



25th ANNUAL REPORT

HERO MOTORS LIMITED
CIN: U29299PB1998PLC039602
FINANCIAL YEAR: 2023-24

HERO MOTORS LIMITED

Corporate Identification Number (CIN): U29299PB1998PLC039602

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HERO MOTORS LIMITED

Board's Report

To the Members,

The Board of Directors of your Company has the pleasure in presenting the 25th Annual Report of the Company on the business and operations together with the Audited Financial Statements for the year ended on March 31, 2024.

1. FINANCIAL RESULTS: -

The Financial Results of your Company for the year under review are summarized as under:

(Rs. in lakhs)

Particulars	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
Income from operations	89,119.88	105,527.52	1,06,438.56	1,05,462.27
Other income	2,056.16	1,403.84	1903.27	1536.97
Profit / (Loss) before Finance costs and Depreciation	6,742.13	10,308.11	1,08,341.86	1,06,999.24
Finance costs	2,566.62	2,560.11	2,994.12	2,693.16
Depreciation and amortization expense	1,489.40	1,724.67	2,855.14	1,828.46
Profit / (Loss) before tax	2,416.11	6,023.33	2,431.41	5,376.05
Provision for current taxes	(64.16)	1,731.22	124.68	1,737.13
Deferred Tax (Credit) / Charge	583.28	(570.14)	603.10	(574.37)
Profit / (loss) after tax	1,896.99	4,862.25	1,703.63	4,050.81
Other Comprehensive Income / (Loss)	70.23	(481.75)	(935.42)	(758.82)

2. DIVIDEND

Pursuant to the approval of the Board of Directors on July 13, 2023, your Company paid an interim dividend at the rate of Rs 0.25 per equity share, to equity and preference shareholders whose names were appearing in the register of members as on July 13, 2023, being the record date fixed for this purpose, after deduction of applicable taxes.

The Board at its meetings held on July 13, 2023 had declared an interim dividend on Compulsorily Convertible Preference Shares at a non-cumulative dividend rate of 0.0001% per annum in priority to dividend on the equity shares.

A cumulative amount of Rs. 1,89,29,285/- was transferred to unpaid dividend account after expiry of 30 (days) from the date of declaration of dividend. As on March 31, 2024, an amount of Rs. 67,526/- remains in the unpaid dividend account.



However, as on the date of this Board's Report, the entire unpaid amount has been transferred to the respective shareholders. Thus, there is no amount lying in the unpaid dividend account which is liable to be transferred to Investor Education and Protection Fund.

Furthermore, the Board of Directors are pleased to recommend declaration of a final dividend at its meeting held on July 16, 2024 at the rate of Rs 0.25 per share on share capital for the year ended on March 31, 2024 to be paid out of the profits of the Company and the said dividend will be paid subject to the approval of the shareholders in the ensuing Annual General Meeting, after deduction of applicable taxes. The said dividend, if approved will be paid to shareholders whose names appeared in the Register of Members (including Beneficial Owners) of the Company as on July 16, 2024 being the record date fixed for this purpose.

3. RESERVES

The Board of Directors of your Company has not proposed to transfer any amount to the Reserves for the year under review.

4. STATE OF COMPANY'S AFFAIRS

The Company is engaged in designing, developing, manufacturing and supplying highly engineered powertrain solutions catering to automotive original equipment manufacturers ("OEMs") in Europe, India, United States, and the Association of Southeast Asian Nations ("ASEAN") region. The Company is a fully integrated powertrain systems provider offering comprehensive solutions for designing, prototyping, validating, developing, and delivering system-level powertrain solutions for both electric as well as non-electric powertrains. The products of Company find application in two-wheelers, performance automotive, e-bikes, off-road vehicles, electric and hybrid cars, heavy duty vehicles, and electric vertical take-off and landing ("eVTOL") categories. Hero Motors Limited is a technology and innovation driven company and have made significant investments into in-house design and engineering capabilities as well as forging technology partnerships with global players to enhance our expertise and product offerings.

During the period under review, on a **consolidated** basis, the company achieved revenue of Rs. 1,05,462.27 lakhs for the FY 2023-24 as compared to Rs. 1,06,438.56 lakhs in FY 2022-23. The profit before tax (PBT) from continuing operations stood at Rs. 2,431.41 lakhs as against Rs. 5,376.05 lakhs. Similarly, the profit after tax (PAT) was recorded at Rs. 1,703.63 as against Rs. 4,050.81 lakhs in the last year.

On a **standalone** basis, the company achieved revenue of Rs. 89,119.88 lakhs for the FY 2023-24 as compared to Rs. 105,527.52 lakhs in FY 2022-23. The profit before tax (PBT) from continuing operations stood at Rs. 2,416.11 lakhs as against Rs. 6,023.33 lakhs. Similarly, the profit after tax (PAT) was recorded at Rs. 1,896.99 as against Rs. 4,862.25 lakhs in the last year.

5. CHANGE IN THE NATURE OF BUSINESS

There has been no change in the nature of business carried on by your Company or its subsidiaries during the year under review.



6. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY DURING THE END OF RELEVANT FINANCIAL YEAR UP TO THE DATE OF REPORT

There have been no material changes and commitments, which affect the financial position of the Company which have occurred between the end of the financial year 2023-24 and the date of this Report.

7. SHARE CAPITAL

During the year under review, there has been no change in the share capital of the Company. However, after April 01, 2024 the following changes have occurred in the share capital:

Authorized Share Capital

The authorized share capital of the Company has increased from Rs. 479,50,00,000/- (Rupees Four Hundred Seventy Nine Crores and Fifty Lakhs Only) divided into 38,00,00,000 (Thirty Eight Crores Only) equity shares of Rs. 10/- (Rupees Ten) each and 9,95,00,000 (Nine Crores and Ninety Five Lakhs Only) preference shares of Rs.10/- (Rupees Ten) each to Rs. 6,79,50,00,000/- (Rupees Six Hundred Seventy Nine Crores and Fifty Lakhs Only) divided into 58,00,00,000 (Fifty Eight Crores) equity shares of Rs. 10/- (Rupees Ten) each and 9,95,00,000 (Nine Crores and Ninety Five Lakhs) preference shares of Rs.10/- (Rupees Ten) each by the creation of additional capital of Rs. 2,00,00,00,000 (Rupees Two Hundred Crores Only).

Paid up share capital

By way of exercise of 2,000,000 stock options by Mr. Amit Gupta, Managing Director & CEO of the Company and allotment of equity shares in relation thereof, the paid up share capital has increased to Rs. 3,765,503,210 divided into 355,578,380 equity shares of Rs. 10/- each and 20,971,941 preference shares of Rs. 10/- each.

8. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/ COURTS/ TRIBUNALS

There is no other significant material orders passed by any Regulator/Court/Tribunal against the Company which would impact the going concern status of the Company and its future operations.

9. DEBENTURES

The Hon'ble National Company Law Tribunal, Chandigarh Bench through its order dated November 04, 2022 ("NCLT Order") sanctioned a Scheme of Arrangement for demerger ("Scheme"), between HCL and the Company whereby HCL's auto business has been transferred to the Company. The order was subsequently filed with the Registrar of Companies on November 30, 2022 ("Effective Date"). The Scheme further requires the cancellation of these NCD's raised by HCL for the auto business and the same be transferred to the Company on the same terms and conditions.

Through the Scheme, 500 (Five Hundred) NCD's each having a face value of Rs. 10,00,000/- (Rupees Ten Lakhs Only) at par, upto an aggregate subscription amount of Rs. 50,00,00,000/- (Rupees Fifty Crores Only) held with the debenture holder, HDFC Bank, with Beacon Trusteeship Limited as the



trustee, appearing in the books of HCL, have been automatically transferred to the Company from the Effective Date of the Scheme.

Out of the Rs. 50,00,00,000/- (Rupees Fifty Crores Only) NCD's, outstanding NCD's of Rs. 33.33 crores have been repaid to HDFC Bank. The outstanding NCD's as on date is Rs. 16.67 crores (Rupees Sixteen Crores and Sixty Seven Lakhs Only). Based on mutual arrangement, the Parties agreed to transfer the outstanding amount of Rs. 16.67 crores (Rupees Sixteen Crores and Sixty Seven Lakhs Only) by the Company to HCL before the due date for onward repayment to Bank. This amount is being held by HCL as a fixed deposit and shall be paid to HDFC Bank as per the repayment schedule in November, 2024.

10. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has in place adequate internal financial controls commensurate with nature and size of the business activity and with reference to the financial statements. The controls comprise of policies and procedures for ensuring orderly and efficient conduct of the Company's business, including adherence to its policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

The internal financial control system is supplemented by Internal audits. An external audit firm has been appointed for carrying on the Internal Audits. The Audit Committee of the Board of Directors reviews the reports of the auditors at its periodical meetings.

The Risk Management Committee oversees the Risk Management framework on a periodic basis. Risk Control and mitigation mechanisms are tested for their effectiveness on regular intervals. The Company is in the process of formulating and implementing a Risk Management Policy for identification, assessment, measurement and reporting of business risks faced by the Company.

11. EXTRACT OF ANNUAL RETURN

Pursuant to section 134(3)(a) and section 92(3) of the Act and Rule 12(1) of The Companies (Management and Administration) Rules, 2014, the draft annual return as on March 31, 2024 is made available on the website of your Company at www.heromotors.com.

12. DETAILS OF SUBSIDIARY(IES), JOINT VENTURES & ASSOCIATE COMPANIES

As on March 31, 2024, the Company has the following joint venture and subsidiaries. During the year, the Board of Directors reviewed the affairs of its joint venture and subsidiary. The Consolidated Financial Statements of your Company for the financial year 2023-24 are prepared in compliance with the applicable provisions of the Act, The Companies (Indian Accounting Standards) Rules, 2015, which shall be placed before the members in their ensuing Annual General Meeting ("AGM").

Subsidiaries:

(i) HYM Drive Systems Private Limited ("HYM Drive")

HYM Drive reported a net loss of Rs. 314.20 lakhs and total revenue from operations of Rs. 90.25 lakhs.



(ii) **Hero Motors Thai Ltd. ("HMT")**

HMT reported a net loss of 10,743,596.79 THB and total revenue from operations of 72,801,332.05 THB.

(iii) **Hewland Engineering Ltd. ("HEL")**

HEL reported a net profit of 861,729 GBP and total revenue from operations of 13,508,449 GBP.

(iv) **Hero EDU Systems Private Limited ("EDU")**

EDU reported a net loss of Rs. 5.77 lakhs and NIL revenue from operations.

(v) **Spur Technologies Private Limited ("STPL")**

The Company acquired 100% stake in STPL from Hero Cycles Limited. Accordingly, STPL became the wholly owned subsidiary of the Company with effect from November 29, 2023. STPL reported a net loss of Rs. 536.42 lakhs and total revenue from operations of Rs. 1291.59 lakhs.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's joint venture and subsidiary in Form AOC-1 is annexed herewith as **Annexure-A**.

13. DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review within the purview of Section 73 of the Act read with The Companies (Acceptance of Deposits) Rules, 2014. There are unpaid deposits lying with the Company as March 31, 2024 for an amount of Rs. 2.14 lakhs.

14. AUDITORS:

Statutory Auditors and Audit Report

M/s Deloitte Haskins and Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018), were appointed as Statutory Auditors of the Company at the Annual General Meeting ("AGM") held on September 30, 2023, for a term of 5 (five) consecutive years. Accordingly, M/s Deloitte Haskins and Sells LLP, Chartered Accountants, will hold office till the conclusion of the AGM to be held in the year 2028.

The auditors have not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed and no clarifications or comments of Board are required on auditor's report.

The auditor's report submitted by M/s Deloitte Haskins and Sells LLP, Chartered Accountants, on the financial statements of the Company for the year ended March 31, 2024 forms part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their report.



Secretarial Auditor

Pursuant to the provisions of section 204 of the Act, the Board has appointed M/s. Neelam Gupta & Associates, Company Secretaries (CP No. 6950) as the Secretarial Auditor. The secretarial audit report submitted by the Secretarial Auditor for the financial year 2023-24 is annexed as **Annexure-B** and forms an integral part of this report.

