HAPPY FORGINGS LIMITED

INVESTOR PRESENTATION

Q1 FY27

SAFE HARBOUR

HAPPY FORGINGS LIMITED

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INVESTOR PRESENTATION ROADMAP

HAPPY FORGINGS LIMITED

01 **Q1 FY27 PERFORMANCE HIGHLIGHTS**
Delivering Growth With Strengthening Operational Performance

02 **COMPANY OVERVIEW**
Engineering Excellence Across Products, Customers & Markets

03 **FORGING SUCCESS: VALUE-CREATING TRANSFORMATION**
Building Scale, Efficiency & Sustainable Competitive Strength

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

HAPPY FORGINGS LIMITED

Mr. Ashish Garg
Managing Director

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

"We have commenced FY27 on a strong note, with quarterly revenue reaching a record high of nearly Rs.450 Crs., up 27.0% YoY and 6.0% sequentially. Growth was driven by a healthy 23.1% YoY increase in finished goods sales volumes, while average realisations improved by 3.2% YoY, reflecting continued progress in product mix and value addition. This translated into strong profitability, with Gross Profit, EBITDA and PAT growing by 33.1%, 39.3% and 39.2% YoY, respectively.

Growth during the quarter was broad-based across all business segments, reflecting healthy demand across both domestic and export markets. Domestic demand remained strong across the CV, PV, Farm Equipment and Off-Highway segments, resulting in appx. 25% YoY growth, while strengthening demand in export markets led to export revenues increasing by over 30% YoY.

The quarter marked another milestone in our profitability journey, with Gross, EBITDA and PAT margins improving YoY and maintained at record levels. EBITDA margin remained above 30% for the fourth consecutive quarter, while PAT margin exceeded 20% for the first time, reflecting the continued benefits of an improving product mix, higher value addition and operating leverage. These outcomes reinforce the structural resilience of our business model and our ability to consistently deliver profitable growth.

Diversification gathered momentum during the quarter, with exports contributing 28% of revenue, while Passenger Vehicle and Industrial shares increased to 8% and 16%, respectively. Our incremental order book, largely led by exports, Passenger Vehicles and Industrials, provides visibility on additional annual revenue ramping up to appx. Rs. 950 Crs. over the next 2–3 years.

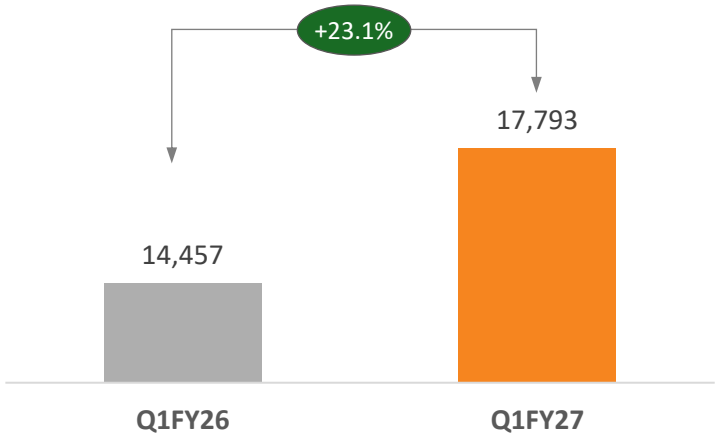
Looking ahead, we remain optimistic about the growth outlook for FY27. Supported by improving industry demand and ramp-up of recently secured business, we expect production and sales volumes to strengthen progressively over the course of the year, enabling better utilisation of our ongoing investments in manufacturing capacity and advanced machining capabilities.

Our strategic initiatives also continue to progress well. Installation of equipment for our ultra-heavy component manufacturing facilities is expected to be completed by the end of the financial year, positioning us for the commencement of commercial revenues from FY28 onwards. In parallel, execution of our captive solar power project remains on track and is expected to begin contributing to operating cost efficiencies from FY28. As we continue to invest in expanding our capabilities, strengthening customer relationships and enhancing operational excellence, we remain confident of sustaining profitable growth."

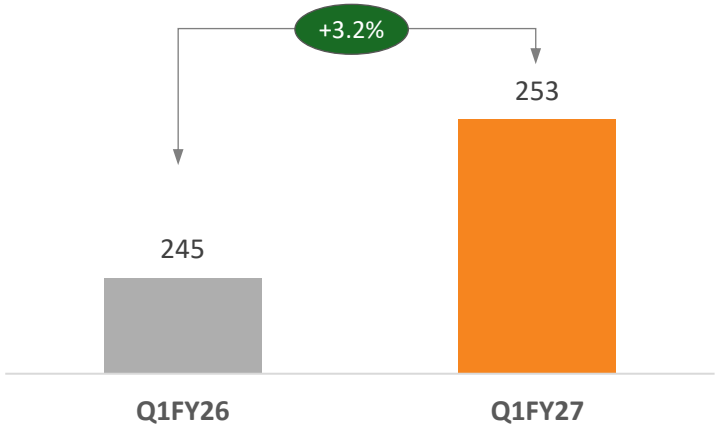
Q1 FY27: GROWTH ACCELERATES, MARGINS AT RECORD LEVELS

HAPPY FORGINGS LIMITED

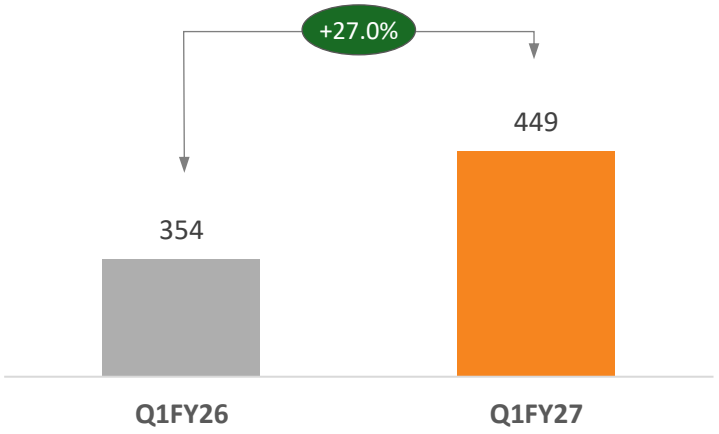
Finished Goods Volume (MT)



Realisation/Kg (Rs.)

