



May 26, 2024

To

BSE Limited 1st Floor, New Trading Ring, Rotunda Building, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001	National Stock Exchange of India Ltd Exchange Plaza, 5th Floor, Plot No. C/1, G block, Bandra-Kurla Complex, Bandra (E), Mumbai 400051.
Scrip Code: 544057	Symbol: HAPPYFORGE

Sub : Investor Presentation

Dear Sir/Madam,

Pursuant to Regulation 30 and other applicable provisions of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015(“LODR Regulations”), please find enclosed herewith the revised Investor Presentation for Q4 FY24 and FY24, (which was previously filed on May 24, 2024). Please note that the cash flow statement for the financial year 2024 has been revised on slide no 11 and slide no 30 on account of incorrect classification of changes in non-current assets under changes in working capital. This error has been corrected by classifying the amount under net cash from investing activities.

Please note that the revised presentation will be uploaded on the company website as well.

Kindly take the revised presentation on record.

Thanking you

FOR HAPPY FORGINGS LIMITED

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COMPANY SECRETARY &
COMPLIANCE OFFICER
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India – 141120



HAPPY FORGINGS LIMITED

INVESTOR PRESENTATION Q4 & FY24



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HAPPY FORGINGS LIMITED

Performance Highlights: Q4 & FY24



MESSAGE FROM THE MANAGING DIRECTOR



HAPPY FORGINGS LIMITED



Mr. Ashish Garg
Managing Director

We closed FY24 on a positive note registering growth, margin improvement and further diversification of our revenue streams despite slowdown in key industry segments and the Red Sea crisis. We achieved 16% growth in revenues for FY24 driven by exports and industrials business segment.

Margins and profits grew substantially on a YoY basis in FY24 as share of machined product increased from 79% to 85% of sales and together with favorable change in business mix, helped us improve our gross margins by ~3% and EBITDA margin by ~1.5%. Gross Margin stood at 56.1% and EBITDA improved to 28.5% despite increase in ESOP related costs and export freight costs. These margin improvements helped us achieve 22% growth in EBITDA and 27% growth in PAT on a YoY basis in FY24.

Revenue segment diversification continued as we marked an entry into the Passenger Vehicles segment in both domestic and export market in FY24. With recent order wins in this segment, we demonstrated our ability to expand our wallet share from existing customers, giving us good visibility to achieve the targeted contribution to sales from this segment in the next 2 years. We also witnessed a significant increase in the share of industrial segment from 4% to 12% and exports from 13% to 20% of revenues in FY24.

We continue to expand capacities and planned additions in forging and machining capacities are on track. Our balance sheet strength provides us the flexibility to capitalize on growth opportunities and further improve our returns profile as we deploy capital. The Board has recommended a dividend of Rs. 4 per share for FY24 which effectively means a payout of ~16%.

Looking ahead, we are confident in our ability to sustain this positive momentum and drive further growth and profitability and hope that improvement in underlying business segments will trigger additional growth.

Q4 & FY24 FINANCIAL HIGHLIGHTS



HAPPY FORGINGS LIMITED

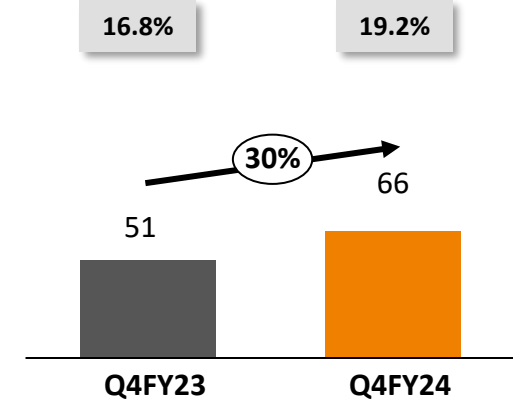
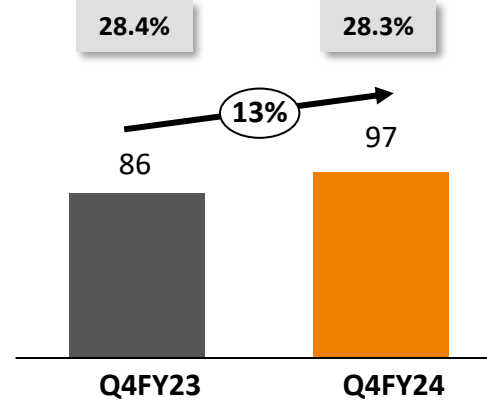
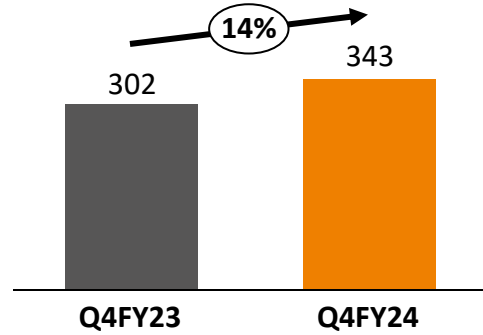
Figures (Rs. in Cr)

REVENUE FROM OPERATIONS

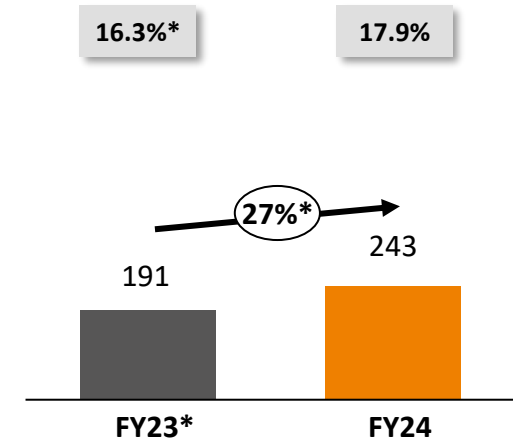
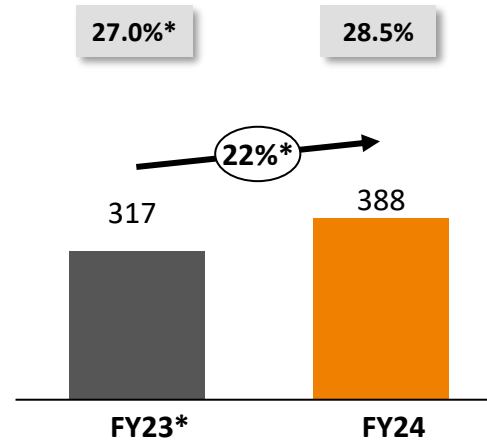
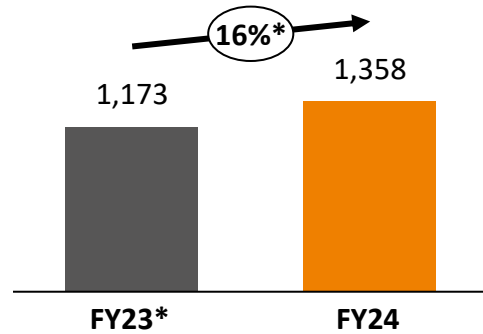
EBITDA & EBITDA%