There has been no qualification, reservation or adverse remark or disclaimer in their report. During the year under review, the Secretarial Auditor had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Act.

Cost Auditor

The Board of Directors at its meeting held on September 20, 2023 has approved the appointment of M/s Ramanath Iyer & Co., Cost Accountants (Registration No. 000019) as the Cost Auditors of the Company to conduct audit of cost records made and maintained at its Ghaziabad Plant for financial year 2023-24, subject to ratification of the remuneration by the shareholders in General Meeting.

15. DISCLOSURE ON REQUIREMENT AND MAINTAINENCE OF COST RECORDS

Pursuant to the provisions of section 148 of the Act, read with The Companies (Audit and Auditors) Rules, 2014 made thereunder and as amended from time to time, your Company is required to maintain cost records and accordingly such accounts and records are made and maintained by the Company.

16. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

One of the several commitments that continued to remain in force throughout the financial year was developing business along with improvement in environmental performance to maintain a reliable and sustainable future. During the course of the year, the manufacturing units of the Company have continued their efforts to reduce energy consumption in all areas of its operations. These manufacturing units are constantly encouraged to improve operational activities and maximizing production volumes and minimizing consumption of natural resources. Systems and processes have been put in place for utilization of alternate sources of energy and monitoring of energy consumption for all the units. Disclosure of information regarding Conservation of Energy, Research & Development and Technology Absorption under Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014, is given below:

Ghaziabad Plant:**A. Energy Conservations:**

- The Company makes continuous efforts to conserve energy and is also monitored time to time. Optimal utilization of various energy resources like power, fuel and oil is ensured and steps are taken to improve power factor and other consumption.
- Overall usage of Electricity consumption in Air Compressor Room by Auto Switch off Exhaust fans by installing Ambient temperature Controller of Utility room and installing duct to Exhaust hot air from Air compressor (total kwh unit saving = 41,816/Annum)



- Energy consumption optimization through installing VFD on Weld shop Exhaust blower motors (Total kwh unit Saving = 52,609/Annum)
- Optimization fuel consumption in DG set running and Power failure by Laying 33 kV Direct feeder cable from UPPCL Dadri Substation to Ghaziabad Plant (total Expected HSD Fuel saving = 2 Lacs Liters/Annum)
- Solar power generation at Mishrikh Sitapur of 4.2MWp to receive 65 Lacks KWh per year from Amp Urja Pvt Limited

B. Technology Absorption:

- Installed new technology powder coating paint gun with Auto reciprocator of Gema, Germany, which will improve painting quality and powder recovery
- Dry Hobbing; Cutting speed increased from 118m/min to 178 m/min as per dry cutting process. Cycle time decreased from 150 Sec. to 110 Sec.
- CMT Welding in Alloy Fabricated Parts:
 - Application: Low weight alloy frames, rear structures, and other tubular assemblies.
 - Benefits: Enhanced welding quality, reduced thermal distortion, and improved mechanical properties.
- Link Assembly for Mono Shock Absorber: We have also developed new products for the 2-wheeler premium commuter segment of 160cc-400cc, including the link assembly for mono shock. This innovation is being rapidly adopted by domestic OEMs, providing better vehicle stability and improved cornering at high speeds.
 - Market: 2-wheeler premium commuter segment of 160cc-400cc.
 - Advantages: The link assembly for mono shock provides better vehicle stability and improved cornering at high speeds. This innovation is being rapidly adopted by domestic OEMs, enhancing the overall riding experience for consumers.
- Tube Swaging for Ferrous & Non-Ferrous Tubular Handlebars
 - Market: 2-wheeler market (domestic & export).
 - Advantages over Hydroforming: Cost optimization, increased product performance in terms of quality and aesthetics.
- Developed CityV2 hub with integrated adaptor, threaded freewheel & revised Carrier input for increasing the key product specifications like, part simplification, increased Gear Ratio & Gross Vehicle Weight
- Developed Modular hubs for offering wider spoke flanges & a wider belt/chain line; Addressing More Untapped Customer

Mangli Plant:

A. Energy Conservations:

- Use of Solar Renewable source of energy 146582 Units in FY 2023-24
- Air Leakage Rectification and arresting results in Power saving of 45210 Units in FY 2023-24

B. Technology Absorption:



- Reduction of 75% current in Bright Ni during Down Time
- Nickel Solution Dilution = 3 Times/Year

Hewland Plant:

A) Conservation of energy-

Hewland is deploying a range of actions across the business to reduce its energy consumption and be more efficient with its energy usage.

- (i) the steps taken or impact on conservation of energy –
 - Replacement of lighting with LEDs: all lights in Hewland headquarters have been replaced by LEDs resulting into a 50% energy saving on lighting. The focus is now on exterior lighting and replacing it with LEDs to increase energy saving further.
 - 67% of air leakages that were detected have been repaired, inducing up to £1,500 and 21tCO₂e saving per year.
 - The monitoring of manufacturing equipment energy usage is being deployed throughout the factory, bringing a potential of up to 25% energy saving per year. This figure was evaluated during a pilot phase conducted on a limited number of equipment in Q4 2023.
- (ii) the steps taken by the Company for utilizing alternate sources of energy;
 - The Company is investing in solar power that will produce 12% of its yearly electricity usage.
- (iii) the capital investment on energy conservation equipment's;
 - The facility is in the process of investing in solar panels project.

B) Technology absorption-

- (i) the efforts made towards technology absorption- the company has contributed significantly to development of:
 - New variants of Transmission systems for performance automotive, marine & off-road vehicles
 - Design solutions for electrification in commercial and aerospace segments
 - (ii) the benefits derived like product improvement, cost reduction, product development or import substitution; in case of imported technology (imported during the last three years reckoned from the beginning of the financial year):
 - Improved transmission products used in motorsport market segment
 - Mass market transmission designs cater to OEMs, focusing on cost-effective, innovative technology for mid-niche volume applications.
 - Developed customized transmission for E-VTOL applications
 - (iii) the expenditure incurred on Research and Development.
 - The Company spent £4.0M on Research and Development projects
- Invested in test and validation capabilities including 3E test rig and tilt tables for testing suitable to a wide range of applications

17. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, the Foreign Exchange earnings and outgo are as follows:



- i) Foreign Exchange earnings: Rs. 2,771.53 lakhs
- ii) Foreign Exchange outgo: Rs. 364.79 lakhs

18. DIRECTORS & KEY MANAGERIAL PERSONNEL

As on March 31, 2024, the Board of Directors comprises of 7 (seven) Directors including 2 (two) Executive Directors, 1 (one) Nominee Director, 2 (two), Non-Executive, Non-Independent Directors, 2 (two) Non-Executive, Independent Directors. The composition of the Board is in conformity with Section 149 of the Act read with Rule 4 of The Companies (Appointment and Qualifications of Directors) Rules, 2014. As on date of this report, the Board comprises of 8 (eight) Directors.

Appointment

Mr. Ritesh Kumar Agrawal was appointed as Chief Financial Officer of the Company with effect from March 04, 2024.

Mr. Kulbir Singh was appointed as an Additional (Independent Director) of the Company with effect from February 01, 2023 subject to the approval of the shareholders. His appointment was approved by the shareholders as an Independent Director of the Company for a term of 5 (five) consecutive years commencing from February 01, 2023.

Mr. Andrew Charles Palmer was appointed as an Additional (Independent Director) of the Company with effect from July 16, 2024 subject to the approval of the shareholders. A resolution, proposing appointment of Mr. Palmer as an Independent Director of the Company for a term of 5 (five) consecutive years commencing from July 16, 2024, forms part of the Notice of the 25th AGM of the Company.

Retirement by rotation

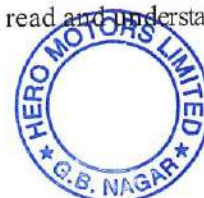
In terms of Section 152 of the Act, Mr. Pankaj Munjal (DIN: 00005330) liable to retire by rotation at the ensuing AGM and being eligible, offered himself for re-appointment. The Board recommends his re-appointment.

Independent Directors' Declarations

The Independent directors have given a declaration that they meet the criteria of independence as prescribed under section 149(6) of the Act. Further, pursuant to Sub-rule (3) of Rule 6 of The Companies (Appointment & Qualifications of Directors) Rules, 2014, the Independent Directors have successfully registered their names in the Data Bank of Independent Directors. The Independent Directors have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact the ability to discharge their duties with an objective independent judgment and without any external influence and that they are independent of the management.

Integrity, expertise and experience (including the proficiency) of the independent directors

As on March 31, 2024, the Company has 2 (two) Independent Directors namely Ms. Pratibha Goyal and Mr. Kulbir Singh. After the end of the Financial Year, Mr. Andrew Charles Palmer was appointed as an Additional Independent Director. All the independent directors are able to read and understand



the financial statements and have successfully registered themselves with the Data Bank of Independent Directors as maintained by The Indian Institute of Corporate Affairs. In the opinion of the Board, all are proficient enough and understand business, finance, commercial and corporate governance matters of the Company. Pursuant to the proviso to Rule 6(4) of The Companies (Appointment and Qualifications of Directors) Rules, 2014, none of the independent director is required to pass online proficiency self-assessment test.

Board Evaluation:

In compliance with the Act, the Board has carried out an evaluation of its own performance, its committees and performance of individual Directors during the year under review on July 16, 2024. The aspects covered in the evaluation included the contribution to and monitoring of corporate governance practices, participation in the long-term strategic planning and the fulfilment of Directors' obligations and fiduciary responsibilities, including but not limited to, active participation at the Board meetings. The evaluation involves self-evaluation by the Board Members and subsequent assessment by the Board of Directors. The Board of Directors expressed their satisfaction with the evaluation process.

19. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

During the year under review, 6 (six) meetings of Board of Directors were duly convened and held on June 27, 2023, July 13, 2023, September 20, 2023, September 30, 2023, November 17, 2023 and March 04, 2024. The intervening gap between the meetings was within the period prescribed under the Act and the Ministry of Corporate Affairs circular no. 11/2020 dated March 24, 2020.

20. NOMINATION AND REMUNERATION POLICY

The Board of Directors has a policy which lays down a framework in relation to remuneration to Directors, Key Managerial Personnel and senior management of the Company. The policy lays down the criteria for determining qualifications, positive attributes and independence of Board members, Key Managerial Personnel and employees. The objective of this policy is to attract and retain talent and to strike the right balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the goals of the Company. The Nomination and Remuneration Policy is available on Company's website at www.heromotors.com.

21. VIGIL MECHANISM

The Company has adopted the Vigil Mechanism by way of formulating a Whistle Blower Policy. The policy provides a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees and also provides for direct access to the Chairman of the Audit Committee.

22. AUDIT COMMITTEE

The Audit Committee comprises of the following 3 (three) members:



- i) Mr. Kulbir Singh- Non-Executive, Independent Director -Member;
- ii) Ms. Pratibha Goyal-Non-Executive, Independent Director-Member; and
- iii) Mr. Sridhar Narayan- Nominee Director-Member.

The terms of reference of Audit Committee are wide enough to cover the matter specified for the Audit Committee under section 177 of the Act. During the year, the Board has accepted all the recommendations of the Audit Committee and accordingly no disclosure is required to be made in respect on non-acceptance of the recommendation of the Audit Committee.

23. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of the following 4 (four) members:

- i) Mr. Keshav Misra- Non-Executive, Non-Independent Director-Member;
- ii) Mr. Sridhar Narayan- Nominee Director-Member;
- iii) Mr. Kulbir Singh-Non-Executive, Independent Director-Member; and
- iv) Ms. Pratibha Goyal-Non-Executive, Independent Director-Member

24. PARTICULARS OF INTER-CORPORATE LOANS, GUARANTEES OR INVESTMENTS

During the year under review, the Company has made investment and granted loans under the provisions of Section 186 of the Act.

The details of outstanding investments and loans as on March 31, 2024 are mentioned in note no. 9, 10 & 11 respectively, forming part of the financial statements for the financial year 2023-24.