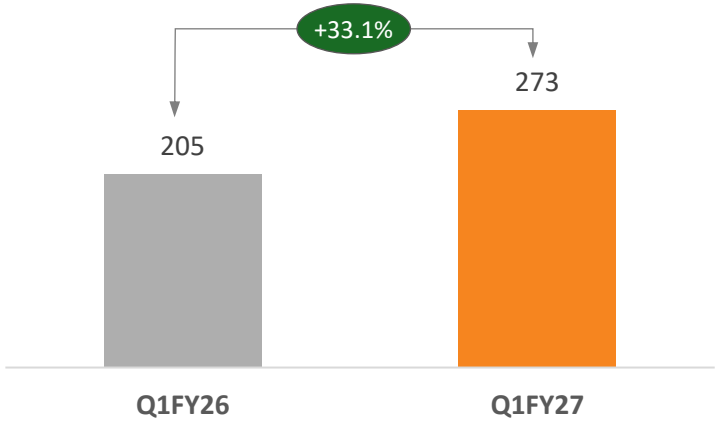


Revenue (Rs. Crs)



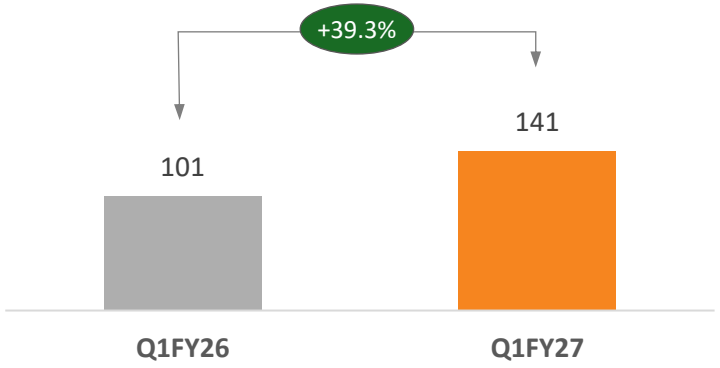
Gross Profit (Rs. Crs)

57.9% → +276bps → 60.7%



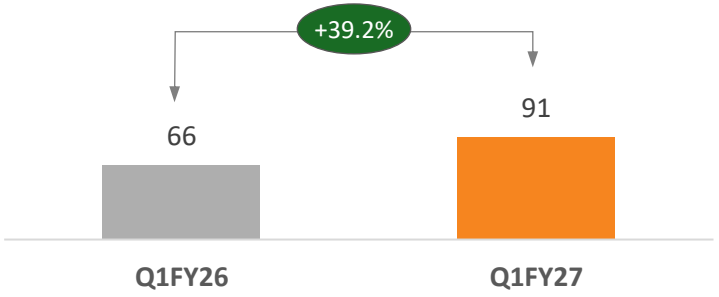
EBITDA (Rs. Crs)

28.6% → +275bps → 31.3%



PAT (Rs. Crs)

18.6% → +178bps → 20.4%



VOLUME GROWTH WITH IMPROVED REALISATION & MARGIN EXPANSION

HAPPY FORGINGS LIMITED

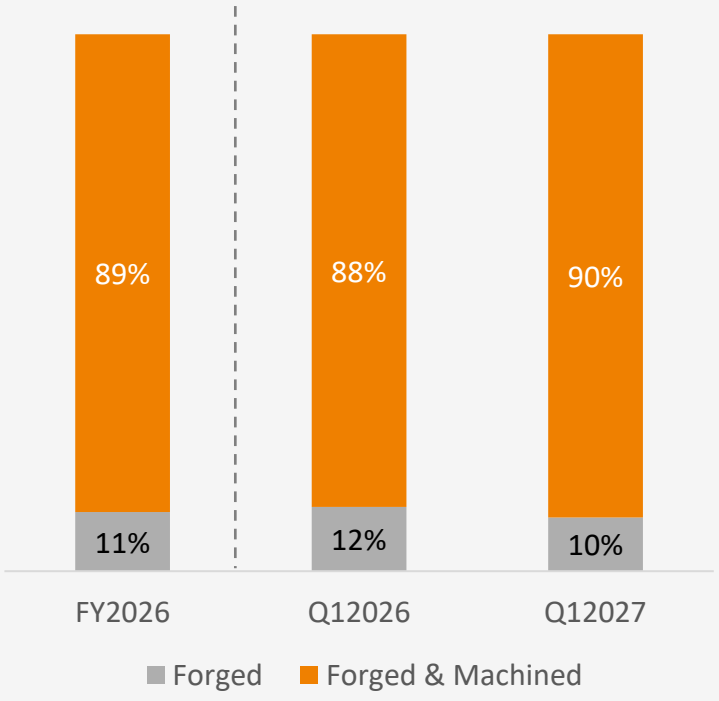
Q1FY27 vs Q1FY26 (Volume and Realisation per Kg)

Particulars	Q1FY26	Q4FY26	Q1FY27	YoY
FG Volume (MT)	14,457	17,298	17,793	23.1% ↑
Realisation/Kg (Rs.)	245	245	253	3.2% ↑
EBITDA/Kg (Rs.)	70	77	79	13.1% ↑