PAT & PAT%

Q4 FY24



FY24

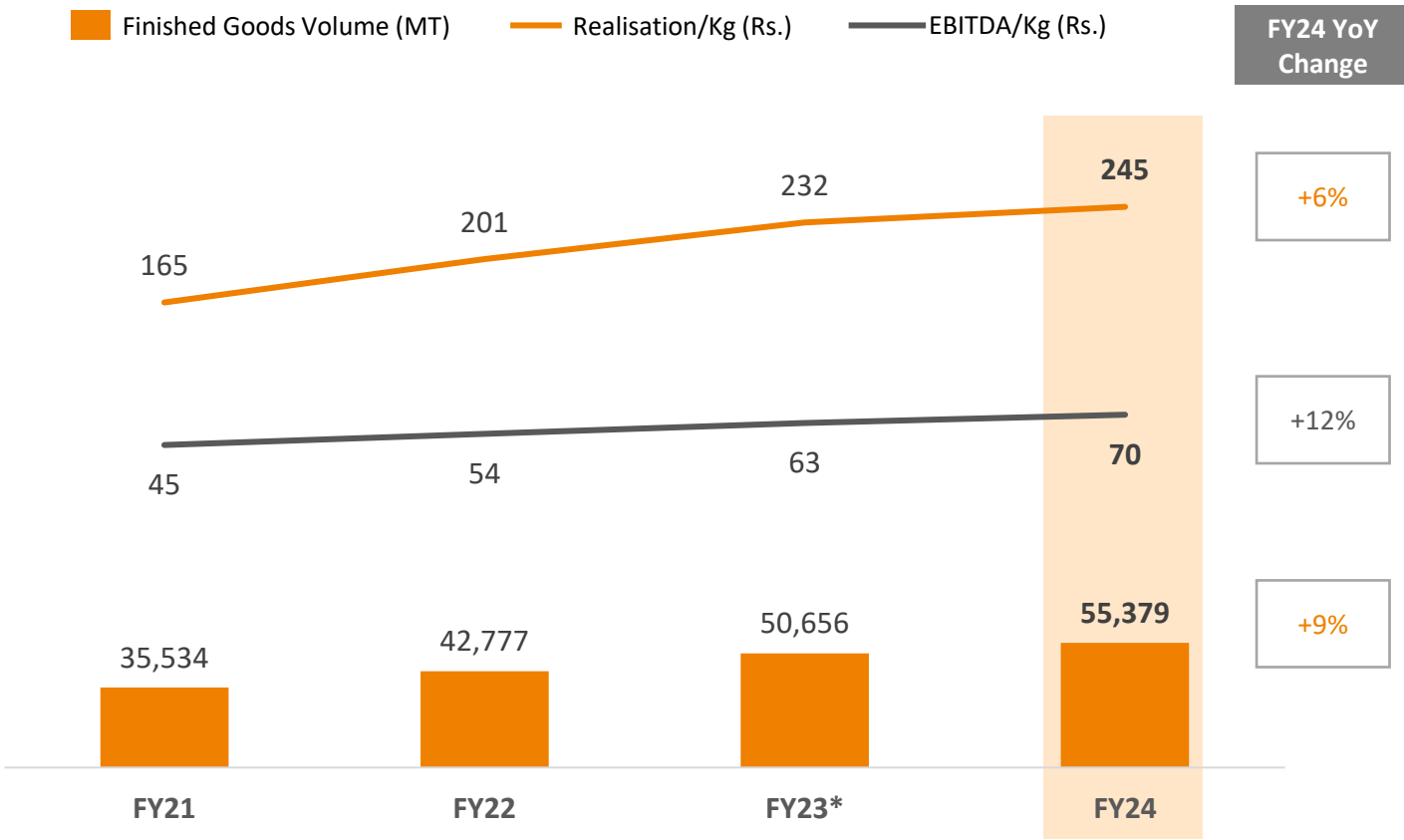


* In FY2023, a prior period income of Rs. 23.75 Cr. was recognized on account of refund of eligible net SGST incentive pertaining to earlier years. FY23 numbers, margins and YoY growth shown in above chart is after adjusting for this prior period income. Reported Revenue, EBITDA and PAT for FY23 was Rs. 1,197 Cr., Rs. 341 Cr. and Rs. 209 cr. respectively and EBITDA margin and PAT margin were 28.5% and 17.4% respectively.

VOLUME & REALISATION TREND



Annual Volume and Realisation Trend



Q4FY24 Volume and Realisation

Particulars	Q4FY23	Q4FY24	YoY
FG Volume (MT)	12,955	13,457	+4%
Realisation/Kg (Rs.)	233	255	+9%
EBITDA/Kg (Rs.)	66	72	+9%



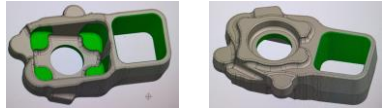
Despite slower industry growth and a decline in steel costs/kg, realisation/kg and EBITDA/kg registered an increase on the back of increasing share of machined products, industrial segment and exports

* Realisation/kg and EBITDA/kg for FY23 is computed after adjustment of prior period income of Rs. 23.75 Cr.

ORDER WINS: DRIVING GROWTH AND SUCCESS



HAPPY FORGINGS LIMITED

Product	 Crankshaft	 Brake Flange	 E Axle Components
Customer Type	<u>Existing Customer</u> A large Indian automobile manufacturer of a diverse range of passenger vehicles, including SUVs	<u>Existing Customer</u> A large leading global Tier 1 manufacturer of automobile driveline components and systems	<u>Existing Customer</u> A leading global manufacturer and supplier of automotive components
End Use Segment	Passenger Vehicles; SUVs	Passenger Vehicles: Utility vehicles/ pickup trucks	Passenger Vehicles: Electric SUVs
Order Size	~60-70 crores per annum (Total order size: Rs. ~400 crores)	~60-70 crores per annum (Total order size: Rs. ~500 crores)	~50 crores per annum (Total order size: Rs. ~320-350 crores)
Contract period	6 years starting from 1 st April 2024	8 years starting from Q4FY26 or Q1FY27	7 years starting from Q3FY25

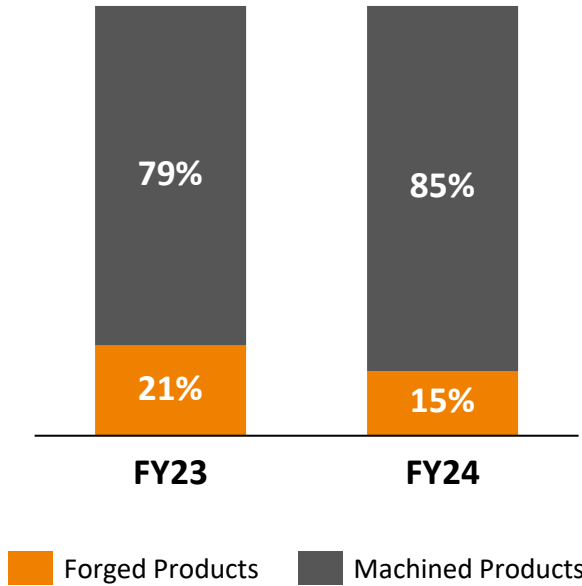
Recent order wins in the Passenger Vehicles segment in domestic and export markets give us revenue visibility of ~Rs. 170 Cr.+ p.a. by FY27 on fully ramped-up supply volumes

KEY DATA POINTS



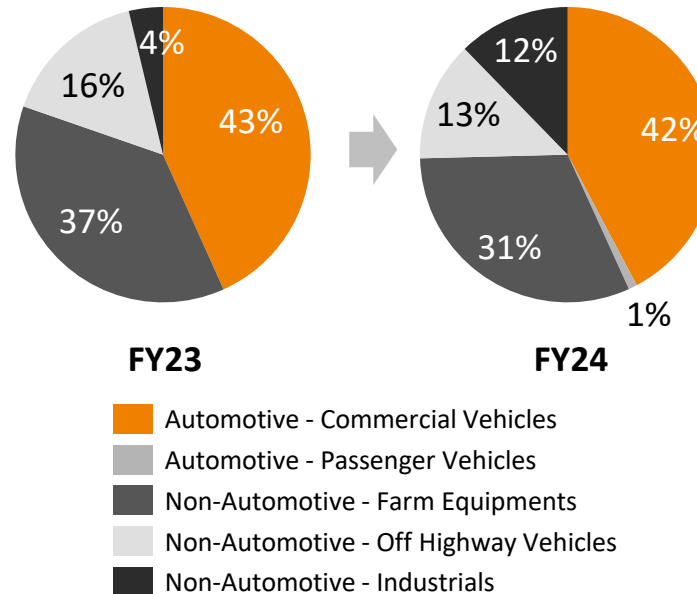
HAPPY FORGINGS LIMITED

PRODUCT MIX



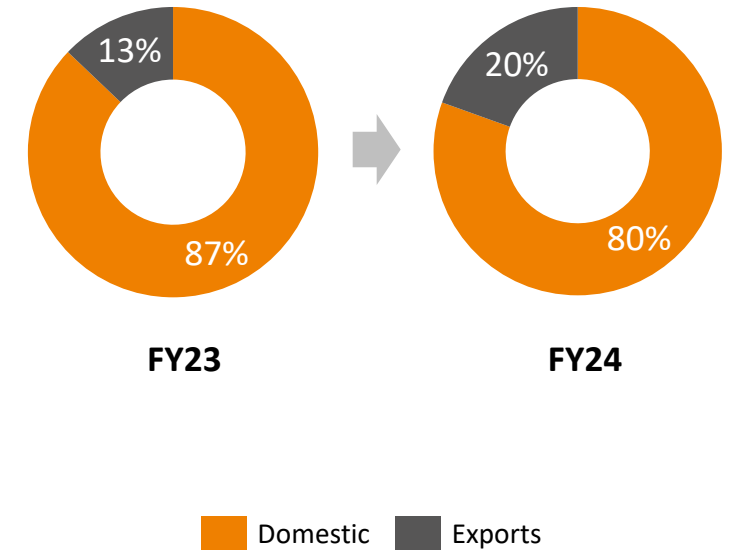
Contribution of machined products (that have higher realization and margins) increased from 79% to 85%

