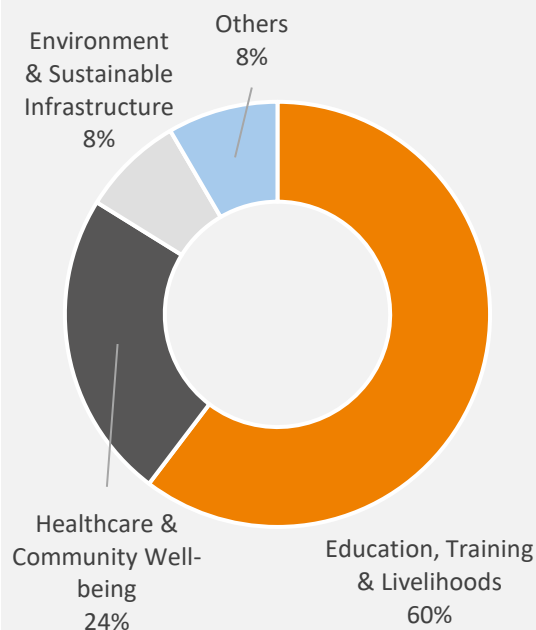
3

Independent
Directors

2/6

Board Directors are Women

Total CSR Spend – FY2021-2026



Cumulative Spend – Rs. 23.7Cr

CSR Spend Details

Category	Key Projects / Organizations funded	Pictures Gallery
Education, Training & Livelihoods	- Developed vocational college for underprivileged girls with Bal Vikas Trust - Constructed Primary Government School at Kanganwal, Ludhiana - Built Government Primary School at Umedpur to improve rural education access - Supported training for hearing-impaired children through Ludhiana Education Society - Supported education for underprivileged children through Noble Foundation - Providing nutrition and care support for students at Ekjot Viklang Bachhon Ka School - Enabled vocational rehabilitation for visually impaired students	   
Healthcare & Community Well-being	- Installed dialysis machines and provided free kits for critical care patients - Installed gene sequencing machine at DMC Ludhiana - Provided seven vehicles for emergency and mobile healthcare services - Installed Colour Doppler machine at Nav Durga Charitable Trust - Installed X-ray machine at Bhagwan Ram Charitable Trust for underserved communities - Donated eye testing machine to Saarthi Welfare Society	   
Environment & Sustainable Infrastructure	- Contributed to flood relief efforts in Punjab - Maintained a 2.5-acre public park in Sarabha Nagar - Installed solar panels at Jagannath Mega Kitchen - Supported environmental initiatives at Punjab Agricultural University - Set up two bio-compost machines in Leh for the Army	   
Others	- Dhyan Foundation – Animal Welfare - Krishan Balram – Animal Welfare	



AWARDS, ACCREDITATIONS AND RECOGNITIONS

2024
&
2025

- 🏆 **Best Quality Performance Award 2025** – By **Dana Incorporated**
- 🏆 **Dun & Bradstreet 'Business Excellence Awards 2025'**: Automobiles - OEM & Components (Mid-Corporate)
- 🏆 **Special Appreciation Award** at **Mahindra** Supplier Excellence Awards - March 2025
- 🏆 **Quality Performance Award FY24** for excellent performance in incoming parts quality by **Ashok Leyland**
- 🏆 **Gold award** for “Superlative Performance in Agility” – 2024 **Ashok Leyland Supplier Summit**
- 🏆 Received **Next Level Quality award** by **Generac** – 2023 (Received in 2024)
- 🏆 Received **Best Quality Award** by **Escorts Kubota** Limited (2024)
- 🏆 Received **Supplier Excellence Award** for “Quality Performance” by **American Axle & Manufacturing** - 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**
- 🏆 **ISO 14001:2015 & ISO 45001:2018** accreditation for manufacture of forged & machined components 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

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

2021

- 🏆 **ISO 45001: 2018 & ISO 14001: 2015** accreditation for manufacture of forged and machined components Kanganwal Facility I
- 🏆 **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



HAPPY FORGINGS LIMITED

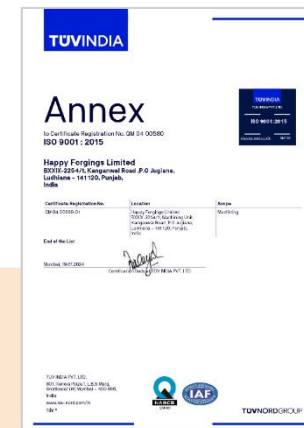
CERTIFICATIONS



IATF 16949:2016
Quality Management System
Certification for Automotive Suppliers



ISO 9001:2015
Quality Management System



ISO 45001:2018
Occupational Health & Safety
Management System



ISO 14001:2015
Environment Management System



ISO 9100:2018
Aerospace Quality
Management System

For further information, Please contact



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INVESTOR RELATIONS
ADVISOR