25. PARTICULARS OF CONTRACTS & ARRANGEMENTS WITH RELATED PARTIES

During the year under review, all the contracts/arrangements/transactions entered with the related parties by the Company during the financial year were in the ordinary course of business and at arm's length basis and the provisions of Section 188 of the Act and rules made thereunder are not applicable. Thus, the disclosure under Form AOC-2 as per section 134 of the Act is not required.

26. CORPORATE SOCIAL RESPONSIBILITY

Pursuant to section 135 of the Act, the Company has formed a Corporate Social Responsibility Committee ("CSR Committee"), which comprises the following members:

- i) Mr. Abhishek Munjal, Whole-time Director;
- ii) Mr. Amit Gupta, Managing Director & CEO;
- iii) Mr. Keshav Misra, Non-Executive and Non-Independent Director; and
- iv) Ms. Pratibha Goyal, Non-Executive, Independent Director.

The CSR policy of the Company is available on the Company's website at www.heromotors.com.

The Annual Report on the CSR activities for the financial year 2023-24 is attached as Annexure-C and forms part of this report.



27. BUSINESS RISK MANAGEMENT

The Company has a well-defined risk management framework in place. The risk management framework works at various levels across the enterprise. These levels form the strategic defense cover of the Company's risk management. The Company has a robust Organizational structure for managing and reporting on risks. Your Board has taken various steps and introduced various safeguards to mitigate the risks. However, the Board does not see any risk affecting the existence of the Company. The Board of Directors of the Company at its meeting held on January 20, 2023 constituted a Risk Management Committee comprising of the following members:

- i) Mr. Amit Gupta-Managing Director & CEO;
- ii) Mr. Sridhar Narayan-Nominee Director;
- iii) Mr. Keshav Misra-Non-Executive, Non-Independent Director; and
- iv) Mr. Darpan Vashishtha-Chief Financial Officer (resigned with effect from October 13, 2023)

28. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134(3)(c) of the Act, and based on the representations received from the management, the Directors hereby confirm that:

- (a) in the preparation of the annual accounts for the financial year ended March 31, 2024, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts for the financial year ended March 31, 2024 on a going concern basis; and
- (e) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

29. MANAGERIAL REMUNERATION

The Nomination and Remuneration Committee vide resolution by circulation dated September 01, 2022 and the Board of Directors at its meetings held on September 09, 2022 and the shareholders at the Extra Ordinary General Meeting held on December 02, 2022 approved the remuneration of Mr. Amit Gupta, Managing Director & CEO and Mr. Abhishek Munjal, Whole-time Director of the Company effective from January 01, 2023 till the expiry of their respective terms. The terms of the



remuneration were further modified by the Board of Directors at its meetings held on July 13, 2023 and March 04, 2024 and the shareholders at the Extra Ordinary General Meeting held on July 21, 2023.

During the financial year 2023-24, the following remuneration was paid to the Managerial Personnel:

Mr. Amit Gupta	- Rs. 396.57 lakhs
Mr. Abhishek Munjal	- Rs. 335.05 lakhs

30. COMPLIANCE WITH SEXUAL HARASSMENT OF WOMAN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Company has zero tolerance policy for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace and also complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. During the year under review, no complaint on sexual harassment was received.

31. PARTICULARS OF EMPLOYEES

During the year under review, the details of employee drawing remuneration of Rs. 1,02,00,000/- (Rupees One Crore Two Lakhs Only) or more per annum and pursuant to Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details of top ten employees in terms of remuneration drawn is annexed as “Annexure D”.

32. EMPLOYEES STOCK OPTION

The Company had formulated an **Employees Stock Option Plan 2022 (“ESOP Plan”)** with an objective to attract, motivate, retain and reward employees for high levels of individual performance and share the wealth that they have created for the Company and its members.

The relevant disclosures pursuant to Rule 12(9) of The Companies (Share Capital and Debentures) Rules, 2014 are given as **Annexure-E**. These disclosures are available on the website of the Company at www.heromotors.com

33. COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS

During the year under review, the Company has complied with the applicable Secretarial Standards i.e. Secretarial Standard 1-Meeting of the Board of Directors and Secretarial Standard 2-General Meetings.

34. STATUTORY DISCLOSURES

- a) No application was made against the Company under the Insolvency and Bankruptcy Code 2016 (“IBC 2016”) during the year and no proceeding is pending against the Company under IBC 2016 as at the end of financial year under report.



35. DETAILS OF DIFFERENCE BETWEEN VALUATION AMOUNT ON ONE TIME SETTLEMENT AND VALUATION WHILE AVAILING LOAN FROM BANKS AND FINANCIAL INSTITUTIONS

During the financial year 2023-24, no event has taken place that give rise to reporting of details w.r.t. difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions.

36. ACKNOWLEDGEMENT

Your Directors would like to place on record their sincere appreciation for the bankers, business associates and employees of the Company, who have been a part of the team and made their best efforts during this year under review.

Place: Uttar Pradesh

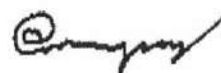
Date: July 16, 2024



**For and on behalf of Board of Directors
Hero Motors Limited**



(Amit Gupta)
Managing Director
DIN: 02990732



(Abhishek Munjal)
Whole-time Director
DIN: 05355274

ANNEXURE-A

Form AOC-1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of The Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs. lakhs)

Sl. No.	Particulars	Details			
		Hero Motors Thai Ltd	Hero EDU Systems Private Limited	Hewland Engineering Limited	Spur Technologies Private Limited
1.	Name of the subsidiary	Hero Motors Thai Ltd	Hero EDU Systems Private Limited	Hewland Engineering Limited	Spur Technologies Private Limited
2.	The date since when subsidiary was acquired	07.07.2021	27.12.2022	20.02.2023	29.11.2023
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	N.A.	N.A.
4.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	THB	N.A.	GBP	N.A.
5.	Share capital	59,000,000	100.00	20613	3081.00
6.	Reserves & surplus	-	-	(2,577,658)	-
7.	Total assets	346,385,881.04	2061.35	85,37,336	3768.95
8.	Total Liabilities	279,481,064.79	1969.63	1,10,94,381	1504.15
9.	Investments	-	-	-	5.00
10.	Turnover	72,801,332.05	-	13,508,449	1291.59
11.	Profit / (Loss) before taxation	21,796,015.62	(5.31)	1,048,025	(508.39)
12.	Provision for taxation	10,743,596.79	0.46	(186,296)	28.03
13.	Profit (Loss) after taxation	10,743,596.79	(5.77)	861,729	(536.42)
14.	Proposed Dividend	-	-	-	-
15.	Extent of shareholding (in percentage)	99.99%	100%	51%	100%



Part "B": Associates and Joint Ventures

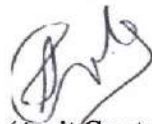
Statement pursuant to Section 129 (3) of the Act related to Associate Companies and Joint Ventures

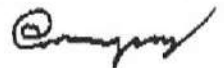
S. No.	Name of Associates/Joint Ventures	HYM Drive Systems Private Limited ("HYM Drive")
1.	Latest audited Balance Sheet Date	31.03.2024
2.	Date on which the Joint Venture was acquired	18.02.2022
3.	Shares of Joint Venture held by the company on the year end	
	No.	28,800,000 equity shares
4.	Amount of Investment in Joint Venture	Rs. 2,880 lakhs
5.	Extend of Holding%	90%
6.	Description of how there is significant influence	HYM Drive is a joint venture of Hero Motors Limited and Yamaha Motor Co. Ltd.
7.	Reason why the joint venture is not consolidated	N.A.
8.	Net worth attributable to shareholding as per latest audited Balance Sheet	2485.22
9.	Profit/(Loss) for the year	
	i) Considered in Consolidation	(282.78)
	ii) Not Considered in Consolidation	(31.42)

Place: Uttar Pradesh
Date: July 16, 2024



**For and on behalf of Board of Directors
Hero Motors Limited**


(Amit Gupta)
Managing Director
DIN: 02990732


(Abhishek Munjal)
Whole-time Director
DIN: 05355274

NEELAM GUPTA & ASSOCIATES
COMPANY SECRETARIES

FORM NO. MR-3

SECRETARIAL AUDIT REPORT
(For the Financial Year ended 31st March, 2024)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members
HERO MOTORS LIMITED
Hero Nagar G. T. Road,
Ludhiana,
Punjab 141003

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Hero Motors Limited** bearing CIN: U29299PB1998PLC039602 (hereinafter called "the Company") for the Financial Year 2023-24. The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms, returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

A. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the year ended on 31st March, 2024 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made thereunder; and
- II. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;



B. I further report that, the management has identified and confirmed the following laws and rules as being specifically applicable and complied by the Company:

- a. The Battery Waste Management Rules, 2022
- b. Motor Vehicles Act, 1988 ("MVA") and Central Motor Vehicles Rules, 1989
- c. Steel and Steel Products (Quality Control) Order, 2024,
- d. Explosives Act, 1884
- e. Hazardous and other wastes (Management & Transboundary Movement) Rules, 2016,

I have also examined compliance with the applicable clauses of the Secretarial Standards with respect to Meetings of the Board of Directors (SS-1) and General Meeting (SS-2) issued by The Institute of Company Secretaries of India. The equity shares of the Company are not listed on any stock exchange and hence, listing provisions are not applicable to the Company.

During the year under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

C. I further report that:

- a. The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the year under review.
- b. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (or with requisite compliances for holding of a Board Meeting at a shorter notice in case of urgency, wherever applicable), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c. As per the minutes of meetings duly recorded and signed by the Chairman and also as represented by the Management, the decisions at the Board Meetings were taken unanimously.

I further report that, based on the information provided and the representation made by the Company, in my opinion, there are adequate systems and processes in the company commensurate with the size and operations of the Company, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that,

M/s S.R. Dinodia & Co. LLP, Chartered Accountants who were appointed as the Statutory Auditors of the Company at the Annual General Meeting ("AGM") held on September 06, 2021 for a period of 5 (five) years, resigned as the Statutory Auditors



of the Company with effect from April 06, 2023. M/s Deloitte Haskins and Sells LLP, Chartered Accountants were appointed as the Statutory Auditors of the Company by the shareholders of the Company at the Extra Ordinary General Meeting held on April 17, 2023, to fill the casual vacancy caused due to resignation. Thereafter, at the 24th AGM of the Company held on September 30, 2023, M/s Deloitte Haskins and Sells LLP, Chartered Accountants, were reappointed as the Statutory Auditors of the Company for a term of 5 (five) consecutive years .

- (b) Interim dividend of Rs. 0.25 per share was paid out of the profits of the Financial Year 2022-23 to all the shareholders whose name appeared in the register of members as on July 13, 2023.
- (c) During the year under review, the Cost Audit report for the year 2022-2023 was issued by the Cost Auditors of the Company and adopted by the Board of Directors of the Company on September 30, 2023.
- (d) Mr. Darpan Vashishtha resigned from the position of Chief Financial Officer and Key Managerial Personnel with effect from October 13, 2023 and Mr. Ritesh Kumar Agrawal was appointed in his place with effect from March 04, 2024.
- (e) The Scheme of Arrangement ("Scheme") between Hero Cycles Limited ("HCL") and Hero Motors Limited ("HML") was approved by the Hon'ble National Company Law Tribunal, Chandigarh Bench, on November 04, 2022 and the order was filed with the Registrar of Companies on November 30, 2022. Under this Scheme, the auto components division of HCL was demerged into HML and the 7.50% Redeemable Non-convertible Debentures, having face value of Rs. 10,00,000/- (Rupees Ten Lakhs Only) each (NCDs) aggregating to Rs. 50.00 crores, issued by HCL to HDFC Bank, with Beacon Trusteeship Limited acting it's Debenture Trustee, were to be transferred to HML from the effective date of the Scheme. At the beginning of the review period, outstanding NCDs of Rs. 33.33 crores were to be transferred to HML and balance were already repaid by HCL to HDFC Bank and extinguished in the year 2022-23. As per the information provided by the management, pursuant to an understanding between HDFC Bank, HCL, HML and Beacon Trusteeship Limited, instead of allotment of new debentures to HDFC Bank in lieu of the balance outstanding NCDs issued by HCL, the maturity amount of NCDs of Rs. 16.67 crores was repaid to HDFC Bank by HML through HCL and the remaining balance amount of NCDs of Rs. 16.67 crores has been deposited by the Company with HCL, to be paid to HDFC Bank in November, 2024 as per the repayment schedule. However, no agreement was executed to this effect. Thus, in place of issuing fresh NCDs in the name of HDFC Bank in lieu of the NCDs transferred from HCL to HML under the Scheme between the two, HML in its books of accounts recognized the liability of the outstanding NCDs with corresponding assets in the name of Hero Cycles Limited and no allotment of NCDs as per the Scheme was carried out.