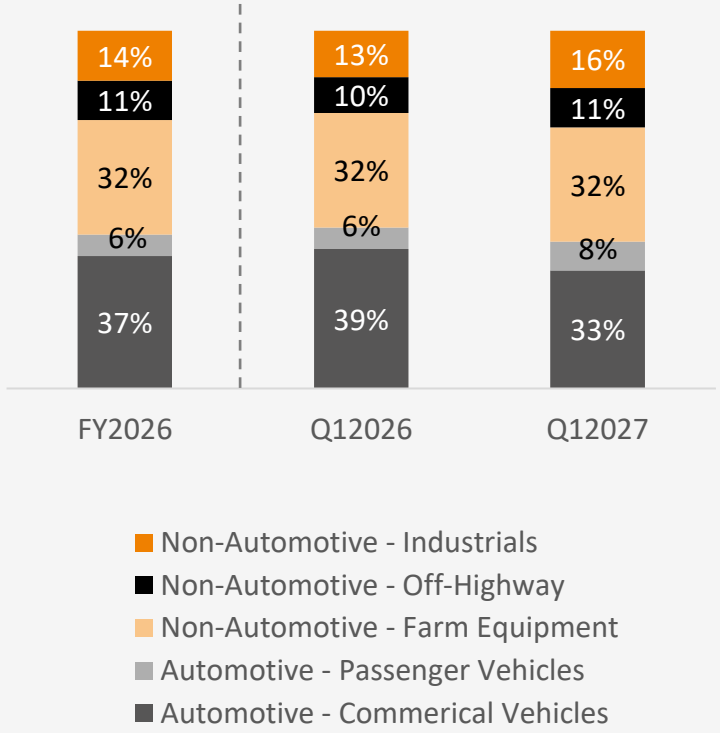
HIGHER VALUE ADDITION, BROADER REVENUE MIX

HAPPY FORGINGS LIMITED

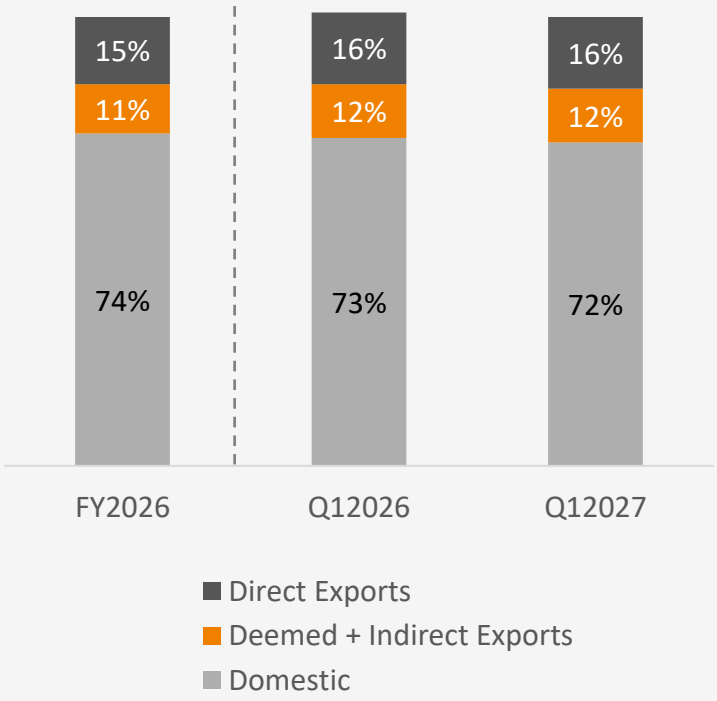
PRODUCT MIX



SECTOR MIX



GEOGRAPHY MIX



Note: Percentages are rounded off. Totals may not add up to 100%

EXPANDING CAPABILITIES ACROSS THE WEIGHT SPECTRUM

HAPPY FORGINGS LIMITED

Progressively Extending Capabilities Into Heavier and Complex Components to Unlock New Growth Opportunities

Weight range >> 10kg | 20kg | 30kg | 50kg | 70kg | 100kg | 150kg | 250kg | 500kg | 1,000kg | 3,000kg

Forging

PLANNED ADDITIONS [1]

- **1** x 125T Hammer
- **1** x 8,000T Vertical Upsetter *(near-net)*

OPERATIONAL

- **1** x 14,000T press
- **1** x 10,000T press
- **3** x 8,000T press
- **1** x 6,300T press
- **2*** x 4,000T press
- **1** x 3,150T press
- **1** x 2,500T press
- **9** x Hammers (1.5T - 5.0T range)

Capacity	Utilisation Q1FY27
+ ~35,000 MT *(planned)*	-
1,52,000 MT *(operational)*	59%

Machining

ALLIED TO CURRENT FORGING CAPACITIES

Best-in-class precision machining infrastructure, featuring advanced equipment from global leaders such as Landis and Junker, along with multiple 5-axis machining centres, enabling the machining of a diverse range of crankshaft and non-crankshaft components to tolerances as low as 5 microns

ANNUAL CAPCITY : ~1.5 million Crankshafts | ~0.20 million Front Steering Knuckles | ~0.20 million Differential Cases | ~0.24 million Planetary Carriers, Housings & Pinions

PLANNED ADDITIONS [1]

Machining capacities for upcoming Heavy & Near-net forging lines + existing operational assets

Capacity	Utilisation Q1FY27
+ ~20,000 MT *(planned)*	-
75,200 MT *(operational)*	78%

*[1] Planned additions to be operational by FY28; * One Press commissioned in Q1FY27*

Note: Capacity represents annual installed capacity as on the last date of relevant financial period. Capacity utilisation is based on the average available capacity for the period.

PROFIT & LOSS STATEMENT

HAPPY FORGINGS LIMITED

Consolidated P&L (Rs. Crs)	Q1FY27	Q1FY26	YoY	Q4FY26	QoQ	FY 2026
Revenue from Operations	**449**	**354**	**27.0%**	**424**	**6.0%**	**1,546**
Raw Material Cost & Change in Inventories	177	149		172		632
Gross Profit	**273**	**205**	**33.1%**	**252**	**8.4%**	**915**
Gross Profit Margin	**60.7%**	**57.9%**	**276 bps**	**59.4%**	**133 bps**	**59.1%**
Employee Cost	39	32		36		137
Other Expenses	93	72		82		307
EBITDA	**141**	**101**	**39.3%**	**133**	**5.6%**	**471**
EBITDA Margin	**31.3%**	**28.6%**	**275 bps**	**31.5%**	**-12 Bps**	**30.4%**
Depreciation	26	21		25		89
EBIT	**115**	**81**	**42.2%**	**109**	**5.3%**	**382**
Other Income	11	10		6		31
EBIT Incl. Other Income	**126**	**91**	**38.2%**	**115**	**9.4%**	**412**
Finance Cost	3	2		4		10
Profit Before Tax	**123**	**89**	**38.3%**	**111**	**10.4%**	**402**
Profit Before Tax Margin	**27.3%**	**25.1%**	**223 bps**	**26.2%**	**108 bps**	**26.0%**
Tax	31	23		28		100
PAT	**91**	**66**	**39.2%**	**84**	**9.5%**	**302**
PAT Margin %	**20.4%**	**18.6%**	**178 bps**	**19.7%**	**63 bps**	**19.5%**
EPS (Diluted)	9.68	6.96		8.84		31.92

01 **Q4 & FY26 PERFORMANCE HIGHLIGHTS**
Delivering Growth With Strengthening Operational Performance

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A LEGACY OF EXCELLENCE

HAPPY FORGINGS LIMITED

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

47 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

1,52,000 MT
Forging capacity*

75,200 MT
Machining capacity*

Diversified Customer Base
Across Indian & Global OEMs

Rs. 1,546 Crs
FY26 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

** Installed capacity as on Jun 30, 2026*

BUSINESS EVOLUTION SPANNING 4 DECADES

HAPPY FORGINGS LIMITED

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

2010-15
Expanded machining capacity and entered commercial vehicles and industrial segments

2017
Commissioned the second 8,000-tonne forging press.

2018
Crossed ₹500 Crs In Revenue
Secured funding through the financial sponsor route from the India Business Excellence Fund III

