HAPPY FORGINGS LIMITED

May 05, 2026

To

BSE Ltd, Corporate Relationship Department, Phiroze Jeejebhoy Towers, Dalal Street, Mumbai - 400 001 **Scrip Code: 544057**	National Stock Exchange of India Ltd. Listing Department, Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai- 400 051 **Symbol: HAPPYFORGE**

Dear Sir/Ma'am,

Sub : Report of Monitoring Agency under Regulation 41 (4) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and under Regulation 32 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Regulation 41(4) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and Regulation 32(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the report of monitoring agency i.e. ICRA Limited for the quarter ended March 31, 2026.

Further, it is confirmed that there were no comments from the Audit Committee & the Board of Directors on the report.

Kindly take the same on record.

Thanking you,

For Happy Forgings Limited

Bindu Garg
Digitally signed by Bindu Garg
Date: 2026.05.05 11:48:14 +05'30'

(Bindu Garg)
Company Secretary&
Compliance Officer
M.N.-F6997
BXXIX-2254/1, Kanganwal Road,
P.O. Jugiana, Ludhiana, Punjab, 141120

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BXXIX-2254/1, Kanganwal Road,
P. O. Jugiana, Ludhiana, Punjab,
CIN L28910PB1979PLC004008
India – 141120

ICRA Limited

Date: May 04, 2026

Mr. Pankaj Kumar Goyal
Chief Financial Officer
Happy Forgings Limited
2254/1, Kangawal Road,
PO Jugiana,Ludhiana
Punjab- 141 120

Dear Sir,

Re: Final Monitoring Agency report of Happy Forgings Limited for Q4 FY2026

Please refer to agreement dated December 08, 2023, appointing ICRA Limited as the Monitoring Agency (MA) for Happy Forgings Limited 's IPO Issue.

After due consideration, ICRA has prepared the attached final Monitoring Agency report as per SEBI (Issue of Capital and Disclosure Requirements) Regulations for Q4FY2026.

Please note that the Monitoring Agency report does not constitute a commentary on the quality of the objects of the issue, appropriateness or reasonableness of costs or spending by Happy Forgings Limited against any objects / heads or assurance on outcome of such spending.

We thank you for your kind cooperation extended during the course of Q4 FY2026. Should you require any clarification, please do not hesitate to get in touch with us.

We look forward to your communication and assure you of our best services.

With kind regards

For ICRA Limited

Parul Goyal Narang

Digitally signed by Parul Goyal Narang
Date: 2026.05.04 12:27:19 +05'30'

Parul Goyal Narang
Vice President & Head-Process Excellence
parul.goyal@icraindia.com

March 2026

MONITORING AGENCY REPORT

Name of the Issuer: Happy Forgings Limited
For quarter ended: March 31, 2026

Name of the Monitoring Agency: ICRA Limited

(a) Deviation from the objects of the issue:
No deviation - the utilization of the issuance proceeds is in line with the objects of the issue.

(b) Range of deviation:
Not Applicable

Declaration:
We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013. The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit related analyses. We confirm that we do not perceive any conflict of interest in such relationship/ interest while monitoring and reporting the utilization of the issue proceeds by the issuer. We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title “Comments of the Board of Directors”, that shall be captured by the Issuer’s Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer’s Management/Board.

Signature:

Parul Goyal Narang

Digitally signed by Parul Goyal Narang
Date: 2026.05.04 12:05:24 +05'30'

Parul Goyal Narang
Vice President & Head-Process Excellence
Analyst: Adrita Sadhukhan
Quality Analyst: Parul Narang

1. Issuer Details

Name of the Issuer: Happy Forgings Limited

Name(s) of the promoters:

Promoters
Paritosh Kumar
Ashish Garg
Megha Garg
Paritosh Kumar Garg HUF
Ashish Garg & sons HUF
Ayush Capital & financial services P ltd
Garg Family Trust

Source: Bse.com

Industry/ sector to which it belongs:

- Castings & Forgings

2. Issue Details

Issue Period: Opening date- December 19, 2023
Closing date- December 21, 2023

Type of Issue: Initial Public Offer

Type of specified securities: Equity shares

IPO Grading, if any: *No* credit rating agency registered with SEBI has been appointed in respect of obtaining grading for the offer.

Issue Size (Rs. Crore): INR 1,008.593 Crore

With OFS portion: INR 1,008.593 Crore

Excluding OFS portion: INR 400.000 Crore.