- (f) During the financial year 2023-24, under the applicable provisions of Section 135 of the Companies Act, 2013, the Company was required to spend Rs. 83.00 lakhs on CSR activities, against which an amount of Rs. 87.16 lakhs was spent. The excess amount is proposed to be set-off against the CSR liabilities of the Company in immediately 3 (three) succeeding financial years.

This report is to be read with my letter of even date which is annexed hereto and forms integral part of this report.

For **Neelam Gupta and Associates**


(Neelam Gupta)

Practicing Company Secretary

FCS : 3135

CP : 6950

PRN : 747/2020

UDIN : F003135F000793386

Place : New Delhi

Date : 16th July, 2024

NEELAM GUPTA & ASSOCIATES

COMPANY SECRETARIES

Annexure to Secretarial Audit Report of Hero Motors Limited for financial year ended 31st March, 2024

To,

The Members
Hero Motors Limited

Sub. : Management Responsibility for Compliances

1. The maintenance and compliance of the provisions of Corporate and other applicable laws, rules, regulations, secretarial standards is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices we followed provide a reasonable basis for my opinion.
3. I have also relied upon the books, records and documents made available by the Company to us through electronic means and in digital format.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For ~~Neelam Gupta and Associates~~


(Neelam Gupta)
Practicing Company Secretary
FCS : 3135
CP : 6950
PRN : 747/2020
UDIN : F003135F000793386



Place : New Delhi
Date : 16th July, 2024

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company:

The Corporate Social Responsibility Policy ("CSR Policy") of Hero Motors Limited ("Hero") is framed to enhance value creation in the society and in the community in which it operates, through its services, conduct and initiatives, so as to promote sustained growth for the society and community in fulfillment of its role as a Socially Responsible Corporate with environmental concern. The CSR Policy is available on the Company's website at www.heromotors.com.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
i.	Mr. Abhishek Munjal	Member-Whole-time Director	2	2
ii.	Mr. Amit Gupta	Member-Managing Director & CEO	2	2
iii.	Mr. Keshav Misra	Member-Non-Executive, Non-Independent Director	2	2
iv.	Ms. Pratibha Goyal	Member-Non-Executive, Independent Director	2	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company : www.heromotors.com

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report) : Not applicable



5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: NIL

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
		NIL	

6. Average net profit of the company as per section 135(5) : (in lakhs)
Rs. 4125.00
7. (a) Two percent of average net profit of the company as per section 135(5) : Rs. 83.00
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Nil
(c) Amount required to be set off for the financial year, if any : Nil
(d) Total CSR obligation for the financial year (7a+7b-7c) : Rs. 83.00

8. (a) CSR amount spent or unspent for the financial year

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs. lakhs)			
	Total Amount transferred to Unspent CSR Account as per section 135(6)	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of fund	Amount
87.16	NIL	NIL	NIL	NIL

- (b) Details of CSR amount spent against ongoing projects for the financial year:

No ongoing project



4	Facilities to senior citizens and orphans	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens	No	Haryana & Uttar Pradesh	Gurgaon & Ghaziabad	24.29		
Total						83.00		

(d) Amount spent in Administrative Overheads

Rs. 4.15 akhs

(e) Amount spent on Impact Assessment, if applicable

Not applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)

Rs. 87.15 lakhs

(g) Excess amount for set off, if any

Rs. 4.15 lakhs

9. (a) Details of Unspent CSR amount for the preceding three financial years: NIL

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NIL

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

No capital asset was created / acquired for fiscal 2024 through CSR Spent

(asset-wise details)





- (a) Date of creation or acquisition of the capital asset(s) :
- (b) Amount of CSR spent for creation or acquisition of capital asset. :
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. :
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) :
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) N.A.

For and on behalf of Board of Directors
Hero Motors Limited



(Amit Gupta)
Managing Director
DIN: 02990732

(Abhishek Munjal)
Whole-time Director
DIN: 05355274

Place: Uttar Pradesh

Date: July 16, 2024

Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

A) Top 10 employees (including Directors) in terms of remuneration drawn during the year (Rs. in lakhs)

S. No.	Name of Employee	Designation	Total Remuneration drawn during the financial year 2023-24 (including all perquisites, reimbursement part of salary, provident fund amount and variable) *	Qualification	Experience (In years)	Date of Commencement of employment (Company Date of Joining)	Age (In years)	Last employment
1	Mr. Abhishek Munjal	Director	335.05	Graduate	9	10-03-2016	33	Hero Cycles Ltd
2	Mr. Amit Gupta	MD & CEO	240.00	CA	21	09-04-2008	46	Munjal Kiriu Industries Pvt Ltd
3	Darpan Vashishtha*	CFO & Sr. Vice President	93.52	CA	27	04-04-2022	51	Hero Cycles Ltd
4	Mr. Anil Rathi	Chief Operating Officer	87.75	B. Tech in Mechanical Engineering	18	01-01-2013	41	Hero Cycles Ltd
5	Mr. Chandra Shekhar Mittal	Chief Operating Officer	84.86	Post Graduate in Business Management	23	06-08-2015	48	ZF Hero Chassis Systems Pvt. Ltd
6	Mr. Sanjay Singh Suryavanshi	Vice President	63.16	C.A., MBA-Finance	21	06-10-2009	50	Hero Cycles Ltd
7	Mr. Gopinath M K	Vice President	60.86	PGXPM	19	20-08-2021	44	Gestamp Automotive Chennai Pvt. Ltd.

8	Mr. Amit Kumar Verma	General Manager	55.00	MBA	16	10-04-2023	39	Tata Motors Ltd.
9	Mr. Chander Parkash	General Manager	50.00	B. Tech	20	18-12-2023	39	Dana India Technical Center Pvt Ltd
10	Mr. Neeraj Goyal	Dy. General Manager	50.00	B.E.	23	01-02-2022	49	Honda Cars India Limited

* including Employer contribution of provident Fund.

Note:

- Nature of employment is permanent in all the above cases.
- None of the employee holds equity shares in the Company.
- Mr. Abhishek Munjal is the son of Mr. Pankaj Munjal, Director of the Company

B) Employees drawing salary of Rs. 1.02 crores or above per annum and posted in India (employed throughout the financial year)

S. No.	Name of Employee	Designation	Total Remuneration drawn during the financial year 2023-24 (including all perquisites, reimbursement part of salary, provident fund amount and variable)*	Qualification	Experience (In years)	Date of Commencement of employment (Company Date of Joining)	Age (In years)	Last employment
1	Mr. Abhishek Munjal	Director	335.05	Graduate	9	10-03-2016	33	Hero Cycles Ltd
2	Mr. Amit Gupta	MD & CEO	240.00	CA	21	09-04-2008	46	Munjal Kiritu Industries Pvt Ltd

C) Employees drawing salary of Rs. 8.50 lakhs or above per month and posted in India (employed for part of the financial year)

S. No.	Name of Employee	Designation	Total Remuneration drawn during the financial year 2023-24 (including all perquisites, reimbursement part of salary, provident fund amount and variable)*	Qualification	Experience (In years)	Date of Commencement of employment (Company Date of Joining)	Age (In years)	Last employment
1	Mr. Ritesh Kumar Agrawal	Chief Financial Officer	16.64	CA	18	16-02-2024	43	Ethos Ltd
2	Mr. Darpan Vashishtha*	CFO & Sr. Vice President	93.52	CA	27	04-04-2022	51	Hero Cycles Ltd

*Mr. Darpan Vashishtha had resigned from the position of Chief Financial Officer w.e.f October 13, 2023



For and on behalf of Board of Directors
Hero Motors Limited



(Abhishek Munjal)
Whole-time Director
DIN: 05355274



(Amit Gupta)
Managing Director
DIN: 02990732

Place: Uttar Pradesh
Date: July 16, 2024

**Annexure - E****Details of Employee Stock Option Plan (ESOP's)**

S. No.	Particulars	Remarks
1.	Total options	20,930,538
2.	Options granted	20,302,569
3.	Options vested	7,431,376
4.	Options exercised	20,00,000
5.	The total number of shares arising as a result of exercise of option	20,00,000
6.	Options lapsed	261,910
7.	The exercise price	Rs. 69.14/-
8.	Variation of terms of options	N.A.
9.	Money realized by exercise of options	N.A.
10.	Total number of options in force	889,879
11.	Employee wise details of options granted to	
	i) Key managerial personnel	Mr. Amit Gupta, Managing Director & CEO-14,458,789
	ii) Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year	NIL
	iii) Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Mr. Amit Gupta, Managing Director & CEO-14,458,789 Mr. Keshav Misra, Non-Executive & Non-Independent Director-3,954,809



Place: Uttar Pradesh
Date: July 16, 2024

**For and on behalf of Board of Directors
Hero Motors Limited**


(Amit Gupta)
Managing Director
DIN: 02990732


(Abhishek Munjal)
Whole-time Director
DIN: 05355274

INDEPENDENT AUDITOR'S REPORT

To The Members of Hero Motors Limited Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Hero Motors Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information.

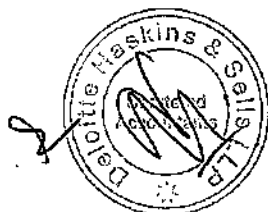
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.



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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for not complying with the requirement of audit trail as stated in (i)(vi) below.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.



- g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended In our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 40(a) to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 62 to the standalone financial statements.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company - Refer Note 51 to the standalone financial statements.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 43 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the note 43 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.



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- v. The interim dividend paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

As stated in the footnote iii of Note 20 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

- vi. Based on our examination, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024, wherein the accounting software did not have the audit trail feature enabled throughout the year (refer note 68 of the standalone financial statements).

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No. 117366W/W - 100018)



A handwritten signature in black ink, appearing to be "Rajesh Kumar Agarwal".

Rajesh Kumar Agarwal

(Partner)

(Membership No. 105546)

UDIN: 24105546BKEPES7532

Place: Gurugram
Date: July 16, 2024

Deloitte Haskins & Sells LLP

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Hero Motors Limited ("the Company") as at March 31, 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on, "the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

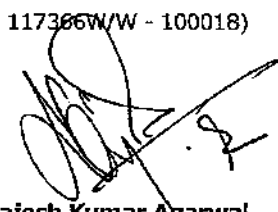
Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on "the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W - 100018)




Rajesh Kumar Agarwal
(Partner)
(Membership No. 105546)
UDIN: 24105546BKEPES7532

Place: Gurugram
Date: July 16, 2024

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF HERO MOTORS LIMITED

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

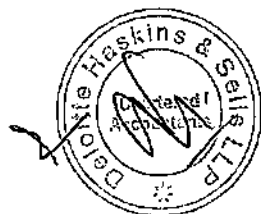
In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) In respect of Property, Plant and Equipment, and Intangible Assets:

- A. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant, and Equipment, capital work in progress and relevant details of right-of-use-assets.
(B) The Company has maintained proper records showing full particulars of intangible assets
- B. The Company has a program of verification of property, plant and equipment, (capital work-in-progress and right-of-use assets) so as to cover all the items once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were due for physical verification during the year and were physically verified by the management during the year. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- C. According to the information and explanations given to us and the records examined by us and based on the examination of the sale deed and an agreement to sell provided to us, we report that, the title deed, comprising all the immovable property of land which is freehold, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company except for the following) disclosed in the financial statements is held in the name of the Company as at the balance sheet date, except for the following:

(Amount in ₹ lacs)						
Description of immovable property	Gross Carrying Value	Carrying Value	Held in Name of	Whether promoter, director or their relative or employee	Period held indicate range, where appropriate	Reason for not Being held in name of Company
Land measuring 7.25 acres along with Build up area (71,565 Sq. Ft.) located at Focal Point, Village 8, Mangli, Ludhiana, Punjab	2,282.00	2,282.00	Hero Cycles Limited	Land in name of Hero Cycles Limited	April 1, 2023 to Mar 31, 2024	Agreement to Sell has been entered between the parties and possession with the company. The company is in the process of getting it registered in its own name.

