

September 30, 2025

Happy Forgings Limited: Change in limits

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating Outstanding
Long-term/ Short -term – Fund based	260.00	210.00	[ICRA]AA(Stable)/ [ICRA] A1+
Short Term – Fund Based – Bill Discounting	-	150.00	[ICRA] A1+
Long-term/ Short-term – Unallocated Limits	225.00	125.00	[ICRA]AA(Stable)/ [ICRA] A1+
Total	485.00	485.00	

*Instrument details are provided in Annexure I

Rationale

This rationale is being released to convey the change in the rated limits as depicted in the table above, based on the latest information received from Happy Forgings Limited.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, the liquidity position and rating sensitivities, and key financial indicators: [Click here](#)

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Auto Components
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of HFL. As on March 31, 2025, the company had one subsidiary, which was incorporated on March 16, 2024 (which is enlisted in Annexure-II).

About the company

Incorporated in 1979, HFL manufactures forged and machined transmission, along with engine components that are supplied mainly to the automotive sector. Its product range includes automotive crankshafts, steering knuckles, transmission gears, pinions, shafts, and forged/machined components for the Indian Railways. It has a total forging capacity of 1,20,000 MT (hammer and press forging combined) and a machining capacity of 51,000 MT. The company supplies to leading OEMs in India directly and also through tier-1 component suppliers.

HFL was incorporated in 1979 by Mr. Paritosh Kumar Garg as a private limited company and was converted into a public limited company in 1988. The company has about four decades of experience in catering to the automotive, tractor, railway, earth moving and pipe fitting industries. Its day-to-day operations are overseen by Mr. Ashish Garg (Managing Director, son of Mr. Paritosh K. Garg), who has been instrumental in enhancing HFL's share of business with various OEMs. MOPE Investment Advisors Private Limited, a private equity player, invested Rs. 200.0 crore as equity in HFL in FY2019 (shares held under Vistra

ITCL (India) Limited), acquiring a stake of 11.76% in the process. The company subsequently came out with an IPO in December 2023.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Amount rated (Rs. crore)	Current rating (FY2026)		Chronology of rating history for the past 3 years						
			Sep 30, 2025	FY2026	FY2025		FY2024		FY2023		
			Date	Rating	Date	Rating	Date	Rating	Date	Rating	
1 Term loans	Long term	-	-	-	-	-	-	-	Dec 21, 2022	[ICRA]AA-(Stable)	
			-	-	-	-	-	-	May 20, 2022	[ICRA]A+(Positive)	
2 Long-term/ Short-term – Fund based	Long term and short term	210.00	[ICRA]AA (Stable)/ [ICRA]A1+	July 21, 2025	[ICRA]AA (Stable)/ [ICRA]A1+	July 18, 2024	[ICRA]AA (Stable)/ [ICRA]A1+	Feb 15, 2024	[ICRA]AA (Stable)/ [ICRA]A1+	Dec 21, 2022	[ICRA]AA-(Stable)/ [ICRA]A1+
3 Fund Based Limits	Long-term	-	-	-	-	-	-	-	-	May 20, 2022	[ICRA]A+(Positive)
4 Unallocated Limits	Long-term and short-term	125.00	[ICRA]AA (Stable)/ [ICRA]A1+	July 21, 2025	[ICRA]AA (Stable)/ [ICRA]A1+	July 18, 2024	[ICRA]AA (Stable)/ [ICRA]A1+	-	-	May 20, 2022	[ICRA]A+(Positive)/ [ICRA] A1
5 Short Term – Fund Based – Bill Discounting	Short term	150.00	[ICRA]A1+	-	-	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term/ Short -term – Fund-based	Simple
Short Term – Fund Based – Bill Discounting	Simple
Long-term/ Short -term – Unallocated Limits	Not applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Fund Based Limits	NA	NA	NA	210.00	[ICRA]AA (Stable)/ [ICRA]A1+
NA	Bill Discounting	NA	NA	NA	150.00	[ICRA]A1+
NA	Unallocated Limits	NA	NA	NA	125.00	[ICRA]AA (Stable)/ [ICRA]A1+

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company Name	HFL Ownership	Consolidation Approach
Happy Forgings Limited	100.00% (rated entity)	Full Consolidation
HFL Technologies Private Limited	100.00%	Full Consolidation

Source: HFL annual report FY2025

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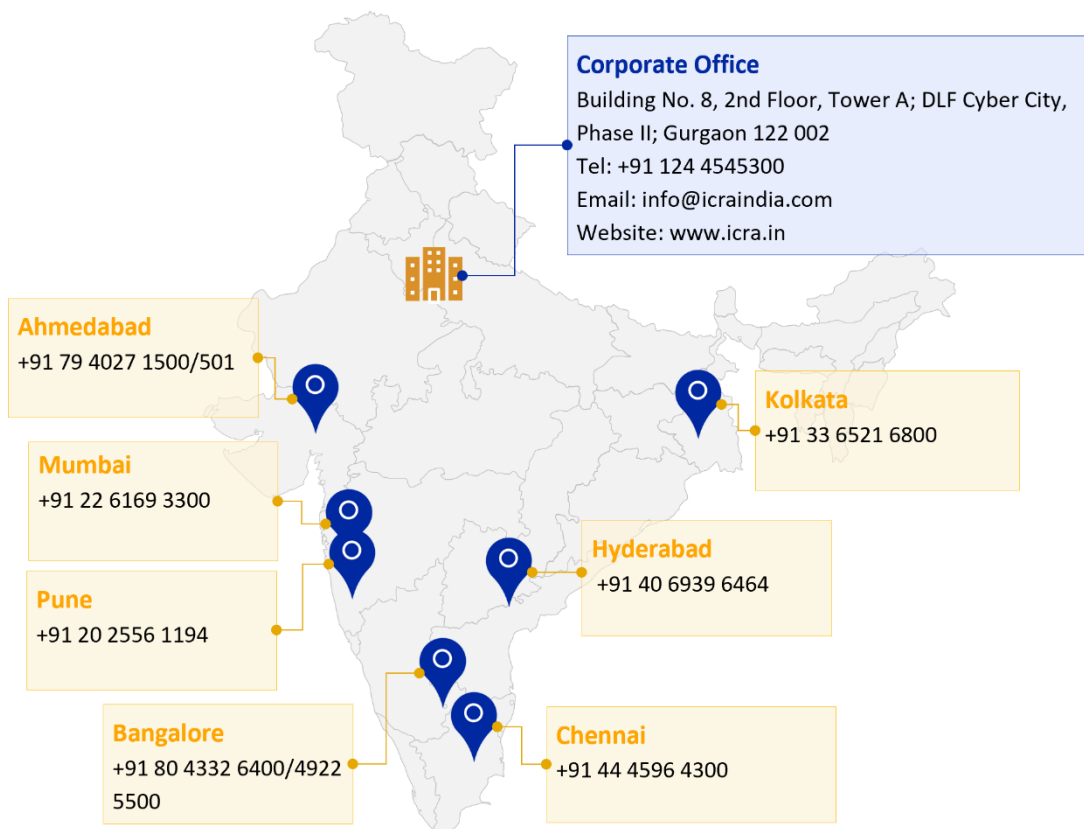


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