Net proceeds: INR 377.823 (Excluding Issue Related Expenses)

3. Details of the arrangement made to ensure the monitoring of issue proceeds.

Particulars	Reply	Source of information, certifications considered by the Monitoring Agency for the preparation of report	Comments of the Monitoring Agency	Comments of the Issuer's Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	***Yes***	*-Peer Reviewed CA-Certificate* *-Confirmation from management* *-Bank statement of the proceeds account*	*No deviation observed.*	
Whether shareholder approval has been obtained in case of material deviations[#] from expenditures disclosed in the Offer Document?	***Not Applicable***	*As confirmed by the Issuer's management*	*No comments*	
Whether the means of finance for the disclosed objects of the issue has changed?	***No***	*As confirmed by the Issuer's management*	*No comments*	
Is there any major deviation observed over the earlier monitoring agency reports?	***Not applicable***	*No deviation observed.*	*No deviation observed.*	
Whether all Government/ statutory approvals related to the object(s) have been obtained?	***Not Applicable***	*As confirmed by the Issuer's management*	*No comments*	
Whether all arrangements pertaining to technical assistance/ collaboration are in operation?	***Not Applicable***	*As confirmed by the Issuer's management*	*No comments*	
Are there any favorable events improving the viability of these object(s)?	***No***	*As confirmed by the Issuer's management*	*As understood from the Issuer's management*	
Are there any unfavorable events affecting the viability of the object(s)?	***No***	*As confirmed by the Issuer's management*	*As understood from the Issuer's management*	
Is there any other relevant information that may materially affect the decision making of the investors?	***No***	*As confirmed by the Issuer's management*	*As understood from the Issuer's management*	

4. Details of the object(s) to be monitored.

(i) Cost of object(s)

S.N.	Item Head	Source of information, certifications considered by the Monitoring Agency for the preparation of report	Original cost (as per the offer document) [Rs. Crore]	Revised cost [Rs. Crore]	Comments of the Monitoring Agency	Comments of the Issuer's Board of Directors		
						Reason for cost revision	Proposed financing option	Particulars of firm arrangements made
1	Purchase of equipment, plant and machinery	Prospectus	171.126	Not Applicable	No comments	-	-	-
2	Prepayment of all or a portion of certain outstanding borrowings availed by our Company	Prospectus	152.760	Not Applicable	No comments	-	-	-
3	General Corporate Purpose	Prospectus	53.937	Not Applicable	No comments	-	-	-
Total			**377.823**					

(ii) Progress in the object(s)

S.N.	Item Head	Source of information, certifications considered by the Monitoring Agency for the preparation of report	Amount as proposed in the offer document [Rs. Crore]	Amount utilized [Rs. Crore]			Total unutilized amount [Rs. Crore]	Comments of the Monitoring Agency	Comments of the Issuer's Board of Directors	
				As at the beginning of the quarter	During the quarter	At the end of the quarter			Reasons for idle funds	Proposed course of action
1	Purchase of equipment, plant and machinery	-Peer Reviewed CA-Certificate -Bank statement of the proceeds account/Corresponding Bank statement	171.126	94.657	76.469	171.126	Nil	The company has taken reimbursement for INR 76.469 crore, which has been incurred earlier from its internal accruals in Q4FY25, Q1FY26 and Q2FY26		
2	Prepayment of all or a portion of certain outstanding borrowings availed by Company	Same as above	152.760	152.760	-	152.760	Nil	No comments		
3	General Corporate Purpose	Same as above	53.937	53.937	-	53.937	Nil	No comments		
Total			**377.823**	**301.354**	**76.469**	**377.823**				

(iii) Deployment of unutilized proceeds

S.N.	Type of instrument and name of the entity invested in	Amount invested [Rs. Crore]	Maturity date	Earning [Rs. Crore]	Return on Investment [%]	Market Value at the end of quarter [Rs. Crore]
Not applicable						

Source: As certified by Gupta Sharma & Associates

Note: The Issuer has fully utilized its entire proceeds towards the objects of the issue as on March 31, 2026

(iv) **Delay in the implementation of the object(s)**

	Completion date			Comments of the Issuer's Board of Directors	
Object(s)	**As per the offer document**	**Actual**	**Delay [Number of days or months]**	**Reason for delay**	**Proposed course of action**
Purchase of equipment, plant and machinery	***FY24 - FY25***	***Completed***	*12 Months*	*No Comments*	*No Comments*
Prepayment of all or a portion of certain outstanding borrowings availed by Company	***FY24***	***Completed***	*N.A.*	*No Comments*	*No Comments*
General Corporate Purpose	***FY24***	***Completed***	*N.A.*	*No Comments*	*No Comments*

Source: As confirmed by the Issuer's management

5. Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document

S.N.	Item Head	Amount [Rs. Crore]	Source of information, certifications considered by the Monitoring Agency for the preparation of report	Comments of the Monitoring Agency	Comments of the Issuer's Board of Directors
1	PSPCL (Electricity Bill)	4.205	- Bank statement of the proceeds account - Peer Reviewed CA-Certificate	No Comments	-
2	PSPCL (Electricity Bill)	3.549	- Bank statement of the proceeds account - Peer Reviewed CA-Certificate	No Comments	-
3	Raw Material	2.014	- Bank statement of the proceeds account - Peer Reviewed CA-Certificate	No Comments	-
4	Raw Material	18.789	- Bank statement of the proceeds account - Peer Reviewed CA-Certificate	No Comments	-
3	Payment of Taxes, services, expenses	25.380	- Bank statement of the proceeds account - Peer Reviewed CA-Certificate	No Comments	-
Total		**53.937***			

** The said utilization was made in Q3FY24 & Q4FY24*