- D. The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
- E. No proceedings have been initiated during the year or are pending against the Company as at 31st March 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.



(ii) In respect of Inventory:

- (a) The inventories except for goods in transit and inventory lying with third parties, were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year end, written confirmation have been obtained and in respect of goods in transit, the goods have been received subsequent to the year end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories, when compared with the books of account.
- (b) According to the Information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising stock statements, book debt statements, creditors statements, filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.

(iii) The Company has made investments in, provided guarantee and granted loans, unsecured, to its subsidiaries and other parties, during the year, in respect of which

- a) The Company has provided loans and stood guarantee during the year and details of which are given below:

(Amount in ₹ lacs)		
Particulars	Loans	Guarantee
A. Aggregate amount granted / provided during the year		
- Wholly owned Subsidiary	1,596.34	1,590.00
- Subsidiary	1,651.15	
- Others	251.00	
B. Balance outstanding as at balance sheet date in respect of above cases*		
- Wholly owned Subsidiary	6,637.69	1,590.00
- Subsidiary	3,084.84	
- Others	191.26	

* The amounts reported are at gross amounts, without considering provisions made.

- b) In our opinion, the investments made, guarantees provided and the terms and conditions of the above mentioned loans granted by the Company during the year, are in our opinion, prima facie, not prejudicial to the Company's interest.
- c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipt of principal amounts and interest have been regular as per stipulation.
- d) According to information and explanation given to us and based on the audit procedures performed, in respect of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- e) No loan or advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.



- f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.
- (iv) According to information and explanations given to us, the Company has complied with the provisions of section 185 or 186 of the Companies Act, 2013, in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit or amounts which are deemed to be deposits within the meaning of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and does not have any unclaimed deposits as at March 31, 2024 and therefore the provisions of clause 3(v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) In respect of statutory dues:
- a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities in all cases during the year.
- There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income-tax, duty of Custom, cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they become payable.

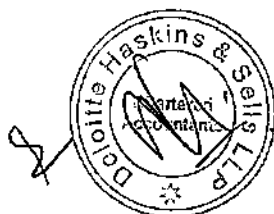
- b) According to the information and explanations given to us, other than the amount reported below, there are no dues of Income-tax, Goods and Service Tax, Excise Duty and Customs Duty which have not been deposited by the Company with the appropriate authorities on account of any dispute except in the following matter where decision has been given in favour of the Company but the department has preferred appeal at higher level:

(Amount in ₹ lacs)				
Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which amount relates	Amount
Central Excise Act, 1944	Excise Duty	Special appeal has been filed in Supreme Court	2020-21	474.82

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) According to information and explanations given to us, in respect of borrowings:
- a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.



- c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
 - d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
 - e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries during the year.
 - f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries companies.
- (x) In respect of issue of Securities:
- a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the order is not applicable.
 - b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) In respect of Fraud:
- a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
 - b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
 - c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year (and upto the date of this report).
- (xii) The Company is not a Nidhi Company and hence, reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to information and explanations given to us, the Company is in compliance with section 177 and 188 of the Companies Act for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements etc. as required by the applicable accounting standards.
- (xiv) In respect of Internal Audit:
- a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
 - b) We have considered the internal audit reports issued to the Company during the year and draft of the internal audit reports issued after the balance sheet date, for the period under audit.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors during the year and hence, provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.



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(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

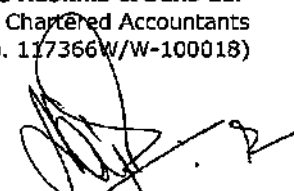
(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that, the Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a fund specified in Schedule VII to the Companies Act or special account in compliance with the provisions of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)




Rajesh Kumar Agarwal
(Partner)
(Membership No. 105546)
UDIN: 24105546BKEPES7532

Place: Gurugram
Date: July 16, 2024

Hero Motors Limited
Standalone Balance Sheet as at March 31, 2024
CIN : U29299PB1998PLC039602
(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
A. Assets			
1. Non-current assets			
(a) Property, plant and equipment	4	23,603.05	20,555.66
(b) Right of use assets	7	776.02	1,019.46
(c) Capital work in progress	5	4,948.35	477.06
(d) Intangible assets	6	225.91	231.84
(e) Financial assets			
(i) Investments	9	7,480.44	4,521.80
(ii) Loans	11	7,995.99	6,698.62
(iii) Other financial assets	12	1,268.16	315.07
(f) Non-current tax assets (net)	13	903.50	92.29
(g) Other-non current assets	14	1,595.20	705.52
Total Non-current assets		48,796.62	34,617.32
2. Current assets			
(a) Inventories	15	13,895.37	15,494.74
(b) Financial assets			
(i) Investments	10	667.56	1,530.27
(ii) Trade receivables	16	17,731.38	22,729.87
(iii) Cash and cash equivalents	17	2,915.31	385.65
(iv) Bank balances other than (iii) above	18	4,600.00	8,053.00
(v) Loans	11	1,917.80	18.94
(vi) Other financial assets	12	2,058.24	3,366.74
(c) Other current assets	14	3,232.61	1,378.58
Total current assets		47,018.27	52,957.79
Total assets		95,814.89	87,575.11
B. Equity and liabilities			
1. Equity			
(a) Equity share capital	19	35,357.84	35,357.84
(b) Other equity	20	5,180.76	203.07
Total Equity		40,538.60	35,560.91
2. Liabilities			
Non- current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	7,439.52	6,063.85
(ii) Lease liabilities	8	769.31	882.47
(iii) Others financial liabilities	23	2.14	413.40
(b) Provisions	25	1,719.28	1,652.62
(c) Deferred tax liabilities (net)	27	1,002.82	395.92
Total Non- current liabilities		10,933.07	9,408.26



Hero Motors Limited
Standalone Balance Sheet as at March 31, 2024
CIN : U29299PB1998PLC039602
(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	21,856.45	18,158.36
(ii) Lease liabilities	8	33.25	347.29
(iii) Trade payables	26		
- Total outstanding due of micro enterprises and small enterprises		1,662.59	1,590.86
- Total outstanding due of creditors other than micro enterprises and small enterprises		10,128.41	10,574.04
(iv) Other financial liabilities	23	9,865.20	11,135.83
(b) Other current liabilities	24	597.98	631.06
(c) Provisions	25	199.34	168.50
Total current liabilities		44,343.22	42,605.94
Total equity and liabilities		95,814.89	87,575.11
Summary of material accounting policies	2		
The accompanying notes form an integral part of these standalone financial statements 1-67			

As per our report of even date attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rajesh Kumar Agarwal
(Partner)

(Membership No. 105546)
Place: Gurugram
Date: July 16, 2024



For and on behalf of Board of Directors of
Hero Motors Limited

Keshav Misra
Non-Executive and
Non-Independent Director
(DIN: 00133702)
Place: Noida
Date: July 16, 2024

Amit Gupta
Managing Director and
Chief Executive Officer
(DIN: 02997032)
Place: Noida
Date: July 16, 2024

Ritesh Kumar Agrawal
Chief Financial Officer
Place: Noida
Date: July 16, 2024

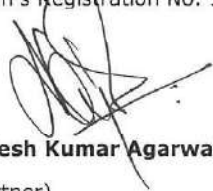
Sheeba Dhamija
Company Secretary
M. No. 29705
Place: Noida
Date: July 16, 2024



Hero Motors Limited
Standalone Statement of Profit and loss for the year ended March 31, 2024
CIN : U29299PB1998PLC039602
(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
I Revenue from operations	29	89,119.88	1,05,527.52
II Other income	30	2,056.16	1,403.84
III Total income (I+II)		91,176.04	1,06,931.36
IV Expenses			
(a) Cost of materials consumed	31	58,894.53	72,599.66
(b) Changes in inventories of finished goods, work in progress, stock in trade and store and spares	32	295.03	(577.56)
(c) Employee benefits expense	33	10,909.04	9,040.87
(d) Finance costs	34	2,566.62	2,560.11
(e) Depreciation and amortisation expense	35	1,489.40	1,724.67
(f) Other expenses	37	14,605.31	15,560.28
Total expenses		88,759.93	1,00,908.03
V Profit before tax (III-IV)		2,416.11	6,023.33
VI Tax expense:	28		
(a) Current tax		(64.16)	1,731.22
(b) Deferred tax		583.28	(570.14)
Total tax expense		519.12	1,161.08
VII Profit for the year (V-VI)		1,896.99	4,862.25
VIII Other comprehensive income			
(A) (i) Items that will not be reclassified to profit or loss			
(a) Re-measurement gains/ (losses) on defined benefit plans		93.85	(643.77)
(ii) Income tax on items that will not be reclassified to profit or loss		(23.62)	162.02
Other comprehensive income for the year, net of tax		70.23	(481.75)
IX Total comprehensive income for the year, net of tax		1,967.22	4,380.50
X Earnings per share: (face value ₹ 10 per share)	39		
1) Basic (amount in ₹)		0.51	3.74
2) Diluted (amount in ₹)		0.50	3.67
Summary of material accounting policies	2		
The accompanying notes form an integral part of these standalone financial statements 1-67			

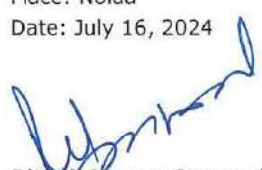
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Rajesh Kumar Agarwal
(Partner)
(Membership No. 105546)
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Place: Noida
Date: July 16, 2024


Sheeba Dhamija
Company Secretary
M. No. 29705
Place: Noida
Date: July 16, 2024

A. Equity Share Capital

As at April 1, 2022	3,459.71
Changes during the year	31,898.12
As at March 31, 2023	35,357.83
Changes during the period	-
As at March 31, 2024	35,357.83

B. Other Equity

Particulars	Security premium	Equity component of CCPS	Share based payment reserve	Demerger adjustment deficit account	Share pending issuance	Retained earnings	Total other equity
Balance as at April 1, 2022	-	-	-	(75,279.98)	75,279.98	12,230.77	12,230.77
Issue of equity shares (refer note 47)	43,381.87	-	-	-	(75,279.98)	-	(31,898.11)
Issue of Non-cumulative compulsory convertible preference shares	12,402.81	2,097.19	-	-	-	-	14,500.00
Share Issue Expenses	(345.07)	-	-	-	-	-	(345.07)
Credit to equity for equity-settled share-based payments (Refer Note - 36)	-	-	1,334.98	-	-	-	1,334.98
Profit for the year	-	-	-	-	-	4,862.25	4,862.25
Remeasurement of the benefit plan, net of tax effect	-	-	-	-	-	(481.75)	(481.75)
Total Comprehensive Income for the year	-	-	-	-	-	4,380.50	4,380.50
Balance as at March 31, 2023	55,439.61	2,097.19	1,334.98	(75,279.98)	-	16,611.27	203.07
Profit for the year	-	-	-	-	-	1,896.99	1,896.99
Remeasurement of the benefit plan, net of tax effect	-	-	-	-	-	70.23	70.23
Payment of Dividend	-	-	-	-	-	(935.70)	(935.70)
Credit to equity for equity-settled share-based payments (Refer Note - 36)	-	-	3,946.17	-	-	-	3,946.17
Balance as at March 31, 2024	55,439.61	2,097.19	5,281.15	(75,279.98)	-	17,642.79	5,180.76