2021
Commenced operations at the Dugri facility
Installed the 3rd 8,000-tonne forging press line

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

FULLY INTEGRATED CAPABILITIES

HAPPY FORGINGS LIMITED

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

COMPLETE PROCESS FLOW

HAPPY FORGINGS LIMITED

Covered Raw Material Yard

Billet Cutting Section

Metallurgical Testing Lab

Forging

Control Cooling

Heat Treatment

Machining

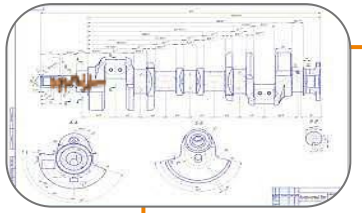
Standard Room

Final Inspection

Packaging & Dispatch

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

HAPPY FORGINGS LIMITED



Commercial Vehicles

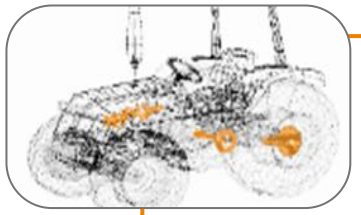
Rear Axle Component

Suspension Products

Front Axle Components

Crankshaft

Differential Case



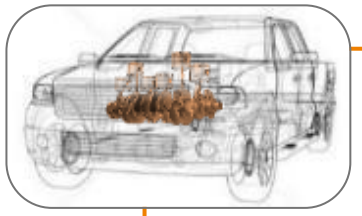
Farm Equipment

Crown Wheel

Axle Shaft

Crankshaft

Pinion

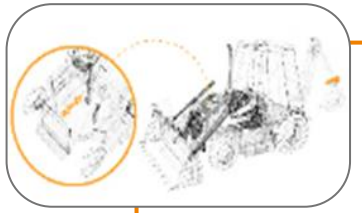


Passenger Vehicles

Crankshafts

Brake Flange

E Axle Components



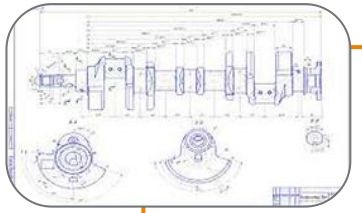
Off-highway Vehicles

Crankshaft

Bucket Link

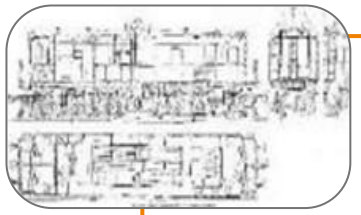
MULTI-PRODUCT AND MULTI-INDUSTRY OFFERINGS (2/2)

HAPPY FORGINGS LIMITED



Power Generation

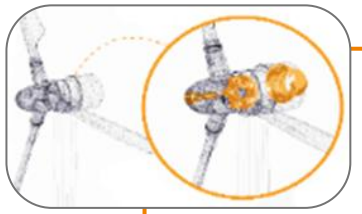
Crankshaft



Railways

Piston Pin

Connecting Rod

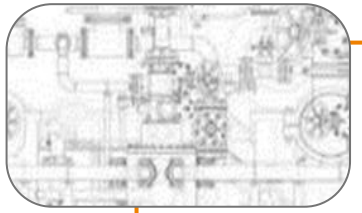


Windmill Applications

Housing

Output Shaft

Planetary Carrier



Oil & Gas

Valve Bodies

PAVING OUR PATH TOWARDS ACCELERATED VALUE CREATION

HAPPY FORGINGS LIMITED

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

HIGH ENTRY BARRIERS

HAPPY FORGINGS LIMITED

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)

EXPERTISE IN HIGH-TONNAGE PRESSES AND PRECISION MACHINING

HAPPY FORGINGS LIMITED

1,52,000 MT
Total Forging Capacity*

75,200 MT
Total Machining Capacity*

47 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

** Installed capacity as on Jun 30, 2026*

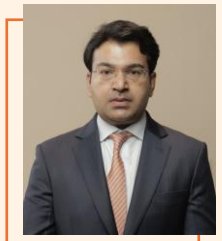
ARCHITECTS OF PROGRESS

HAPPY FORGINGS LIMITED

Executive Directors

Paritosh Kumar
Chairman & Managing Director

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



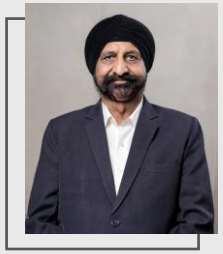
Ashish Garg
Managing Director

- **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)

NAVIGATING THE PATH TO SUSTAINABLE GROWTH

HAPPY FORGINGS LIMITED

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 **COMPANY OVERVIEW**
Engineering Excellence Across Products, Customers & Markets

03 **FORGING SUCCESS: VALUE-CREATING TRANSFORMATION**
Building Scale, Efficiency & Sustainable Competitive Strength

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Driving Value Through Innovation, People, Sustainability & Governance

FORGING SUCCESS: VALUE-CREATING TRANSFORMATION

HAPPY FORGINGS LIMITED

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

Scale With value

FY21 to FY26

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 to FY26

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 to FY26

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 to FY26

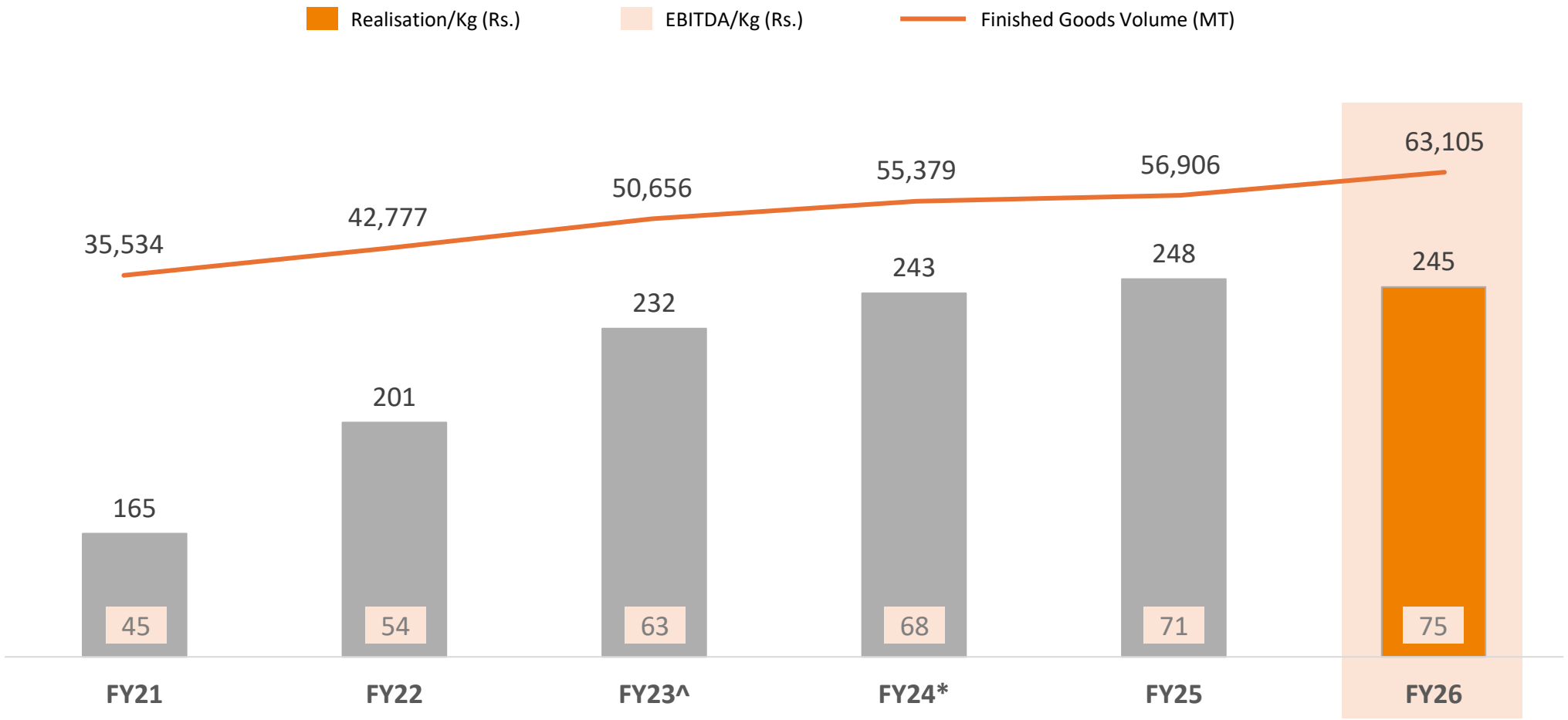
Forging Capacity	148,000 MT ↑ 2.2X
Machining Capacity	68,000MT ↑ 2.3X
Capex Earmarked for Heavy Forgings Capacity	~ ₹ 650 Crs.