SECTOR MIX



Share of industrials business increased from 4% to 12% leading to a further diversification of the business to non-auto segments

GEOGRAPHY MIX



Exports share increased from 13% to 20% thereby insulating the business from slower industry growth in the domestic market

Note: Revenue segmentation is based on revenues from sale of finished goods

PROFIT & LOSS STATEMENT



HAPPY FORGINGS LIMITED

Consolidated (in Rs. Crs)	Q4 FY24	Q4 FY23	YoY	Q3 FY24	QoQ	FY24	FY23*	YoY
Revenue from Operations	343	302	14%	342	0%	1,358	1,197	14%
Raw material cost & change in inventories	149	137		152		597	551	
Gross Profit	194	166	17%	190	2%	762	645	18%
Gross Profit Margin	56.5%	54.9%		55.5%		56.1%	53.9%	
Employee cost	30	25		31		114	88	
Other expenses	67	56		64		260	217	
EBITDA	97	86	13%	95	2%	388	341	14%
EBITDA Margin	28.3%	28.4%		27.8%		28.5%	28.5%	
Depreciation	16	14		17		65	54	
EBIT	81	72	13%	78	4%	323	287	13%
EBIT Margin	23.6%	23.6%		22.8%		23.8%	24.0%	
Interest	1	5		4		12	12	
Other income	7	2		3		13	6	
PBT	87	68	29%	78	13%	324	280	16%
PBT Margin	25.5%	22.4%		22.7%		23.9%	23.4%	
Tax	22	17		20		81	71	
PAT	66	51	30%	58	14%	243	209	16%
PAT Margin	19.2%	16.8%		16.9%		17.9%	17.4%	
EPS (Diluted)^	7.24	5.67	28%	6.45	12%	26.74	23.32	15%

^EPS for the quarterly period is not annualized. * In FY2023, a prior period income of Rs. 23.75 Cr. was recognized on account of refund of eligible net SGST incentive pertaining to earlier years. Adjusting for this prior period income in FY2023, revenue from operations, Gross Profit, EBITDA and PAT YoY growth in FY2024 has been 16%, 23%, 22% and 27% respectively. Adjusted Gross margin, EBITDA margin and PAT margin for FY2023 were 53.0%, 27.0% and 16.3% respectively.

BALANCE SHEET



HAPPY FORGINGS LIMITED

Assets (in Rs. Crs)	Mar 31, 24	Mar 31, 23
Non-Current Assets	1,145	836
Property, Plant and Equipment	742	677
Capital work-in-progress	122	75
Intangible Assets	1	1
Intangible assets under development	5	-
Investments in Joint Venture/Subsidiary	0.1	-
Other Financial Assets	205	31
Non-Current Tax Assets (net)	-	-
Other Non-Current Assets	69	52
Current Assets	741	489
Inventories	224	170
Trade Receivables	357	308
Cash and Cash Equivalents	1	0.01
Bank Balances	117	0.3
Loans	0.2	0.3
Other Financial Assets	12	1
Current tax assets	0	0.2
Other current assets	31	10
Assets Held for Sale	-	1
Total Assets	1,886	1,326

Equity & Liabilities (in Rs. Crs)	Mar 31, 24	Mar 31, 23
EQUITY	1,612	988
Equity Share Capital	19	18
Other Equity	1,594	970
Non-current liabilities	32	81
Borrowings	-	58
Deferred tax liabilities	32	23
Current liabilities	242	257
Borrowings	143	160
Trade Payables	56	48
Other Financial Liabilities	28	26
Other Current Liabilities	9	8
Provisions	4	4
Liabilities for current tax (net)	2	11
Total Equity & Liabilities	1,886	1,326

CASH FLOW STATEMENT



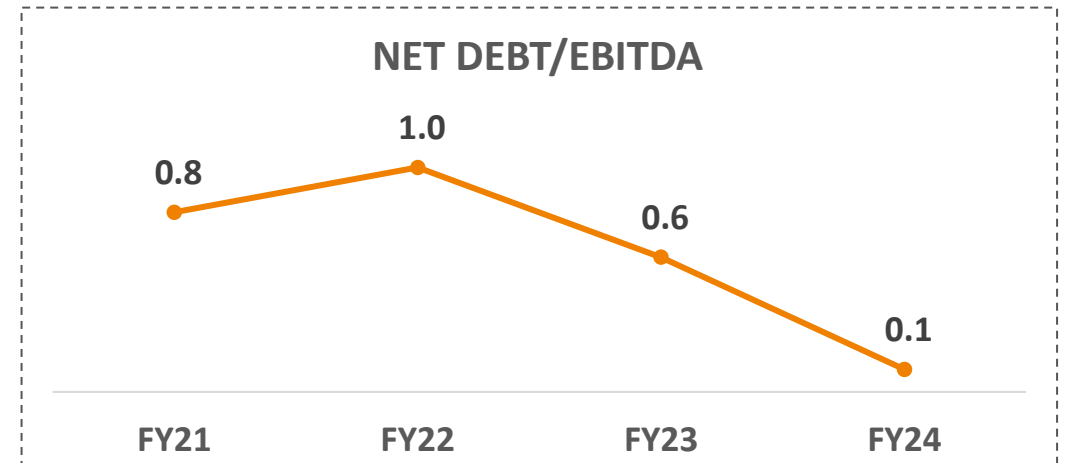
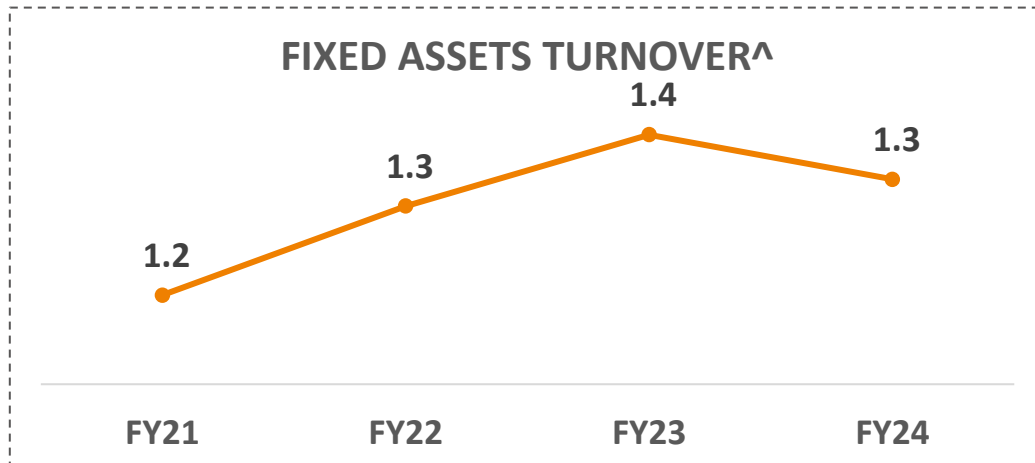
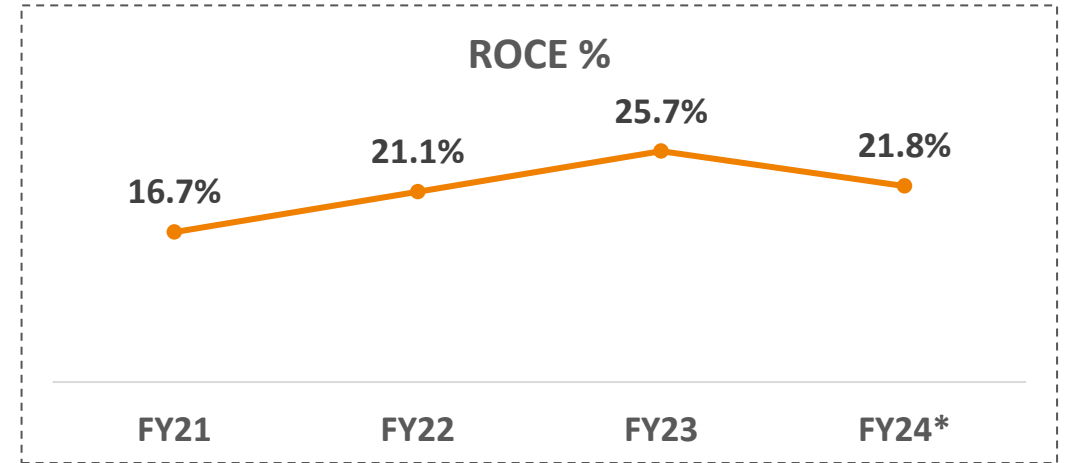
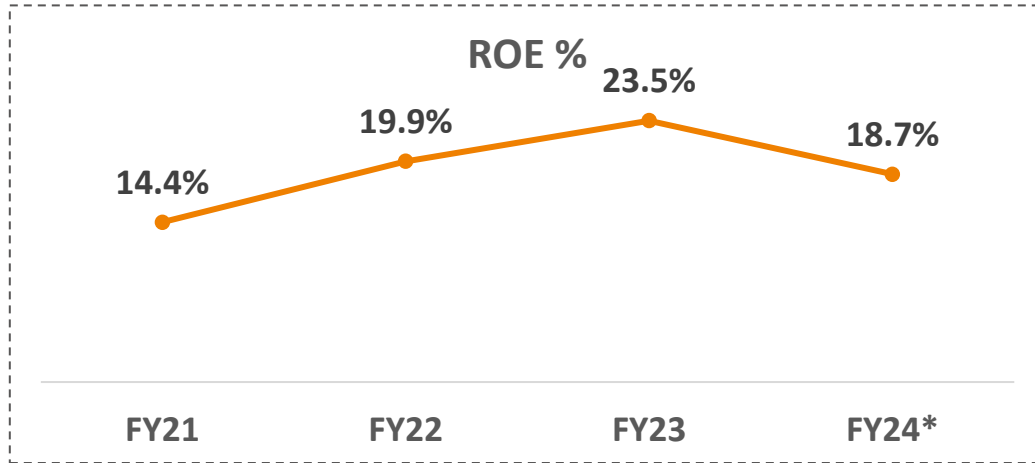
Cash Flow Statement (Rs in Cr)	FY24	FY23*
Profit Before Tax	324	280
Adjustments for Depreciation and other items	72	71
Operating profit before working capital changes	396	351
Changes in working capital	-123	-78
Cash generated from operations	273	273
Direct taxes paid (net of refund)	84	64
Net Cash from Operating Activities	189	209
Net Cash from Investing Activities	-469	-172
Net Cash from Financing Activities	281	-37
Net Change in cash and cash equivalents	0.52	-0.01