Summary of material accounting policies

The accompanying notes form an integral part of these standalone financial statements 1-67

2

As per our report of even date attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rajesh Kumar Agarwal
(Partner)

(Membership No. 105546)
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Company Secretary
M. No. 29705
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Date: July 16, 2024



Hero Motors Limited
Standalone Cash Flow Statement for the year ended March 31, 2024
CIN : U29299PB1998PLC039602
(Amount in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Cash flows from operating activities		
Profit before tax	2,416.11	6,023.33
Adjustments for:		
Depreciation and amortization	1,489.40	1,724.67
Interest cost	1,888.72	1,841.33
Other borrowing cost	677.90	718.78
Non-cash employee share based payments	3,946.17	1,334.99
Provision / sundry balances written back	300.00	1.94
Unrealized foreign exchange loss gain	(37.80)	232.54
Loss / (profit) on sale of property plant and equipment	(1.01)	17.89
Rental income	(16.69)	(6.06)
Other non operating income	-	(136.02)
Profit on sale / fair valuation	(87.29)	(143.56)
Gain on derecognition of right of use asset and lease liability	(105.12)	-
Interest income	(1,241.19)	(661.14)
Operating profit before working capital changes	9,229.20	10,948.69
Working Capital adjustments:		
Increase / (decrease) in trade receivables	4,931.50	(3,738.88)
Increase / (decrease) in inventories	1,599.37	(1,347.44)
Increase in other financial assets	933.89	231.70
Increase / (decrease) in other assets	(1,747.82)	2,437.17
decrease in trade payables	(673.07)	(1,699.88)
Increase in Other financial liabilities	(2,107.00)	1,909.57
Decrease in provisions	191.35	201.62
(Increase) / decrease in other liabilities	(16.16)	28.50
Cash generated from operations	12,341.26	8,971.05
Income tax paid (net of refunds)	(747.05)	(1,883.09)
Net cash inflow from operating activities (A)	11,594.21	7,087.96
B. Cash flows from investing activities		
Capital expenditure on property, plant and equipment (including capital advances)	(9,268.11)	(5,658.74)
Proceeds from sale of property, plant and equipment	33.11	127.58
Investments	(2,958.64)	(4,123.93)
Sale of mutual fund	1,001.22	1,187.29
Inter corporate loan given	(3,150.65)	(6,108.49)
Inter corporate loan received back	250.00	-
Interest received	441.50	351.64
Rent received	16.69	6.06
Increase / (decrease) bank balance not considered as cash and cash equivalent	3,453.00	(8,053.00)
Net cash used in investing activities (B)	(10,181.88)	(22,271.59)
C. Cash flows from financing activities		
Proceeds from non-current borrowings	4,825.00	8,100.80
Repayment of non-current borrowings	(1,885.25)	(13,020.70)
Proceeds from / repayment of current borrowings (net)	2,090.40	4,137.85
Proceeds from non-cumulative compulsory convertible preference shares	-	14,500.00
Share issue expenses	-	(345.07)
Payment of interim dividend	(935.70)	-
Other borrowing cost	(677.90)	(718.78)
Payment / proceed from lease liability	(112.82)	97.03
Interest paid	(2,186.40)	(2,193.93)
Net cash inflow from/(used in) financing activities (C)	1,117.33	10,557.20



Hero Motors Limited
Standalone Cash Flow Statement for the year ended March 31, 2024
CIN : U29299PB1998PLC039602
(Amount in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Net Increase (decrease) In cash and cash equivalents (A+B+C)	2,529.66	(4,626.44)
Opening balance of cash and cash equivalents	385.65	5,012.09
Total cash and cash equivalent (Note no. 17)	2,915.31	385.65
Components of cash and cash equivalents		
Cash, Cheque/drafts on hand	0.25	3.20
With banks - Current account*	2,915.06	382.45
Total cash and cash equivalent (Note no. 17)*	2,915.31	385.65

*Includes ₹ 0.68 lakhs as at March 31, 2024 (as at March 31, 2023 ₹ Nil) as unpaid dividend account and is restrictive in nature.

Notes :

- a) The Cash Flow Statement has been prepared in accordance with 'indirect method' as set out in Ind AS - 7 - 'Statement of Cash Flows', as notified under section 133 of Companies Act, 2013 read with relevant rules issued thereunder.
b) Disclosure as required in terms of amendments to Ind AS 7 'Statement of Cash Flows'.

Particulars	As at March 31, 2023	Cash Flows	Non Cash Changes	As at March 31, 2024
Non current borrowings	6,063.85	1,332.07	43.60	7,439.52
Current borrowings	18,158.36	3,698.09	-	21,856.45
Closing balance of Loan	24,222.21	5,030.16	43.60	29,295.97

Particulars	As at March 31, 2022	Cash Flows	Non Cash Changes	As at March 31, 2023
Non current borrowings	5,833.33	221.91	8.61	6,063.85
Current borrowings	19,170.93	(1,012.57)	-	18,158.36
Closing balance of Loan	25,004.26	(790.66)	8.61	24,222.21

The accompanying notes form an integral part of these standalone financial statements 1-67

As per our Report of even date attached

For Deloitte Haskins & Sells LLP

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rajesh Kumar Agarwal
Partner

(Membership No. 105546)

Place: Gurugram

Date: July 16, 2024



**For and on behalf of Board of Directors of
Hero Motors Limited**

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Non-Independent Director
(DIN: 00133702)

Place: Noida

Date: July 16, 2024

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Managing Director and
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(DIN: 02997032)

Place: Noida

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Chief Financial Officer

Place: Noida

Date: July 16, 2024

Sheeba Dhamija

Sheeba Dhamija
Company Secretary
M. No. 29705

Place: Noida

Date: July 16, 2024



Hero Motors Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2024

U29299PB1998PLC039602

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

1. Corporate Information

"Hero Motors Limited, 'the Company' was incorporated on April 30, 1998 as a unlisted Limited Company under the Companies Act, 1956, vide Current Registration Number U29299PB1998PLC039602. The Registered Office of the Company is at Hero Nagar G. T. Road Ludhiana Ludhiana PB 141003.

The main objective of the Company's business is manufacturing, buying, selling, importing, exporting, improving, assembling, repairing and dealing of all kinds of component parts, replacement parts, gears, power train solutions, spare accessories, tools, implements and fittings for engines scooters, motorcycles, three Wheelers, e-bikes or otherwise.

Pursuant to the scheme approved by the National Company Law Tribunal, Chandigarh Bench on November 09, 2022 for which the certified copy of the order dated November 09, 2022 was received on November 16, 2022, the Demerged Undertaking (Primarily related to Auto Business consisting, inter-alia, of all assets including movable and immovable properties and liabilities related thereto) was demerged from the Demerged Company and transferred to the resulting Company, with effect from April 01, 2021, the appointed date.(refer note-47).

The standalone Ind AS financial statements were approved for issue in accordance with a resolution of the directors on July 16, 2024.

2. Material Accounting Policies:

2.1 Basis of Preparation and presentation

The standalone Ind AS financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS compliant Schedule III).

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The standalone Ind AS financial statements are presented in ₹ and all values are rounded to the nearest lakhs (₹ 00,000), except when otherwise indicated.

The standalone Ind AS financial statements provide comparative information in respect of the previous year.

Basis of measurement

The standalone Ind AS financial statements have been prepared on historical cost basis, except for the following assets and liabilities which have been measured at fair value as required under relevant Ind AS.

- Certain financial assets and liabilities is (including derivative instrument and contingent consideration) measured at fair value (Refer accounting policy regarding financial instruments in Note 2.2 n.)
- Defined benefit plans- plan assets are measured at fair value
- Share based payments

2.2 Summary of Material accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held for primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period



Hero Motors Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2024

U29299PB1998PLC039602

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held for primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of liability for at least twelve after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. Property, plant and equipment ('PPE')

Recognition and measurement

Property, plant and equipment is stated at cost of acquisition or construction which includes capitalised finance costs less accumulated depreciation and/or accumulated impairment loss, if any.

Cost of an item of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located, if the recognition criteria is met. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Recognition criteria

The cost of an item of property, plant and equipment is recognised as an asset if and only if,

- a) It is probable that future economic benefits associated with the item will flow to the entity, and
- b) The cost of the item can be measured reliably.

Capital work-in-progress comprises the cost of fixed assets that are not ready for their intended use at the reporting date. Advances paid towards acquisition of PPE outstanding at each Balance sheet date, are shown under other non-current assets.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of Profit and Loss.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and its cost can be measured reliably with the carrying amount of the replaced part getting derecognised.

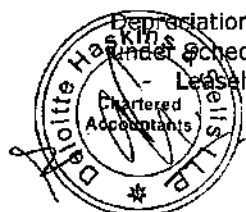
Depreciation

Depreciation is calculated on cost of items of PPE less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in the Statement of Profit and Loss.

Depreciation on items of PPE is provided as per rates corresponding to the useful life specified in Schedule II to the Companies Act, 2013 read with related amendments. The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Depreciation is provided on a pro-rata basis on the straight-line basis on the estimated useful life prescribed under Schedule II to Companies Act, 2013 with the following exception :

- Leasehold land & Leasehold improvement has been amortised over the lease term.



Hero Motors Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2024

U29299PB1998PLC039602

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

- Freehold Land is not depreciated.

Useful life considered for calculation for various assets class are as follows:

Asset Class	Useful Life
Building	30-60 years
Plant & Machinery *	0 to 30 years
Furniture & Fixture	3 to 10 years
Office Equipment's	3 to 5 years
Vehicles	8 to 10 years
Computer	3 to 6 years

* The Company, based on technical assessment made by technical expert and management estimate, depreciates tools included in plant and equipment over estimated useful lives of 0 and 30 years which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation on additions (disposal) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use and disposal. Any gain or loss arising on derecognition of the asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

c. Intangible assets

Acquired Intangible

Intangible assets that are acquired by the Company are measured initially at cost. Cost of an item of Intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in Statement of Profit and Loss as incurred.

Amortisation

Intangible assets with finite lives are amortised over the useful life and these are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. The amortisation method, residual value and the useful lives of intangible assets are reviewed annually and adjusted as necessary.

Specialized software are amortized over a period of 3 years or license period whichever is later.



Hero Motors Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2024

U29299PB1998PLC039602

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

Derecognition

Intangible assets are derecognised on disposal or when no future economic benefits are expected from its use and disposal.

d. Inventories

Inventories are valued at the lower of cost and net realisable value.

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, wherever considered necessary. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. The cost of various components of inventory is determined as follows; -

Raw Material	Cost includes purchase cost, duties, taxes and all other costs incurred in bringing the inventory to their present location. Cost is determined on Weighted Average Cost Method.
Work in Progress	Cost includes appropriate proportion of overheads wherever applicable. Goods in transit are valued at cost excluding import duties wherever applicable
Finished Goods	Cost includes purchase cost, duties, taxes and all other costs incurred in bringing the inventory to their present location. Cost is determined on Weighted Average Cost Method.
Scrap	Net realisable value.
Stores and spares	Cost includes purchase cost, duties, taxes and all other costs incurred in bringing the inventory to their present location. Cost is determined on Weighted Average Cost Method.

The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

e. Retirement and other employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., salaries and wages and bonus etc., if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Post-employment benefits

a) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards employee provident fund and employee state



Hero Motors Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2024

U29299PB1998PLC039602

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

insurance scheme ('ESI') to Government administered scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

b) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Gratuity is a defined benefit plan. The administration of the gratuity scheme has been entrusted to the Life Insurance Corporation of India ('LIC'). The Company's net obligation in respect of gratuity is calculated separately by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Re-measurements of the net defined benefit liability i.e. Gratuity, which comprise actuarial gains and losses are recognised in Other Comprehensive Income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then- net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

c) Short term and other long term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange of services rendered by employees are recognised during the period when the employee renders the services. These benefits include salaries, wages, performance incentives and compensated absences.