Expanding scalable capabilities across high-value and heavy forging opportunities

SCALING VOLUMES WHILE ENHANCING VALUE ADDITION & REALISATIONS

HAPPY FORGINGS LIMITED

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



FY21 to FY26

1.8x

1.5x

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

HAPPY FORGINGS LIMITED

21% CAGR (FY21-26)
10 Year CAGR – 15%^

FY21-26 **2.6x**

22% CAGR (FY21-26)
10 Year CAGR – 17%^

FY21-26 **2.7x**

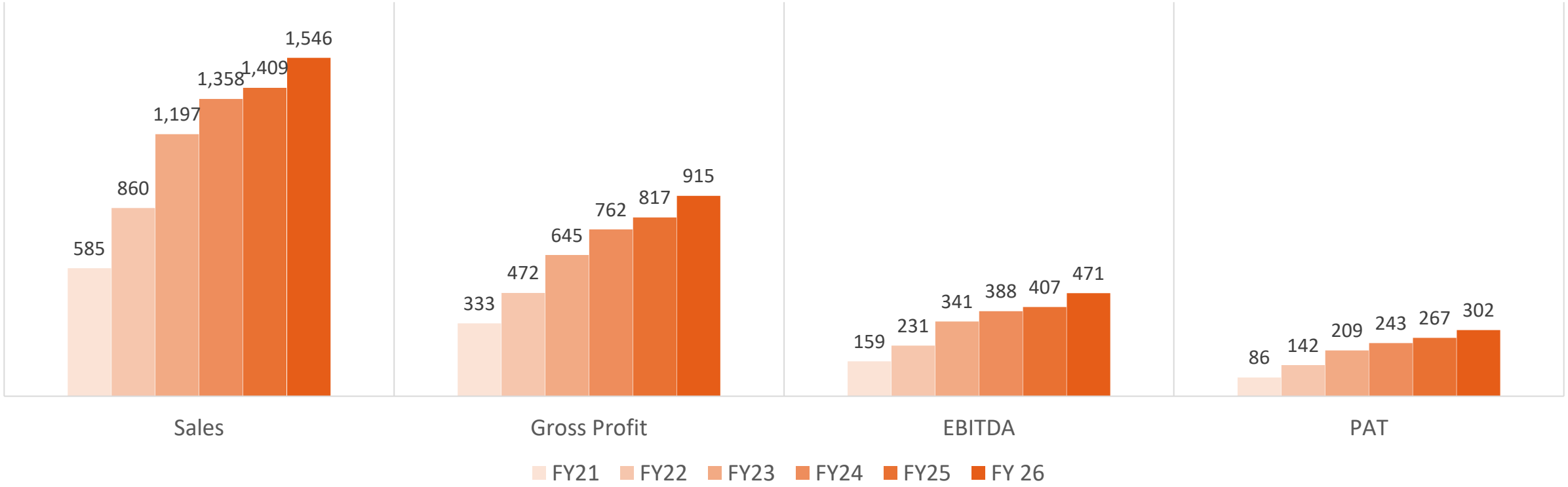
24% CAGR (FY21-26)
10 Year CAGR – 20%^

FY21-26 **3.0x**

28% CAGR (FY21-26)
10 Year CAGR – 33%^

FY21-26 **3.5x**

Rs Crs.



