



HAPPY FORGINGS LIMITED

August 07, 2024

To

|  |  |
|--|--|
| BSE Ltd,<br>Corporate Relationship Department,<br>Phiroze Jeebhoy Towers,<br>Dalal Street, Mumbai - 400 001<br><b>Scrip Code: 544057</b> | National Stock Exchange of India Ltd.<br>Listing Department,<br>Exchange Plaza, Bandra-Kurla Complex,<br>Bandra (East), Mumbai- 400 051<br><b>Symbol: HAPPYFORGE</b> |
|--|--|

**Sub : Submission of Report of Monitoring Agency for the Initial Public Offer**

Dear Sir/Ma'am,

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, we have attached herewith the Report of Monitoring Agency i.e. ICRA Limited for the quarter ended 30<sup>th</sup> June 2024.

Kindly take the same on record.

Thanking You,

**For Happy Forgings Limited**

**BINDU** Digitally signed  
by BINDU GARG  
Date:  
2024.08.07  
**GARG** 16:43:37 +05'30'

**(Bindu Garg)**  
**Company Secretary & Compliance Officer,**  
**M.N F6697**  
**Happy Forgings Limited**  
**B-XXIX-2254/1, Kanganwal Road,**  
**P O Jugiana, Ludhiana- 141120**

Regd Office :



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+91 161 251 0422



info@happyforgingsltd.com  
www.happyforgingsltd.com



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

India – 141120

**Date: July 24, 2024**

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 Q1 FY2025**

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 Q1 FY2025.

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 Q1 FY2025. 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: 2024.07.24  
10:52:08 +05'30'

Parul Goyal Narang  
Vice President & Head- Process Excellence  
[parul.goyal@icraindia.com](mailto:parul.goyal@icraindia.com)

## MONITORING AGENCY REPORT

**Name of the Issuer:** Happy Forgings Limited

**For quarter ended:** June 30, 2024

**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: 2024.07.24  
10:52:47 +05'30'

Parul Goyal Narang

Vice President & Head-Process Excellence

Analyst: Adrita Sadhukhan

QA: Dhvani Vinchhi

## 1. Issuer Details

**Name of the Issuer:** Happy Forgings Limited

**Name(s) of the promoters:**

| Promoters   |
|---|
| <i>Paritosh Kumar</i>                               |
| <i>Ashish Garg</i>                                  |
| <i>Megha Garg</i>                                   |
| <i>Paritosh Kumar Garg HUF</i>                      |
| <i>Ashish Garg &amp; sons HUF</i>                   |
| <i>Ayush Capital &amp; financial services P Ltd</i> |
| <i>Garg Family Trust</i>                            |

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): 1,008.593 Crore**

With OFS portion: 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?  | <b>Yes</b>            | -Peer Reviewed CA-Certificate<br>-Confirmation from management<br>-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? | <b>Not Applicable</b> | As confirmed by the Issuer's management   | No comments                                |   |
| Whether the means of finance for the disclosed objects of the issue has changed?  | <b>No</b>             | As confirmed by the Issuer's management   | No deviation observed.                     |   |
| Is there any major deviation observed over the earlier monitoring agency reports?   | <b>No</b>             | No deviation observed.  | No comments                                |   |
| Whether all Government/ statutory approvals related to the object(s) have been obtained?  | <b>Not Applicable</b> | As confirmed by the Issuer's management   | No comments                                |   |
| Whether all arrangements pertaining to technical assistance/ collaboration are in operation?                                      | <b>Not Applicable</b> | As confirmed by the Issuer's management   | No comments                                |   |
| Are there any favorable events improving the viability of these object(s)?  | <b>No</b>             | 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)?  | <b>No</b>             | 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?                          | <b>No</b>             | 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)<br>[Rs. Crore] | Revised cost<br>[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                       |   |                           |                                       |
| <b>Total</b> |   |   | <b>377.823</b>   |                             |                                   |   |                           |                                       |

## (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<br>-Bank statement of the proceeds account                                | 171.126  | 10.876                             | 1.377              | 12.253                    | 158.873                             | No comments                       |   |                           |
| 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                       |   |                           |
| <b>Total</b> |   |   | <b>377.823</b>                                       | <b>217.573</b>                     | <b>1.377</b>       | <b>218.950</b>            | <b>158.873</b>                      |                                   |   |                           |

**(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 as at the end of quarter [Rs. Crore] |
|--------------|--|-----------------------------|--------------------------------|---------------------|--------------------------|---|
| 1            | Fixed Deposit with AU Bank   | <b>103.250</b>              | 27 <sup>th</sup> December 2024 | 2.080               | 8.10%                    | 105.330   |
| 2            | Fixed Deposit with Yes Bank  | <b>50.000</b>               | 26 <sup>th</sup> June 2025     | 0.969               | 7.75%                    | 50.969  |
| 3            | Fixed Deposit with Yes Bank  | <b>2.705</b>                | 27 <sup>th</sup> June 2025     | 0.051               | 7.50%                    | 2.756   |
| 4            | Fixed Deposit with Yes Bank  | <b>2.700</b>                | 19 <sup>th</sup> June 2025     | 0.051               | 7.50%                    | 2.751   |
| 5            | Balance in AU Bank monitoring A/c as on 30 <sup>th</sup> June 2024 | <b>0.219</b>                | -                              | -                   | -                        | 0.219   |
| <b>Total</b> |  | <b>158.874</b>              |                                | <b>3.151</b>        |                          | <b>162.025</b>                                    |

Source: As certified by Gupta Sharma & Associates



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

| Object(s)  | Completion date           |                     | Delay<br>[Number of days or months] | Comments of the Issuer's Board of Directors |                           |
|--|---------------------------|---------------------|-------------------------------------|---|---------------------------|
|  | As per the offer document | Actual <sup>^</sup> |                                     | Reason for delay                            | Proposed course of action |
| <i>Purchase of equipment, plant and machinery</i>  | <b>FY24 - FY25</b>        | <b>On Schedule</b>  | N.A.                                | <i>No Comments</i>                          | <i>No Comments</i>        |
| <i>Prepayment of all or a portion of certain outstanding borrowings availed by Company</i> | <b>FY24</b>               | <b>On Schedule</b>  | N.A.                                | <i>No Comments</i>                          | <i>No Comments</i>        |
| <i>General Corporate Purpose</i>   | <b>FY24</b>               | <b>On Schedule</b>  | N.A.                                | <i>No Comments</i>                          | <i>No Comments</i>        |

Source: As confirmed by the Issuer's management

<sup>^</sup>Refers to the latest estimate of the completion date

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

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

\* The said Utilization was made in Q3FY24 & Q4FY24