The liability in respect of accumulated compensated absences is provided for on the basis of actuarial valuation carried out at the year-end using the Projected Unit Credit Method. Actuarial gains and losses are recognised in the Statement of Profit and Loss of the year in which they occur.

d) Share - based payment

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an



Hero Motors Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2024

U29299PB1998PLC039602

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

f. Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the time of money is material, provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future losses are not provided for.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Constructive obligation is an obligation that derives from an entity's actions where:

- by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities; and
- as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

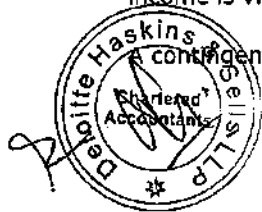
When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

g. Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are recognised when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

A contingent asset is disclosed where an inflow of economic benefits is probable.



Hero Motors Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2024

U29299PB1998PLC039602

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

h. Commitments

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting date.

i. Revenue from contract with customer

Revenue from contracts with customers is recognised when the control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangement because it typically controls goods or services before transferring them to the customers.

Revenue from sale of goods is recognised based on a 5-Step Methodology which is as follows:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts. Also, in determining the transaction price for the sale of products, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

As per Ind AS 115, the Company determines whether there is a significant financing component in its contracts. However, the Company has decided to use practical expedient provided in Ind AS 115 and not to adjust the promised amount of consideration for the effects of a significant financing components in the contracts, where the Company expects, at contract inception that the period of completion of contract terms are one year or less. Therefore, for short-term advances, the company does not account for a financing component. No long-term advances from customers are generally received by the Company.

Sales-related warranties associated with goods cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the Company accounts for warranties in accordance with Ind AS 37.

The Company disaggregates revenue from contracts with customers by geography.

Sale of services

The Company recognises revenue from these contracts on satisfaction of performance obligation towards rendering of such services over time, as and when the services are rendered in accordance with the specific terms of contracts with customers. The Company's performance obligation is limited to providing resources required for these services



Hero Motors Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2024

U29299PB1998PLC039602

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

Export benefits

Export incentive entitlements are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Disaggregated revenue information

The Company presents disaggregation of revenue from contracts with customers for the year ended March 31, 2024 by type of goods and services and timing of revenue recognition. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

Contract balances

Trade Receivable

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section of financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is recognised if a payment is received, or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

j. Recognition of Interest Income or expense

Interest income or expense is accrued on a time basis and recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Dividend income is recognized when the right to receive payment is established.

Claims receivables on account of insurance are accounted for to the extent the Company is reasonably certain of their ultimate collection.

k. Borrowing costs

Borrowing costs are interest and other costs incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as a part of cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.



Hero Motors Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2024

U29299PB1998PLC039602

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

I. Taxes

Income tax comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination or an item recognised directly in equity or in other comprehensive income.

Current income tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Current income tax assets and liabilities are measured at the amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred tax

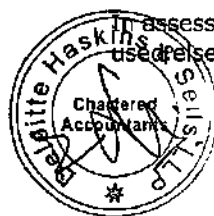
Deferred tax is provided using the liability method on temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax liabilities are recognised for all temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Company relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports.



Hero Motors Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2024

U29299PB1998PLC039602

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax liabilities and assets and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authorities.

Goods and Service Tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes/GST paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

m. Leases

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116:

Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. "

Lease arrangements may include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities may include these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable,



Hero Motors Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2024

U29299PB1998PLC039602

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

using the incremental borrowing rates pertaining to the company. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flow activities.

n. Financial Instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial instruments at amortised cost
- Financial instruments at fair value through other comprehensive income (FVOCI)
- Financial instruments, derivatives and equity instruments at fair value through profit or loss (FVPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

Financial instruments at amortised cost

A 'financial instrument' is measured at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Financial instrument at FVOCI

A 'financial instrument' is classified as at the FVOCI if the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and the asset's contractual cash flows represent SPPI.

Financial instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

Financial instrument at FVPL

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVPL. In addition, at initial recognition,



Hero Motors Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2024

U29299PB1998PLC039602

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

the Company may irrevocably elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL. However, such adoption is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Company may make an irrevocable adoption to present in other comprehensive income subsequent changes in the fair value. The Company makes such adoption on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss to retained earnings.

Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Impairment of financial assets

The Company recognises loss allowances for expected credit loss on financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that the financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- the breach of contract such as a default or being past due for 90 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial re-organisation; or
- the disappearance of active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.



Hero Motors Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2024

U29299PB1998PLC039602

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. difference between the cash flow due to the Company in accordance with the contract and the cash flow that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet Loss allowance for financial assets measured at the amortised cost is deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtors do not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedure for recovery of amounts due.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss (FVPL)
- Financial liabilities at amortised cost (loans and borrowings)

A financial liability is classified as at FVPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss.



Hero Motors Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2024

U29299PB1998PLC039602

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Derivative financial instruments

The Company uses various types of derivative financial instruments to hedge its currency and interest risk etc. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

o. Impairment of non-financial assets

The Company's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine if there is indication of any impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash flows are grouped together into cash generating units (CGUs). Each CGU represents the smallest Company of assets that generate cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and fair value less cost to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.



Hero Motors Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2024

U29299PB1998PLC039602

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

p. Operating Segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

q. Cash and cash equivalents

Cash and cash equivalents comprises cash in hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

r. Cash flow statement

Cash flows are reported using the indirect method, whereby profit after tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Statement of cash flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- a) changes during the period in operating receivables and payables transactions of a non-cash nature;
- b) non-cash items such as depreciation, provisions, deferred taxes, unrealised gains and losses; and
- c) all other items for which the cash effects are investing or financing cash flows

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

s. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

t. Cash dividend

The Company recognises a liability to pay dividend to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

u. Earnings per share

Basic earnings per share ('EPS') is computed by dividing the net profit or loss (excluding OCI) for the year attributable to equity shareholders by the weighted average number of shares outstanding during the year.

Diluted earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of shares outstanding during the period as adjusted for the effects of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented.



Hero Motors Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2024

U29299PB1998PLC039602

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

v. Foreign Currency Transaction and translations

The functional currency and presentation currency of the company is Indian Rupee. Functional currency of the Company and foreign operations has been determined based on the primary economic environment in which the Company and its foreign operations operate considering the currency in which funds are generated, spent and retained.

Initial recognition

Transactions denominated in foreign currencies are accounted at the exchange rates prevailing on the date of the transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are restated at the rates prevailing at the date when the fair value was determined.

Measurement of foreign currency monetary items at the Balance Sheet date

Monetary items denominated in foreign currencies at the year-end are restated at the exchange rates prevailing on the date of the Balance Sheet. Non-monetary items denominated in foreign currencies are carried at historical cost.

Treatment of exchange differences

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

w. Fair value measurement

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to measurement of fair values. This includes the top management division which is responsible for overseeing all significant fair value measurements, including Level 3 fair values. The top management division regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the top management division assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirement of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

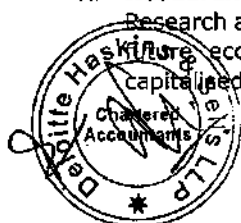
When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred.

Further information about the assumptions made in measuring fair values used in preparing these standalone financial statements is included in the respective notes.

x. Research & development costs

Research and development costs that are in nature of tangible assets and are expected to generate probable future economic benefits are capitalised as tangible assets. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.



Hero Motors Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2024

U29299PB1998PLC039602

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

Revenue expenditure on research and development is charged to the statement of profit and loss in the year in which it is incurred.

y. Exceptional items

When items of income and expense within statement of profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the period, the nature and amount of such material items are disclosed separately as exceptional items.

2.3 Changes in accounting policies and new disclosure requirements

New and amended standards

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated March 31, 2023 to amend the following Ind AS which are effective for annual periods beginning on or after April 1, 2023. The Company applied for the first-time these amendments.

i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Company's standalone financial statements.

ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements. The entity has included potential material accounting policies in note 2

iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

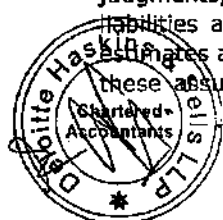
The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

The Company previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the balance sheet. There was also no impact on the opening retained earnings as at 1 April 2022.

Apart from these, consequential amendments and editorials have been made to other Ind AS like Ind AS 101, Ind AS 102, Ind AS 103, Ind AS 107, Ind AS 109, Ind AS 115 and Ind AS 34.

2.4 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the



Hero Motors Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2024

U29299PB1998PLC039602

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

carrying amounts of assets or liabilities in future periods. Therefore, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Revenue from contracts with customers

The Company applied judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers, such as identifying performance obligations in a bundled sales transactions, wherein, the Company sell goods, transportation and warranty services bundled together with sales of goods. The Company allocated the portion of the transaction price to goods basis on its relative standalone prices.

Non- Cumulative Compulsorily Convertible Preference shares

The Company has issued Non-Cumulative Compulsorily Convertible Preference Shares which meets the fixed to fixed criteria at the date of issuance. The Company has assessed the terms of such instruments and classified these as equity.(Refer footnote (e) of note 20)

Impairment testing

The Company has reviewed its carrying value of long term investments in equity shares as disclosed in Note no. 9 of standalone financial statements at the end of each reporting period, for possible impairment if there are events or changes in circumstances that indicate that carrying amount of assets may not be recoverable. If the recoverable value, which is based upon economic circumstances and future plan is less than its carrying amount, the impairment loss is accounted.

Expected credit losses on financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period. Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Determining lease term

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has some property lease arrangements with its holding company that include option to terminate the contract by either party at any time by giving advance notice. The Company applied judgment in evaluating whether it is reasonably certain for both the parties to terminate the property lease contract before the lease term. It considered all the factors that create economic incentive for the parties to continue with lease or terminate including alternatives available for the office lease, use of underlying property, leasehold improvements made and accordingly determined lease term.



Hero Motors Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2024

U29299PB1998PLC039602

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Useful life of assets of (Property, plant and equipment)

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed at each financial year end.

Impairment of property, plant and equipment (PPE)

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next nine years as the plant is not reaching optimal capacity utilization by the end of 5 years hence a longer period projections considered. The Company expects that the business plan for optimal utilization of the plant is expected to be reached only in 2029. It do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to property, plant and equipment recognised by the Company.

Contingencies

Contingent Liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and other claims. By virtue of their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgements and the use of estimates regarding the outcome of future events.

Recoverability of deferred taxes

In assessing the recoverability of deferred tax assets, management considers whether it is probable that taxable profit will be available against which the losses can be utilised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment.

Estimation of Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilised. In assessing the probability, the Company considers whether the entity has sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity, which will result in taxable amounts against which the unused tax losses or unused tax credits can be utilised before they expire. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.