^ 10 Year CAGR for the period FY16 – FY26

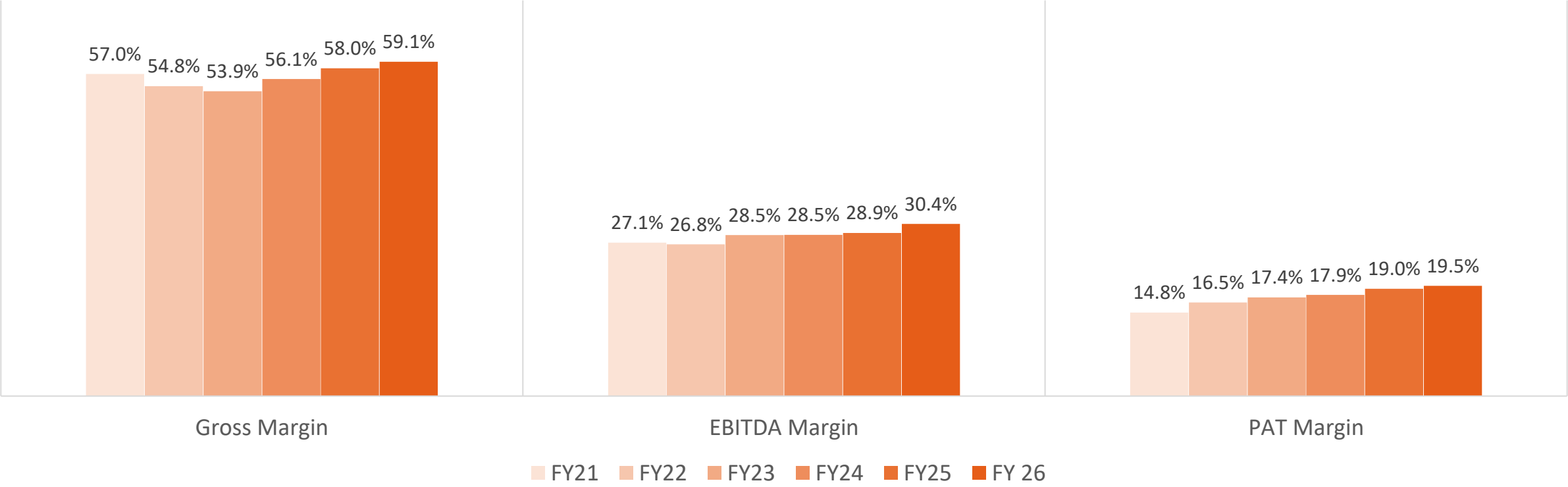
MARGIN EXPANSION DRIVEN BY VALUE ADDITION AND EFFICIENCY

HAPPY FORGINGS LIMITED

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

HAPPY FORGINGS LIMITED

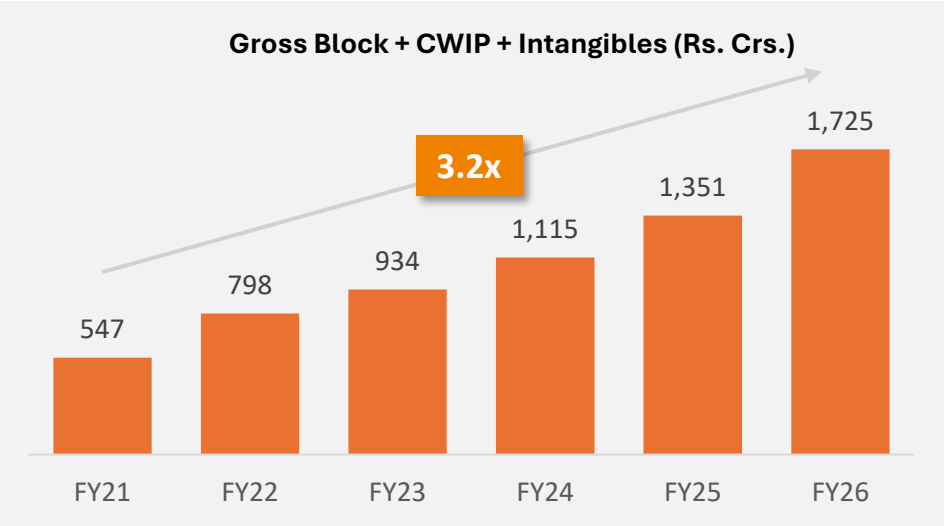
Strong Cash Accruals Driven by High Margins and Working Capital Efficiency Supporting Capacity Expansion

Cash Accrual and Deployment in Capex

Particulars (Rs. Crs.)	FY21	FY22	FY23	FY24	FY25	FY26	∑ (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. 400 Cr+.
- ✓ Current liquidity exceeds primary capital raised during IPO

Gross Block and Capacity Build-up Since 2021



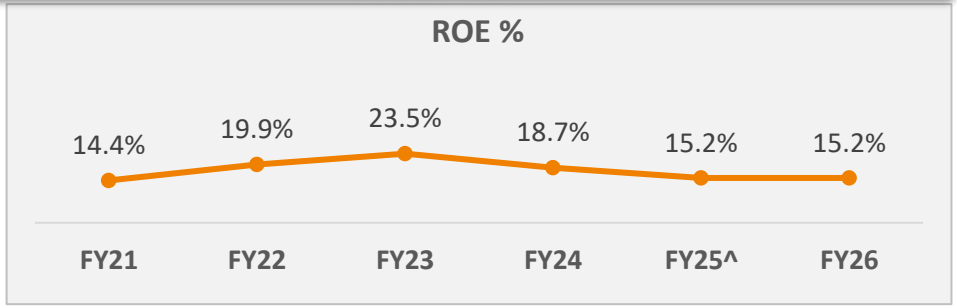
Capacity (in MT)	FY21	FY26
Forging	67,000	148,000
Machining	29,500	68,000