* FY23 PBT includes prior period income of Rs. 23.75 Cr.

CONSISTENCY OF GROWTH AND RETURNS (2/2)



Superior return metrics with reducing net debt/EBITDA wherein capex has been largely funded by internal accruals



* RoE for FY24 after adjusting for FDRs and post-tax interest thereon was 20.6%. ROCE for FY24 after adjusting for FDRs and interest thereon, capital advances and CWIP was 26.9%

^ Computed on Gross Block



HAPPY FORGINGS LIMITED

Company Overview



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

The company 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



Revenue
FY24
Rs. 1,358 Crs



EBITDA %
FY24
28.5%



~45 years
of Manufacturing Excellence



3
Manufacturing Facilities



1,20,000 tonnes
Forging capacity*



51,000 tonnes
Machining capacity*



2nd Largest
Producer of commercial vehicle and high horse-power industrial crankshafts in India



4th Largest
Engineering-led manufacturer of complex and safety-critical, heavy forged and high-precision machined components in India



Longstanding Relationships
With our top customers



Diversified Customer Base
Across Indian & Global OEMs



AA/STABLE
CRISIL and ICRA ratings

* Installed capacity as on Mar 31, 2024

VISION MISSION STATEMENT

VISION



To be amongst the top 10 forging and machining companies globally

MISSION



State-of-the-art Technology



Deliver more than promised



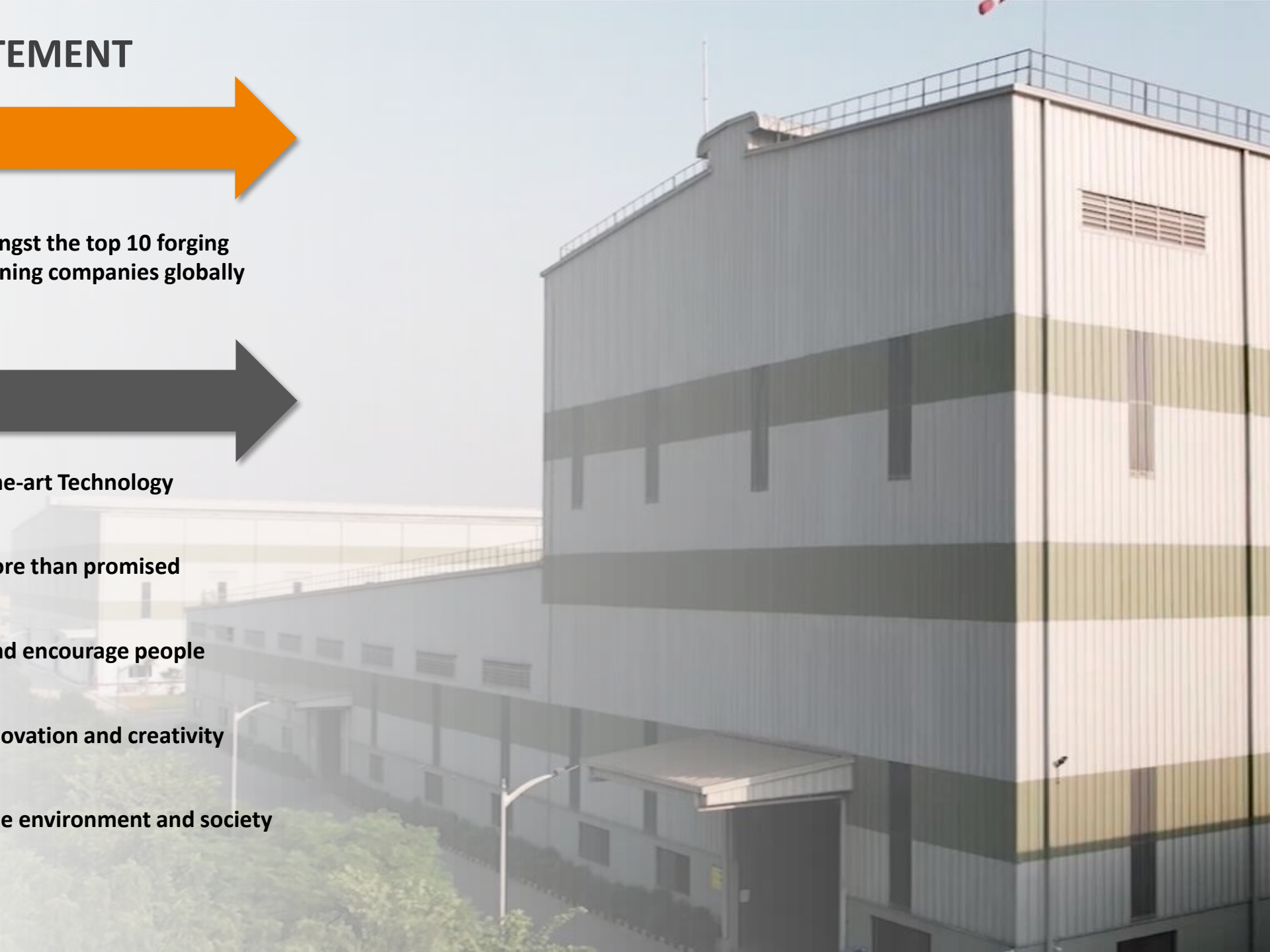
Respect and encourage people



Inspire innovation and creativity



Care for the environment and society



BUSINESS EVOLUTION SPANNING OVER FOUR DECADES



HAPPY FORGINGS LIMITED

Established a single unit for manufacturing bicycle crank arms



1979

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



2008

Commissioned the second 8,000-tonne press



2017 - 2018

HFL achieved a milestone by getting listed on the NSE and BSE



2023



2005



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



2010 - 2015



Expanded machining capacity. Entered commercial vehicle and industrial segments



2020 - 2022



Installed 8 single-piece flow lines for crankshafts and the third 8,000-tonne press



