



February 09, 2024

To

<b>BSE Limited</b> 1st Floor, New Trading Ring, Rotunda Building, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001  <b>Scrip Code: 544057</b>	<b>National Stock Exchange of India Ltd</b> Exchange Plaza, 5th Floor, Plot No. C/1, G block, Bandra-Kurla Complex, Bandra (E), Mumbai 400051.  <b>Symbol: HAPPYFORGE</b>
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**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 a Report of Monitoring Agency i.e. ICRA Limited for the quarter ended December 31, 2023.

Kindly take the same on record.

Thanking You,

**FOR HAPPY FORGINGS LIMITED**

**BINDU GARG**  
**COMPANY SECRETARY &**  
**COMPLIANCE OFFICER**  
**M.NO.- F6997**

Regd Office :



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www.happyforgingsltd.com



BXXIX-2254/1, Kanganwal Road,  
P. O. Jugiana, Ludhiana, Punjab,  
CIN U28910PB1979PLC004008

India – 141120

**Date: February 07, 2024**

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

Dear Madam,

**Re: Final Monitoring Agency report of Happy Forgings Limited for Q3 FY2024**

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 Q3 FY2024.

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 Q3 FY2024. 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** Digitally signed  
**GOYAL** by PARUL  
**NARANG** GOYAL NARANG  
Date: 2024.02.07  
12:41:18 +05'30'

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

## MONITORING AGENCY REPORT

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

**For quarter ended:** December 31, 2023

**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: 2024.02.07  
12:47:26 +05'30'

Parul Goyal Narang  
Vice President & Head-Process Excellence

Analyst: Adrita Sadhukhan/Dhwani Vinchhi

QA: Parul Narang

## 1. Issuer Details

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

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

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

Source: Bse.com

**Industry/ sector to which it belongs:** Castings & Forgings

## 2. Issue Details

**Issue Period:** Opening date- December 19, 2023

Closing date- December 21, 2023

**Type of Issue:** Initial Public Offer

**Type of specified securities:** Equity shares

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

**Issue Size (Rs. Crore): 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)

*Note: Actual amount transferred to Proceeds account stood at INR 377.937 Crore, which includes INR 0.114 Crore pertaining to issue related expenses, which the company intends to take reimbursement from the proceeds account in Q4FY24.*

**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 -Confirmation from management -Bank statement of the proceeds account	No deviation observed.	No Comments
Whether shareholder approval has been obtained in case of material deviations <sup>#</sup> from expenditures disclosed in the Offer Document?	<b>Not Applicable</b>	As confirmed by the Issuer's management	No comments	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.	No comments
Is there any major deviation observed over the earlier monitoring agency reports?	<b>Not Applicable</b>	No deviation observed.	No comments	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	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	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	No comments
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	No comments
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	No comments

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

S.N.	Item Head	Source of information, certifications considered by the Monitoring Agency for the preparation of report	Original cost (as per the offer document) [Rs. Crore]	Revised cost [Rs. Crore]	Comments of the Monitoring Agency	Comments of the Issuer's Board of Directors		
						Reason for cost revision	Proposed financing option	Particulars of firm arrangements made
1	Purchase of equipment, plant and machinery	Prospectus	171.126*	Not Applicable	No comments	N.A.	N.A.	N.A.
2	Prepayment of all or a portion of certain outstanding borrowings availed by our Company	Prospectus	152.760	Not Applicable	No comments	N.A.	N.A.	N.A.
3	General Corporate Purpose	Prospectus	53.937	Not Applicable	No comments	N.A.	N.A.	N.A.
<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 -Bank statement of the proceeds account	171.126	-	-	-	171.126	No comments	No comments	No comments
2	Prepayment of all or a portion of certain outstanding borrowings availed by our Company	Same as above	152.760	-	152.760	152.760	-	No comments	No comments	No comments
3	General Corporate Purpose	Same as above	53.937	-	6.219	6.219	47.718	No comments	No comments	No comments
<b>Total</b>			<b>377.823</b>	<b>-</b>	<b>158.979</b>	<b>158.979</b>	<b>218.844</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]
<b>1</b>	<i>Fixed Deposit with AU Bank</i>	<b>103.250</b>	<i>27th December 2024</i>	<i>0.110</i>	<b>8.10%</b>	<i>103.360</i>
<b>2</b>	<i>Fixed Deposit with Yes Bank</i>	<b>15.000</b>	<i>27th March 2024</i>	<i>0.010</i>	<b>7.45%</b>	<i>15.010</i>
<b>3</b>	<i>Fixed Deposit with Yes Bank</i>	<b>50.000</b>	<i>25<sup>th</sup> June 2024</i>	<i>0.050</i>	<b>7.75%</b>	<i>50.050</i>
<b>4</b>	<i>Fixed Deposit with AU Bank</i>	<b>15.000</b>	<i>12<sup>th</sup> January 2024</i>	<i>0.010</i>	<b>6.20%</b>	<i>15.010</i>
<b>5</b>	<i>Fixed Deposit with AU Bank</i>	<b>15.000</b>	<i>28<sup>th</sup> January 2024</i>	<i>0.010</i>	<b>6.50%</b>	<i>15.010</i>
<b>6</b>	<i>Fixed Deposit with AU Bank</i>	<b>15.000</b>	<i>11<sup>th</sup> February 2024</i>	<i>0.010</i>	<b>6.50%</b>	<i>15.010</i>
<b>7</b>	<i>Balance in AU Bank monitoring A/c</i>	<b>3.028*</b>	-	-	-	<i>3.028*</i>
<b>8</b>	<i>Balance in YES Bank Cash Credit A/c</i>	<b>2.680</b>	-	-	-	<i>2.680</i>
	<b>Total</b>	<b>218.958</b>		<b>0.200</b>		<b>219.158</b>

**Source:** As certified by Gupta Sharma & Associates

**Note:** \*Additional INR 0.114 pertains to unutilized issue related expenses, for which the company intends to take reimbursement from the proceeds account in Q4FY24



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

Object(s)	Completion date		Delay [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
Purchase of equipment, plant and machinery	FY24 - FY25	On Schedule	N.A.	No Comments	No Comments
Prepayment of all or a portion of certain outstanding borrowings availed by our Company	FY24	On Schedule	N.A.	No Comments	No Comments
General Corporate Purpose	FY24	On Schedule	N.A.	No Comments	No Comments

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 [Rs. Crore]	Source of information, certifications considered by the Monitoring Agency for the preparation of report	Comments of the Monitoring Agency	Comments of the Issuer's Board of Directors
1	PSPCL (Electricity Bill)	4.205	- Bank statement of the proceeds account - Peer Reviewed CA-Certificate	No Comments	No Comments
2	Raw Material	2.014	- Bank statement of the proceeds account - Peer Reviewed CA-Certificate	No Comments	No Comments
<b>Total</b>		<b>6.219</b>			