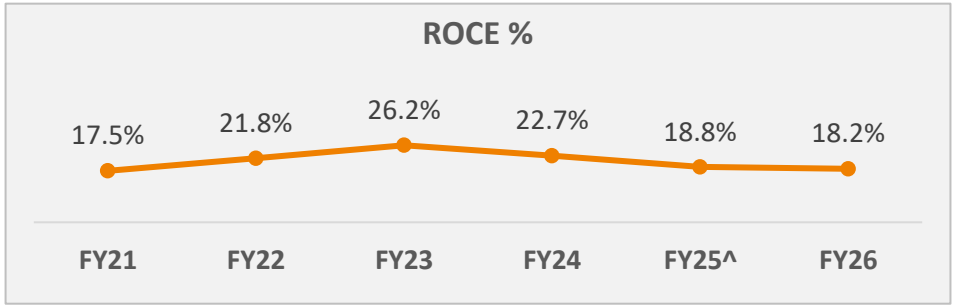
FORTRESS BALANCE SHEET SUPPORTING LONG TERM GROWTH

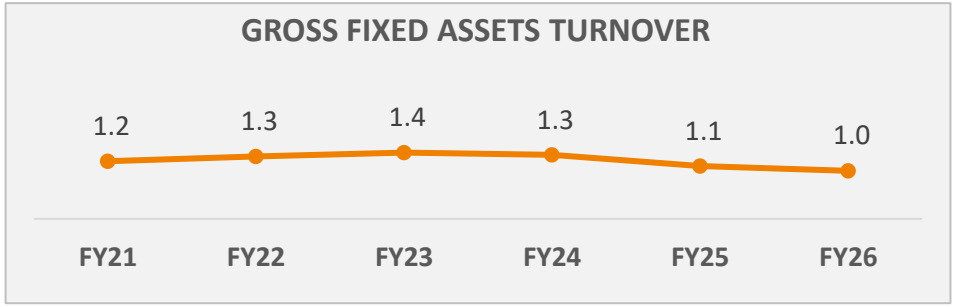
HAPPY FORGINGS LIMITED

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

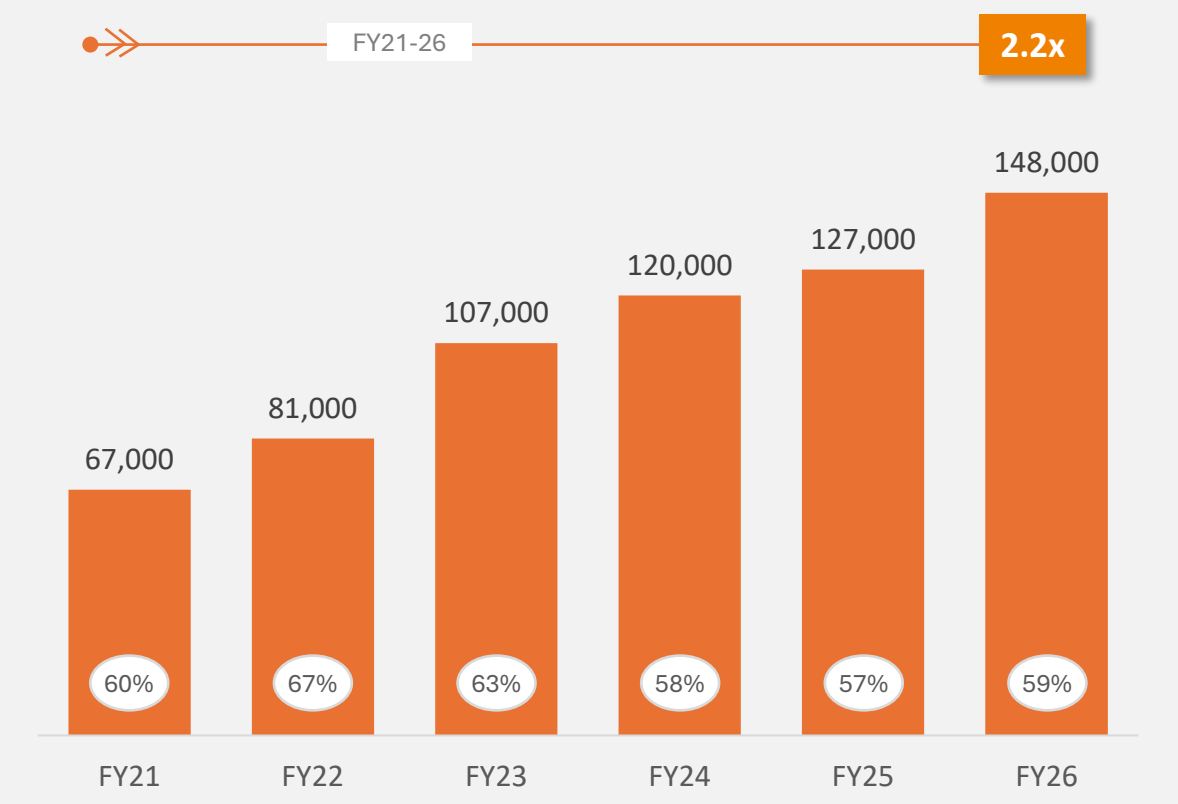
** Net debt computed by including short term liquid mutual fund investments and short-term fixed deposits along with cash and bank balances*
^ Excluding post-tax insurance income of Rs. 4.8 Crs

BUILDING CAPACIITIES FOR RESILIENT AND SUSTAINABLE GROWTH

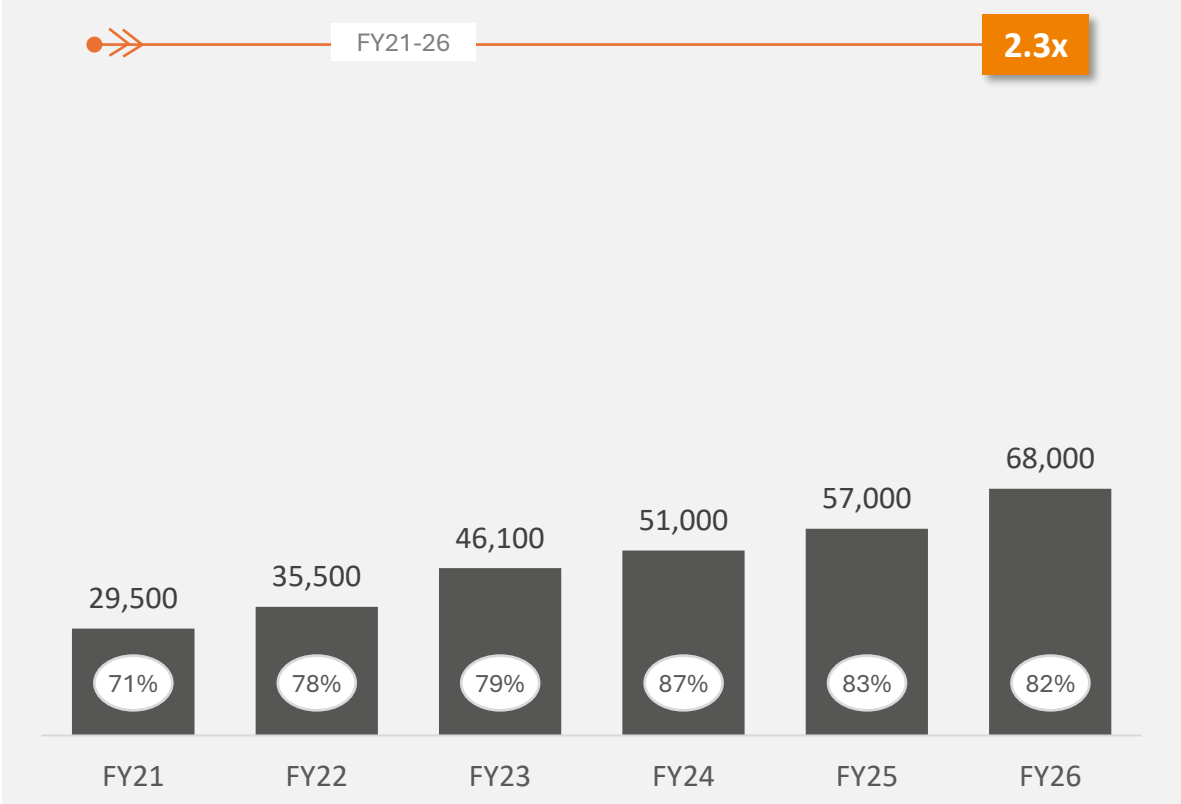
HAPPY FORGINGS LIMITED

Installed Capacity and Utilisation

Forging Capacity (in MT)



Machining Capacity (in MT)



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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PROFIT & LOSS STATEMENT

HAPPY FORGINGS LIMITED

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)	31.92	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

HAPPY FORGINGS LIMITED

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

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GOVERNANCE: DIVERSE BOARD WITH STRONG INDEPENDENT DIRECTORS

HAPPY FORGINGS LIMITED

Director (Name, Age, Experience)	Atul Behari Lall Independent Director 65 / 30+	Rajeswari Karthigeyan Independent Director 56 / 30+	Ravindra Pisharody Independent Director 71 / ~40
Area of Expertise	• Business Strategy & Operations • Electronics manufacturing services industry	• Credit Ratings & appraisal • Financial and economic research	• Sales & marketing • Strategy development • Diverse industry experience
Key Board Memberships	• **Current**: Dixon Technologies (MD & Vice Chairman), Max Estates Limited and Aditya Infotech Ltd. • **Past**: Member of Technical Evaluation Committee for Electronic Manufacturing Services	• **Current**: Craftsman Automation, Sunbeam Lightweighting Solutions Pvt. Ltd. and Belstar Microfinance • **Past Role**: Associate Director – CRISIL Ratings	• **Current**: Savita Oil Technologies Ltd., Muthoot Finance, Bonfiglioli Transmissions and Kwality 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 2026

~175+ years of collective experience of Board Members

~100+ Years of collective experience of Independent Directors

~57 years average age of the Board Members

Age | Years of Experience

ESG: KEY INITIATIVES

HAPPY FORGINGS LIMITED

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."