2024 – 2025P



Installation and commencement of 6,300 and 10,000-tonne press lines

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 and analysis equipment to ensure the 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



Machining



Heat Treatment



Control Cooling



Standard Room



Final Inspection



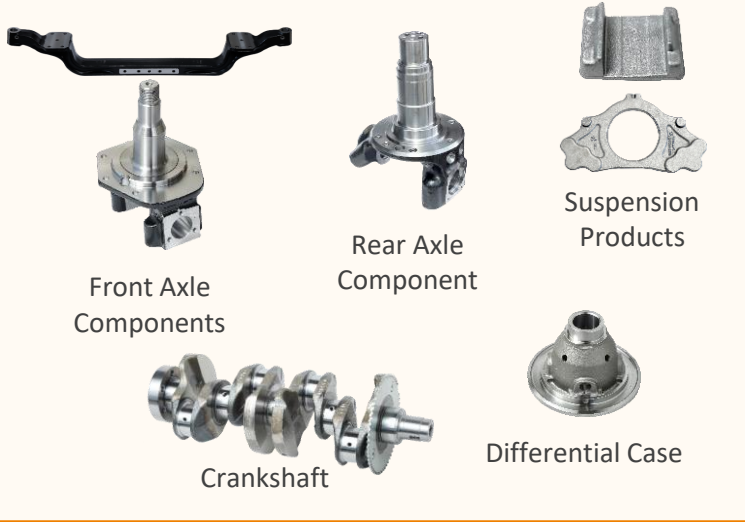
Packaging & Dispatch

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

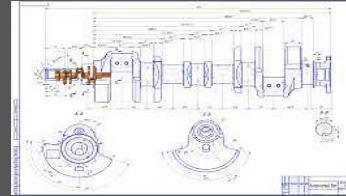


HAPPY FORGINGS LIMITED

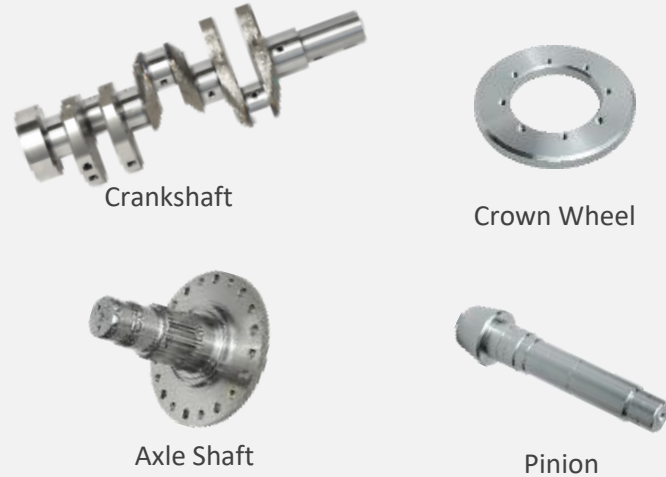
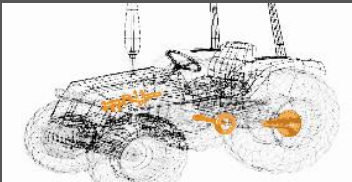
Commercial Vehicles



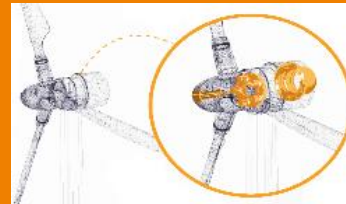
Power Generation



Farm Equipment



Windmill Applications

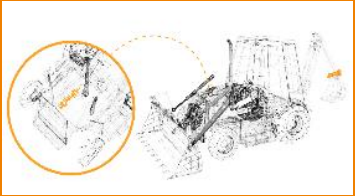


MULTI-PRODUCT AND MULTI-INDUSTRY OFFERINGS (2/2)



HAPPY FORGINGS LIMITED

Off-highway Vehicles

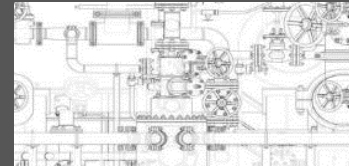


Crankshaft



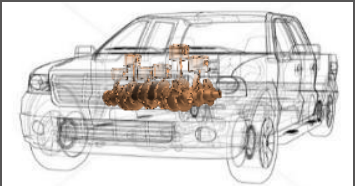
Bucket Link

Oil & Gas



Valve Bodies

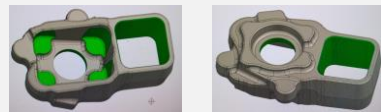
Passenger Vehicles



Crankshafts

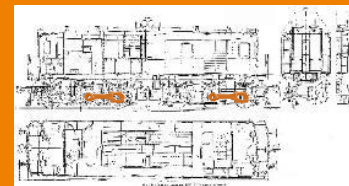


Brake Flange



E Axle Components

Railways



Piston Pin



Connecting Rod

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



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



PRECISION IN PRACTICE

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



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

HAVE DEMONSTRATED THE ABILITY TO INSTALL AND OPERATE HIGH TONNAGE PRESSES AND PRECISION MACHINING (1/2)



HAPPY FORGINGS LIMITED



Kanganwal I
Started in 1995
Kanganwal, Ludhiana
14,000 MT
-



Kanganwal II
Started in 2006
Kanganwal, Ludhiana
53,000 MT
29,500 MT



Dugri
Started in 2021
Dugri, Ludhiana
53,000 MT
21,500 MT

Facility
Location
Forging Annual Installed Capacity*
Machining Annual Installed Capacity*

* Installed Capacity as on **March 31, 2024**



Strategic Location of Facilities

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



Continuous Investment in in-house infrastructure

- Installation of new 14,000 tonne press, makes HFL the only **second company in India to have such press or higher forging press**
- The ability to forge heavier and complex parts up to 250 kgs to cater to different industries which require heavy and complex parts



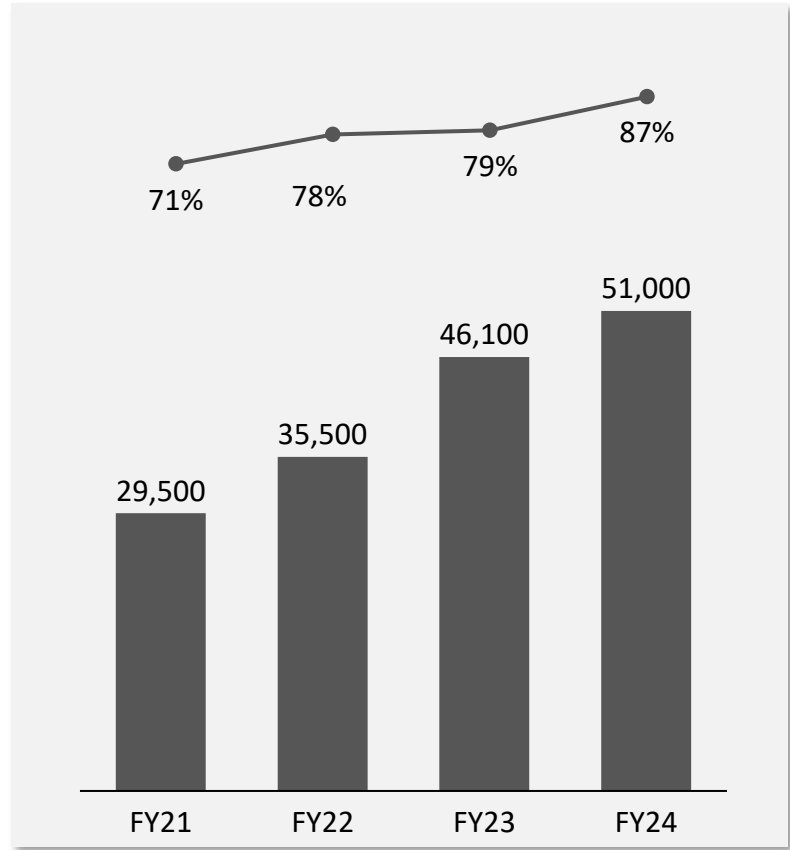
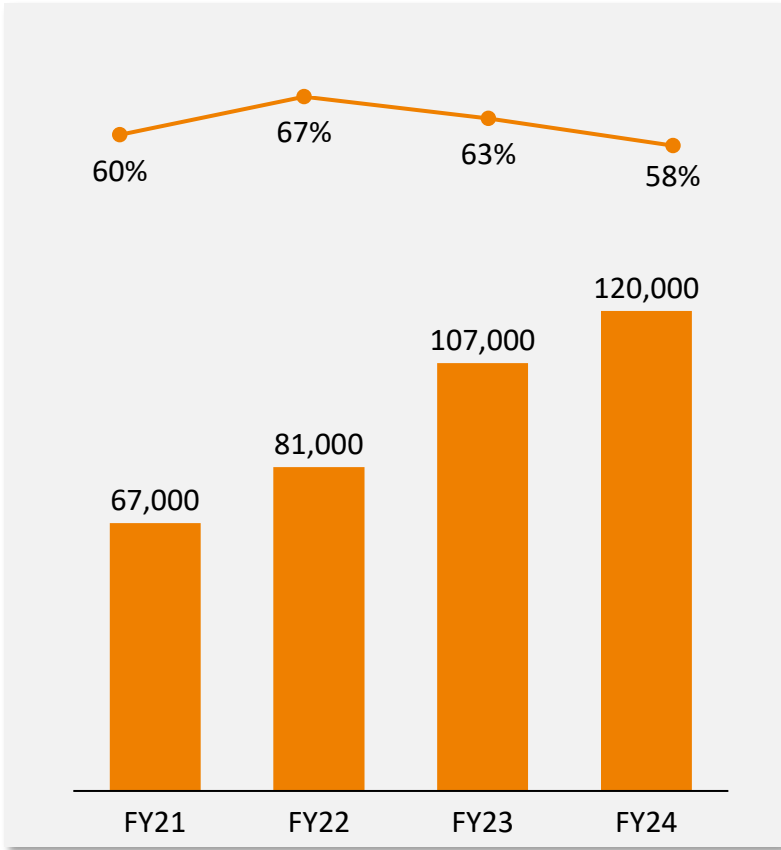
Operating Efficiencies

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

Note: Installed capacity represents the installed capacity as on the last date of the relevant Fiscal

HAVE DEMONSTRATED THE ABILITY TO INSTALL AND OPERATE HIGH TONNAGE PRESSES AND PRECISION MACHINING (2/2)

Strategically adding capacity with a strong focus on capital efficiency



■ Forging Capacity (in MT)
—●— Utilisation

■ Machining (in MT)
—●— Utilisation

Significant manufacturing capacities act as an entry barrier for other manufacturers and OEMs that do not have such in-house engineering capabilities and production facilities

Addition in capex positions the Company well to take advantage of emerging growth opportunities

Note: Installed capacity represents the installed capacity as on the last date of the relevant Fiscal. Capacity utilization is based on the average available capacity for the period



Paritosh Kumar Garg
Chairman & Managing Director

- 44+ years of experience in the industrial sector
 - Bachelor's degree in arts from S.C. Dhawan Government (Evening) College, Ludhiana, Panjab University
 - Involved in the strategic decision making of HFL, oversees the company's business activities and is proficient in financial management, budgeting involved in setting up the governance standards
-



Ashish Garg
Managing Director

- Has ~17 years of experience in the industrial sector
 - Holds a bachelor's degree in science (accounting and finance), and a master's degree in science (manufacturing systems engineering) from the University of Warwick, UK
 - Responsible for managing the company's business operations, financial performance, growth strategies and investments in different capacities and product developments
-



Megha Garg
Whole - Time Director

- Has ~ 8 years of experience in the industrial sector
 - Holds a bachelor's degree in science (economics) from the University of Nottingham, United Kingdom
 - Responsible for managing the digital marketing to engage prospects and capture leads and spearheading ESG initiatives
-



Narinder Singh Juneja
CEO & Whole - Time Director

- Has over 50 years of experience in the industrial sector
 - Holds a post diploma course in mechanical engineering (machine tools operation and maintenance) from Y.M.C.A. Institute of Engineering, State Board of Technical Education, Haryana
-



Pankaj Kumar Goyal
Chief Financial Officer

- Has over 20 years of experience in the finance sector
 - Holds a bachelor's degree in commerce from Government College, Malerkotla, Punjabi University, and is an associate member of the Institute of Chartered Accountants of India
 - Proficient in financial management, budgeting, cost control, and strategic planning, with a focus on maximizing values for stakeholders.
-



Patwinder Singh
Chief Operating Officer

- Has over 22 years of overall experience
 - Holds a bachelor's degree in science from Guru Nanak Dev University, and a master's degree in business administration from CSM Institute of Graduate Studies
-



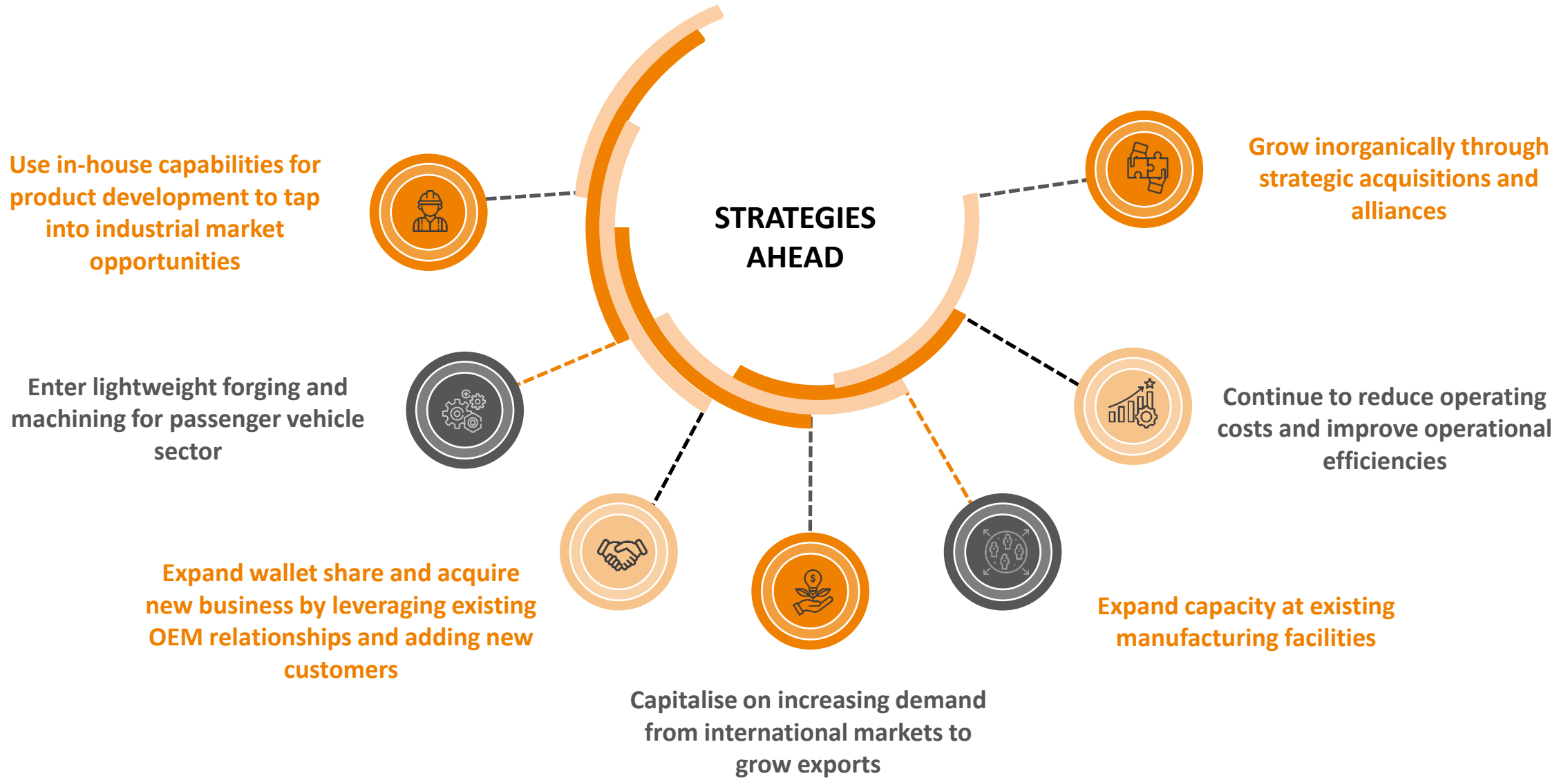
Mangesh Shantaram Purandare
Chief Marketing Officer