14

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

ESG TARGETS AND COMMITMENTS

HAPPY FORGINGS LIMITED

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

20 MW
Captive Solar Power Capacity being built

98,300 tCO_2e
7% reduction in Total GHG Emissions (Scope 1 & 2) YoY

9.4 GJ/MT
4% 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

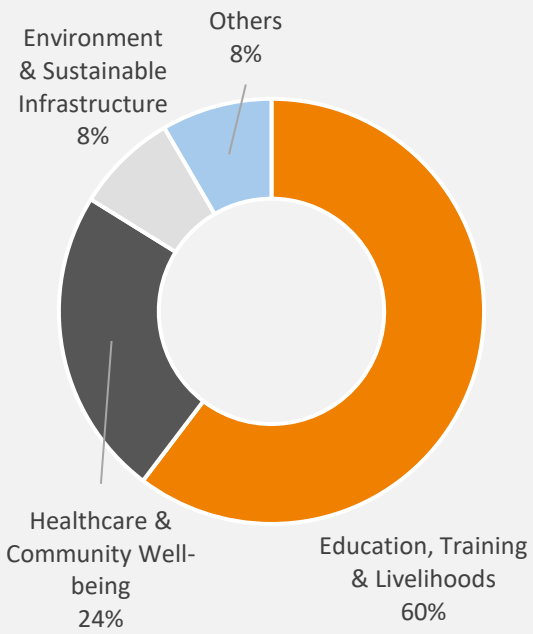
2/6
Board Directors are Women

From Baseline values;

SOCIAL – CSR ACTIVITIES

HAPPY FORGINGS LIMITED

Total CSR Spend – FY2021-2026



Cumulative Spend – Rs. 23.7Cr

CSR Spend Details

Category	Key Projects / Organizations funded
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

Pictures Gallery

AWARDS, ACCREDITATIONS AND RECOGNITIONS

HAPPY FORGINGS LIMITED

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*

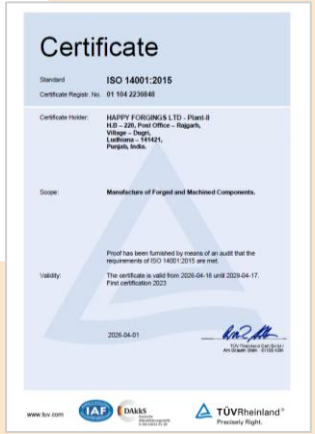
CERTIFICATIONS

HAPPY FORGINGS LIMITED

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

HAPPY FORGINGS LIMITED

COMPANY

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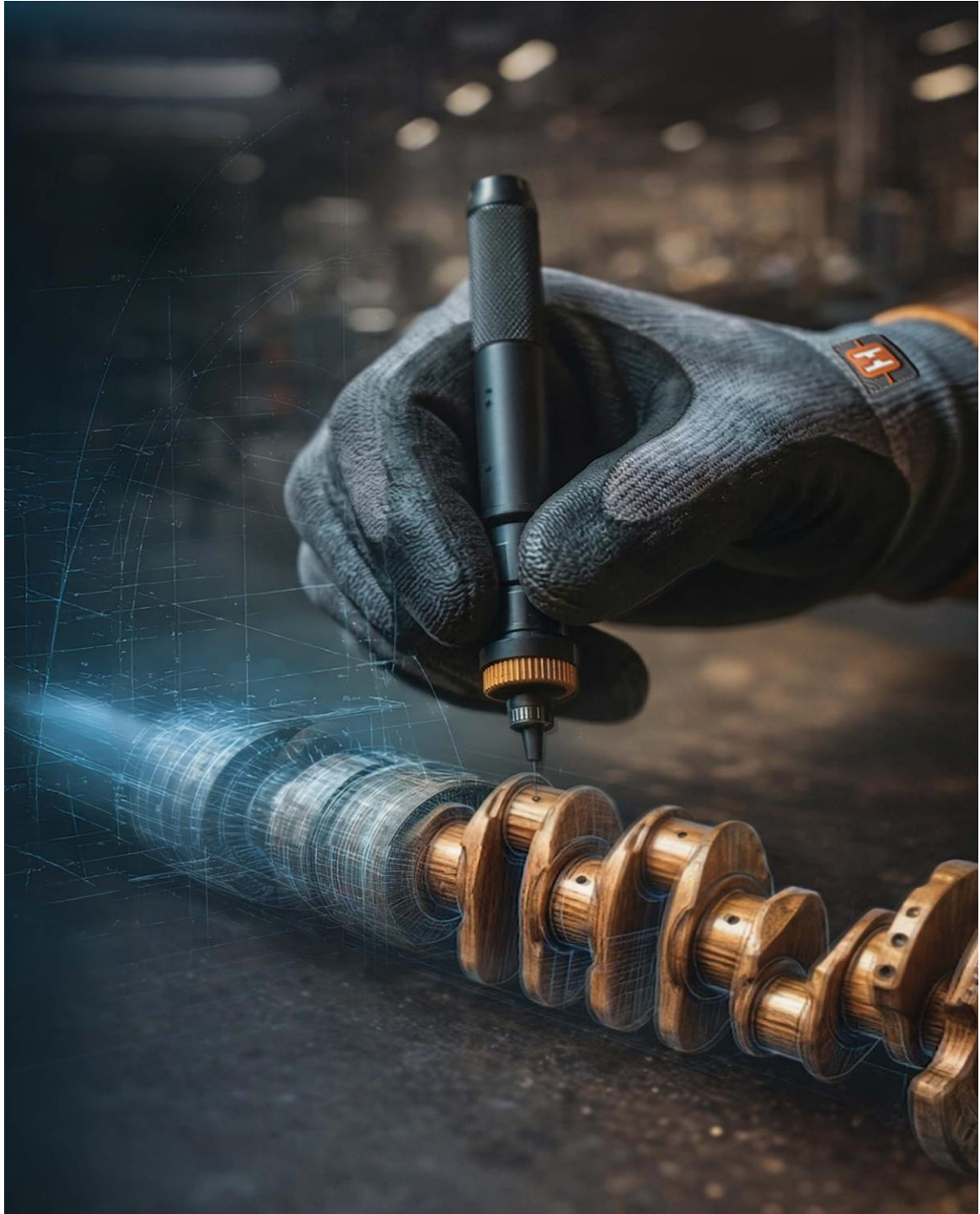
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