- He has over 27 years of experience in the marketing sector. Mainly in auto components including Castings / Forgings / Gears and Bearings.
 - Holds a bachelor's degree in engineering (industrial) and a master's degree in business administration from University of Pune
 - Responsible for New Business Development International and Domestic.
-

NAVIGATING THE PATH TO SUSTAINABLE GROWTH



HAPPY FORGINGS LIMITED





HAPPY FORGINGS LIMITED

Historical Financial Statements



PROFIT & LOSS STATEMENT



HAPPY FORGINGS LIMITED

Profit and Loss (in Rs. Crs)	FY24	FY23*	FY22
Revenue from Operations	1,358	1,197	860
Cost of Materials Consumed	597	551	388
Gross Profit	762	645	472
Gross Profit Margin (%)	56.1%	53.9%	54.8%
Employee Cost	114	88	69
Other Expenses	260	217	172
EBITDA	388	341	231
EBITDA Margin (%)	28.5%	28.5%	26.8%
Depreciation	65	54	38
EBIT	323	287	193
Finance Cost	12	12	7
Other income	13	6	6
Profit before Tax	324	280	192
Tax	81	71	50
PAT	243	209	142
PAT Margin (%)	17.9%	17.4%	16.5%
EPS (Basic)	26.7	23.3	15.9

* In FY2023, a prior period income of Rs. 23.75 Cr. was recognized on account of refund of eligible net SGST incentive pertaining to earlier years. Adjusting for this prior period income in FY2023, Gross margin, EBITDA margin and PAT margin for FY2023 were 53.0%, 27.0% and 16.3% respectively.

BALANCE SHEET



HAPPY FORGINGS LIMITED

Assets (in Rs. Crs)	Mar'24	Mar'23	Mar'22
Non-Current Assets	1,145	836	704
Property, Plant and Equipment	742	677	455
Capital work-in-progress	122	75	212
Intangible Assets	1	1	2
Intangible assets under development	5	-	-
Investments in Joint Venture/Subsidiary	0.1	-	0.4
Other Financial Assets	205	31	7
Non-Current Tax Assets (net)	-	-	0.2
Other Non-Current Assets	69	52	28
Current Assets	741	489	425
Inventories	224	170	184
Trade Receivables	357	308	222
Cash and Cash Equivalents	1	0.01	0.02
Bank Balances	117	0.3	1
Loans	0.2	0.3	0.2
Other Financial Assets	12	1	3
Current tax assets	-	0.2	-
Other current assets	31	10	14
Assets Held for Sale	-	1	1
Total Assets	1,886	1,326	1,130

Equity & Liabilities (in Rs. Crs)	Mar'24	Mar'23	Mar'22
EQUITY	1,612	988	788
Equity Share Capital	19	18	18
Other Equity	1,594	970	770
Non-current liabilities	32	81	97
Borrowings	0	58	74
Deferred tax liabilities	32	23	23
Current liabilities	242	257	245
Borrowings	143	160	166
Trade Payables	56	48	44
Other Financial Liabilities	28	26	20
Other Current Liabilities	9	8	5
Provisions	4	4	3
Liabilities for current tax (net)	2	11	6
Total Equity & Liabilities	1,886	1,326	1,130

CASH FLOW STATEMENT



Cash Flow Statement (Rs in Cr)	Mar'23	Mar'23	Mar'22
Profit before tax	324	280	192
Adjustments for depreciation and other items	72	71	40
Operating profit before working capital changes	396	351	232
Changes in working capital	-123	-78	-109
Cash generated from operations	273	273	123
Direct taxes paid (net of refund)	84	64	43
Net cash from operating activities	189	209	80
Net cash from investing activities	-469	-172	-166
Net cash from financing activities	281	-37	83
Net change in cash and cash equivalents	0.52	-0.01	-3



H&M HOLDINGS LIMITED

Impact Beyond Financial Performance

ESG Governance

Director's Statement



*"We are at a pivotal stage in our organization's growth path and **committed to embrace robust frameworks and procedures** that translate our core values into **tangible actions marked by measurable goals**, showcasing our commitment to delivering sustainable value to all our stakeholders.*

*To improve our governance standards, we have **prioritised diversity within our Board**, ensuring a range of expertise, perspectives, and demographic representation to uphold transparency and accountability across our operations.*

We have **established an ESG committee** which will develop a comprehensive strategy and execution plan and oversee our progress against set targets and milestones.

Being conscious of our environmental footprint, we have committed to **halving our Scope 1 and Scope 2 carbon emissions by 2030** alongside a commitment to **achieve 100% wastewater recycling by 2025**. We are focusing on several initiatives including increasing proportion of renewable energy usage and ensuring effective resource management by implementing rainwater harvesting and recharging groundwater.

We endeavor to **create a safe and enabling working environment for our employees**. We aim to increase the participation of women in our workforce and are committed to enhancing employee skills through increased training and development programs.

Furthermore, we **continue to increase our investments in a wide range of CSR efforts** that focus on empowering vulnerable and marginalized sections of the society.

As a responsible organization, we will endeavor to develop and adopt best practices in ESG, striving to become an exemplar in our sector."

Formation of ESG Committee



A five-member body established in March 2024 headed by the **Whole-time Director**

A **women-majority body** with representation from various staff functions

Agenda is to **institutionalise ESG Governance** drive formulation of **Sustainability/ESG Strategy** and **roadmap** and establish **policies and processes**

Bi-weekly meetings to review and monitor progress and launch sustainability initiatives






Key Outcomes/Highlights

- **S.R. Batliboi & Co. LLP** appointed as auditors since FY2020-21. Internal audit conducted by an **independent external** audit firm
- **Voluntarily adopted** multiple policies over and above regulatorily mandated policies
- **Regular trainings** and orientation on code of conduct and material Policies provided to the staff
- **No whistleblower and POSH complaints** received during the year
- 1-day **ESG orientation and training** conducted in Q4 FY2024 for 21 senior members representing multiple functions and departments of the organization

GOVERNANCE - A DIVERSE BOARD WITH STRONG INDEPENDENT DIRECTORS



HAPPY FORGINGS LIMITED

Director (Name, Age & Experience)	Areas of Expertise	Key Board Memberships & associations (Current & past)
 <p>74</p> <p>48</p> <p>Satish Sekhri (Ind. Director)</p>	<ul style="list-style-type: none"> Sales & marketing and Rich industrial sector experience 	<ul style="list-style-type: none"> Current: JK Files & Engineering Ltd. and Rico Auto Industries Past: Harita Fehrer
 <p>68</p> <p>38</p> <p>Ravindra Pisharody (Ind. Director)</p>	<ul style="list-style-type: none"> Sales & marketing Strategy development Diverse industry experience 	<ul style="list-style-type: none"> Current: Savita Oil Technologies Ltd., Muthoot Finance, Bonfiglioli Transmissions and Kinara Capital Past: Tata Motors Ltd. and Castrol India
 <p>53</p> <p>30</p> <p>Rajeswari Karthigeyan (Ind. Director)</p>	<ul style="list-style-type: none"> Credit Ratings & appraisal Financial and economic research 	<ul style="list-style-type: none"> Current: Craftsman Automation and Belstar Microfinance Past Role: Associate Director – CRISIL Ratings
 <p>62</p> <p>29</p> <p>Atul Behari Lall (Ind. Director)</p>	<ul style="list-style-type: none"> Business Strategy & Operations Electronics manufacturing services industry 	<ul style="list-style-type: none"> Current: Dixon Technologie (MD & Vice Chairman) and Max Estates Limited Past: Member of Technical Evaluation Committee for Electronic Manufacturing Services (DeitY)
 <p>45</p> <p>19</p> <p>Vikas Giya (Ind. Director)</p>	<ul style="list-style-type: none"> Finance & Accounting Project Financing, Corporate Restructuring & Insolvency 	<ul style="list-style-type: none"> Current: Viksun Consultants Private Ltd. and Partner at Anup Kumar Jain & Co.

Key Board Highlights

- Diverse Board** in terms of professional and industry experience, age and gender
- Majority** Independent Directors*
- 20% Female** Directors
- 2 committees** out of 6 headed by Independent Directors (Audit and NRC)
- ~96%** attendance of the Board members in Board meetings in FY 2024
- ~280+** years of collective experience of Board Members
- ~165** Years of collective experience of Independent Directors
- ~58** years average age of the Board Members

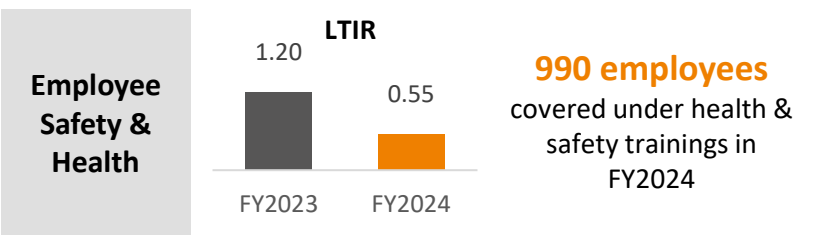
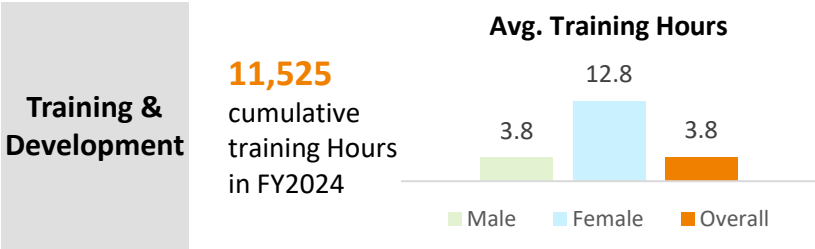
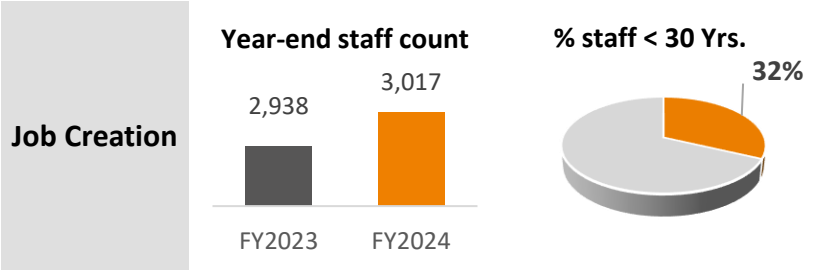
* w.e.f. close of business hours May 24, 2024

SOCIAL - KEY INITIATIVES & OUTCOMES



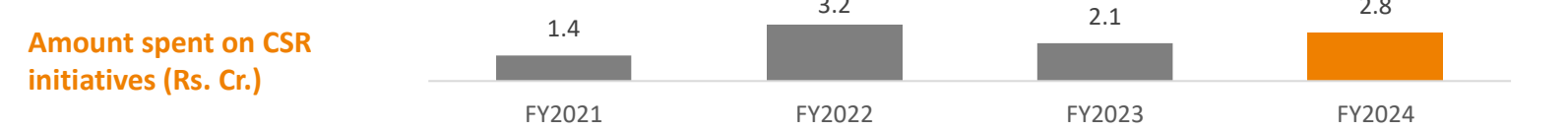
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Organizational Highlights



- Employee Engagement**
- Celebrated Quality Week, Safety Week & Environment Day and Women's Day
 - Game activities conducted: Chess, Carrom, Tug of War, Table Tennis etc.
 - Instituted "Best Trainer of the Month" Award

Multiple CSR initiatives



Area	Funding support in FY24 for	Beneficiaries / Outcomes
Healthcare	5 Dialysis Machines donated in Jan 2024	700 Dialysis (Jan to Mar 2024)
	X Ray machines donated to a Charitable Hospital	5,143 patients (concessional rates)
Education	Govt. Primary School adopted at Kanganwal, Ludhiana	1,658 students enrolled in 2023-24
	Noble Foundation - education of underprivileged kids	100 slum students
Children & Adolescents with Special Needs	Ludhiana Education Society – School for deaf children (education and vocational training)	85 students enrolled
	Vocational rehabilitation center for blind	103 visually impaired children
	Darpan NGO – Bags donated for specially-abled children	850 bags
Vocational Training	Bal Vikas Trust – Infrastructure development for Vocational Training college for underprivileged girls	5 courses planned which will benefit 1,000 girl students annually
Environment	Punjab Agricultural University	Construction of walkways, green cover enhancement & maintenance
	Maintenance of Public Park	
Animal Welfare	Dhyan Foundation & Krishan Balram Gaushala	Animal welfare
Senior Citizen Welfare	Senior Citizen council of Ludhiana	250 senior citizens benefitted
Defence Services	Border Security Force	20 shelters

ENVIRONMENT – OUR COMMITMENTS AND KEY INITIATIVES

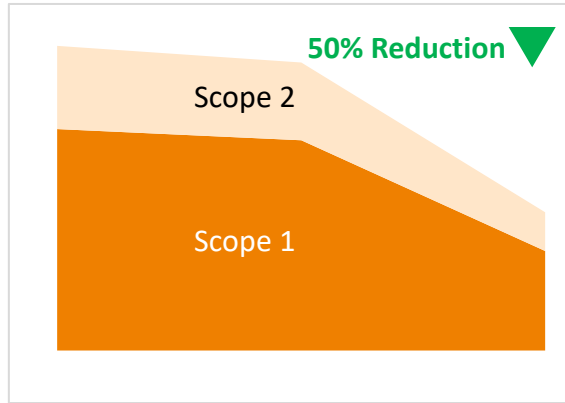


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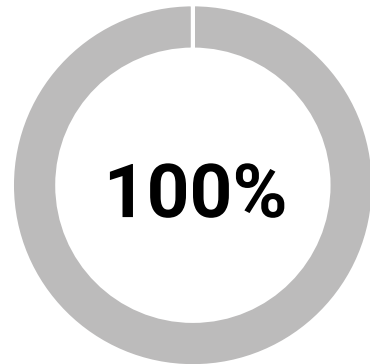
Our Commitments



50% Reduction in Scope 1 and Scope 2 carbon emissions by 2030



100% wastewater recycling by 2025



Environment Centric Initiatives



5MW capacity Solar power plants installed at our manufacturing facilities



1,600 kVAR Hybrid Automatic power factor control panel to improve the power factor for three manufacturing facilities, reducing energy wastage



Replaced halogen lights with LED lights, resulting in a reduction in electricity consumption from 1.5 kw to 1.2 kw per light



Redesigned heat treatment facility and **replaced conventional use of low sulfur fuel oil** with LPG Line



Replaced all oil-fired furnaces on forging lines with electric heating systems resulted in reduction in use of furnace oil

AWARDS, ACCREDITATIONS AND RECOGNITIONS



HAPPY FORGINGS LIMITED

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*

🌿 *Received the ISO 14001:2015 & ISO 45001:2018 accreditation for manufacture of forged and machined components and 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

🌿 *Received the IATF 16949:2016 accreditation for manufacture of forged and machined components and excluding product design Dugri Facility*

🌿 *"Excellence Award" by Escorts Kubota Limited.*

2021

🌿 *Received the ISO 45001: 2018 & ISO 14001: 2015 accreditation for manufacture of forged and machined components Kanganwal Facility I*

🌿 *Received 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*



COMPANY



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