Hero Motors Limited
Notes to standalone financial statements for the year ended March 31, 2024
(Amount in ₹ lakhs, unless otherwise stated)

4 Property, Plant and Equipment

Particulars	Free Hold Land	Lease Hold Improvements	Buildings	Plant & Machinery	Furniture & Fixtures	Vehicles	Office Equipment's	Computer	Total
Cost / Deemed Cost									
Balance as at April 1, 2022	460.67	537.97	2,737.77	16,352.04	142.76	181.97	113.24	248.47	20,774.89
Add: Additions made during the year	-	65.11	580.67	4,867.18	28.96	66.47	36.40	141.95	5,786.74
Less: Disposals/(adjustments) during the year	-	-	-	(105.00)	-	(0.27)	(1.96)	(9.03)	(116.26)
Balance as at March 31, 2023	460.67	603.08	3,318.44	21,114.22	171.72	248.17	147.68	381.39	26,445.37
Add: Additions made during the year (Refer note "c" below)	2,282.00	-	417.00	1,578.66	6.76	71.91	16.99	81.27	4,454.59
Less: Disposals/(adjustments) during the year	-	(603.08)	603.08	(108.96)	-	(26.34)	(1.24)	(11.71)	(148.25)
Balance as at March 31, 2024	2,742.67	-	4,338.52	22,583.92	178.48	293.74	163.43	450.95	30,751.71
Accumulated depreciation									
Balance as at April 1, 2022	-	457.69	126.36	3,609.23	36.94	18.42	36.75	70.06	4,355.44
Add: Depreciation charge for the year	-	5.31	134.10	1,286.22	15.13	26.24	23.87	72.53	1,563.40
Less: Disposals/(adjustments) during the year	-	-	-	(28.80)	-	-	-	(0.34)	(29.14)
Balance as at March 31, 2023	-	463.00	260.46	4,866.65	52.07	44.66	60.62	142.25	5,889.71
Add: Depreciation charge for the year	-	6.24	152.90	1,033.52	16.23	36.39	24.86	104.96	1,375.10
Less: Disposals/(adjustments) during the year	-	(469.24)	469.24	(88.51)	-	(15.37)	(1.14)	(11.13)	(116.15)
Balance as at March 31, 2024	-	-	882.60	5,811.66	68.30	65.68	84.34	236.08	7,148.66
Net carrying amount									
As at March 31, 2023	460.67	140.08	3,057.98	16,247.57	119.65	203.51	87.06	239.14	20,555.66
As at March 31, 2024	2,742.67	-	3,455.92	16,772.26	110.18	228.06	79.09	214.87	23,603.05

Note :

- Refer note 21 & 22 for property, plant and equipment pledged/ hypothecated as security for borrowing by the company.
- During the year ended March 31, 2024, the management has reassessed useful life of plant and machineries based on technical evaluation carried at by management expert which is higher than as specified by Schedule II to the Companies Act , 2013,in order to reflect the actual usage of the assets. This has resulted in decrease in depreciation expenses during the year by ₹ 360.80 lakhs.
- Refer note 65 for acquisition of land during the year ended March 31, 2024



5 Capital work in progress

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	477.06	912.13
Add: Addition made during the year	5,525.49	2,986.06
less: Allocated to Property Plant and Equipment during the year	(1,054.20)	(3,421.13)
	4,948.35	477.06

Note :

The Company has capitalised following expenses to the cost of property, plant and equipment / capital work in progress in relation to projects.

Particulars	As at March 31, 2024	As at March 31, 2023
Employee benefit expenses	933.12	118.35
Contract Labour Charges	114.19	-
Finance cost	222.58	-
Other Expenses	15.87	-
Total	1,285.76	118.35
less: Allocated to Property Plant and Equipment	(24.24)	(118.35)
Closing balance included under Capital Work in progress	1,261.52	-

Ageing schedule of CWIP as at March 31, 2024:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	4,744.28	204.07	-	-	4,948.35
Projects temporarily suspended	-	-	-	-	-

Ageing schedule of CWIP as at March 31, 2023:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	477.06	-	-	-	477.06
Projects temporarily suspended	-	-	-	-	-

Note: There are no project whose completion is overdue or has exceeded its cost compared to its original plan during the year ended March 31, 2024 and March 31, 2023.

6 Intangible assets

Particulars	Computer Software	Total
At Deemed cost		
Gross carrying amount		
Balance as at April 1, 2022	93.74	93.74
Add: Additions during the year	204.01	204.01
Less: Disposals/(adjustments) during the year	(1.75)	(1.75)
Balance as at March 31, 2023	296.00	296.00
Add: Additions during the year	51.92	51.92
Less: Disposals/(adjustments) during the year	(1.34)	(1.34)
Balance as at March 31, 2024	346.58	346.58
Accumulated amortisation		
Balance as at April 1, 2022	17.90	17.90
Add: Amortisation charge for the year	48.01	48.01
Less: Disposals/(adjustments) during the year	(1.75)	(1.75)
Balance as at March 31, 2023	64.16	64.16
Add: Amortisation charge for the year	57.80	57.80
Less: Disposals/(adjustments) during the year	(1.29)	(1.29)
Balance as at March 31, 2024	120.67	120.67
Net carrying amount		
As at March 31, 2023	231.84	231.84
As at March 31, 2024	225.91	225.91



7 Right of Use Assets

Below are the carrying amounts of right to use assets and lease liabilities and the movements during the year. The Company's leased assets consists of leases for land and building.

Particulars	Lease hold building	Lease hold land	Total
Balance as on April 1, 2022	-	16.97	16.97
Additions	-	1,132.73	1,132.73
Derecognition of right of use assets	-	-	-
Balance as on March 31, 2023	-	1,149.70	1,149.70
Additions	790.66	-	790.66
Derecognition of right of use assets#	-	(1,132.73)	(1,132.73)
Balance as on March 31, 2024	790.66	16.97	807.63
Accumulated depreciation			
Balance as on April 1, 2022	-	16.97	16.97
Charge for the year	-	113.27	113.27
Derecognition of right of use assets	-	-	-
Balance as on March 31, 2023	-	130.24	130.24
Charge for the year	-	56.50	56.50
Derecognition of right of use assets#	-	(169.77)	(169.77)
Adjustment	14.64	-	14.64
Balance as on March 31, 2024	14.64	16.97	31.61
Carrying amount			
As at March 31, 2023	-	1,019.46	1,019.46
As at March 31, 2024	776.02	-	776.02

8 Leases liabilities

The following is the movement in lease liabilities during the year

Particulars	Lease hold building	Lease hold land	Total
Balance as at April 1, 2022	-	-	-
Additions	-	1,132.73	1,132.73
Finance cost accrued during the year	-	97.03	97.03
Payment of lease liabilities	-	-	-
Reversal of Lease liability	-	-	-
Balance as at March 31, 2023	-	1,229.76	1,229.76
Additions	790.66	-	790.66
Finance cost accrued during the year	11.90	56.25	68.15
Lease rent payable / paid	-	(217.94)	(217.94)
Reversal of Lease liability#	-	(1,068.07)	(1,068.07)
Balance as at March 31, 2024	802.56	-	802.56

The following is the break-up of current and non-current lease liabilities

Particulars	Current	Non - current
As at March 31, 2023	347.29	882.47
As at March 31, 2024	33.25	769.31
Others Disclosures :-		

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation expense on right-of-use assets (Refer note 35)	56.50	113.27
Interest expense on lease liabilities (Refer note 34)	56.25	97.03
Expense relating to short-term leases (Refer note 37)	165.68	151.45
Total Cash outflow for leases	-	-

Note

#Refer Note 65.



9 Investment in subsidiaries and other investments

Particulars	As at March 31, 2024	As at March 31, 2023
Non- Current		
I) Investments in equity shares of Subsidiaries - (unquoted)-Valued at amortised Cost		
a) Hero Motors Thai Limited 589,998 equity shares (March 31, 2023: 589,998) of THB 100 each fully paid up	1,418.93	1,418.32
b) Hewland Engineering Limited 10,513 equity shares (March 31, 2023: 10,513) of GBP 1 each fully paid up	10.08	10.08
d) HYM Drive Systems Private Limited 288,00,000 equity shares (March 31, 2023: 288,00,000) of ₹ 10 each fully paid up	2,880.00	2,880.00
e) Hero EDU Systems Private Limited 1000,000 equity shares (March 31, 2023: 1000,000) of ₹ 10 each fully paid up	100.00	100.00
f) Spur Technologies Private Limited* 308,10,000 equity shares (March 31, 2023: 10) of ₹ 10 each fully paid up	2,920.24	0.24
	7,329.24	4,408.64
* During the year the company has acquired 1,11,09,990 shares of face value ₹ 10 @ ₹8.55 from Hero Cycle Limited and further 1,97,00,000 shares @ ₹ 10 have been allotted through right issue .		
II) Investment in other equity instruments (valued at fair value through OCI)		
a) AMP Solar Urja Private Limited 1,51,200 equity shares (March 31, 2023: 182) of ₹ 10 each fully paid up	15.12	0.02
III) Investments in debenture of others - (unquoted) (valued at fair value through OCI)		
a) AMP Solar Urja Private Limited 13,608 Debentures (March 31, 2023: 11,340) of ₹ 1,000 each fully paid up	136.08	113.14
These Compulsory convertible debenture shall be entitled to Interest at rate of 0.01% p.a. Interest shall be due and receivables at the end of every financial year.		
	151.20	113.16
Grand Total	7,480.44	4,521.80
i) Aggregate value of unquoted investments	7,480.44	4,521.80
ii) Aggregate value of unquoted investments (net of impairment)	7,480.44	4,521.80

Movement during the year in subsidiary investments :

Name of Company	Proportion (%) of equity interest As at Dec. 31, 2024	As at March 31, 2023
Subsidiary		
Hero Motors Thai Limited	100.00%	100.00%
Hewland Engineering Limited	51.00%	51.00%
HYM Drive Systems Private Limited	90.00%	90.00%
Hero EDU Systems Private Limited	100.00%	100.00%
Spur Technologies Private Limited	100.00%	0.00%

10 Investment Others

Current Investments

Particulars	As at March 31, 2024	As at March 31, 2023
Investments in Mutual funds measured at Fair Value through Profit and Loss		
Quoted Investments		
Aditya Birla Sun Life Liquid Fund	479.45	446.73
123,036.20 Units (March 31, 2023 : 123,036.20 Units) market linked Mutual Fund		
HDFC Liquid Fund	188.11	1,083.54
3,965.44 Units (March 31, 2023 : 24,496.84 Units) market linked Mutual Fund		
	667.56	1,530.27
a) Aggregate book value of quoted investments	615.48	1,514.19
b) Aggregate market value of quoted investments	667.56	1,530.27
c) The number of units in note above represents absolute numbers.		



11 Loans measured at amortized cost
(Unsecured, considered good unless otherwise stated)

Particulars	Non - Current As at March 31, 2024	Non - Current As at March 31, 2023	Current As at March 31, 2024	Current As at March 31, 2023
Loans to employees				
Loans receivables considered good – Unsecured	131.07	2.33	60.19	18.94
Loans to Subsidiaries (Refer Note No. 42 and below note 'b', 'c' and 'd')				
Hero Motors Thai Limited	4,398.54	5,058.81	1,014.15	
Hewland Engineering Limited	1,907.22	1,387.48	531.62	-
Spur Technologies Private Limited	-	250.00	-	-
Hero EDU Systems Private Limited	1,020.83	-	204.17	
HYM Drive Systems Private Limited	538.33	-	107.67	
	7,995.99	6,698.62	1,917.80	18.94

a) The Company has no outstanding loans which have significant increase in credit risk and loans which are credit impaired. (Refer Note No. 44)

b) The above loan given to Hero Motor Thai is repayable as per the schedule defined in agreement and carries interest rate @ 9%

c) The above loan given to Hewland Engineering Limited is repayable as per the schedule defined in agreement and carries interest rate ranges @ 7.25% to 9.00% p.a.

d) The above loan given to Hero EDU Systems Private Limited and HYM Drive Systems Private Limited is repayable on demand in 4 years (Including Moratorium of one year) carries interest rate @ 9% p.a

Note :

There is no loss allowance for receivables in relation to any outstanding balances, and no loss allowance has been recognised during the year in respect of receivables due from related parties.

12 Other financial assets

Particulars	Non - Current As at March 31, 2024	Non - Current As at March 31, 2023	Current As at March 31, 2024	Current As at March 31, 2023
Unsecured, considered good unless specified				
At Amortized Cost				
i. Interest accrued but not due				
- Margin Money *	251.69	35.11	-	104.90
- Loan to Subsidiary	616.57	-	245.42	226.64
ii. Interest accrued and due on Deposit				
Interest accrued and due on Deposit with Punjab state power corporation limited	3.86	2.42	-	-
iii. Others				
Balance with Banks:				
In Deposit Accounts (with remaining maturity of less than twelve months)(refer note Below)	-	-	154.93	774.42
Security deposits -Others(Electricity and others)	396.04	277.54	-	-
Receivables from related party	-	-	394.39	188.25
Other Receivables	-	-	1,230.87	2,072.53
At Fair Value through Profit and Loss				
Forward Contract Receivable	-	-	32.63	-
	1,268.16	315.07	2,058.24	3,366.74

Note:

1. Balances with Banks held as Margin Money Deposits against Bank Guarantee and Letter of Credit issued by Axis Bank.

2. There is no loss allowance in relation to any outstanding balance and no loss allowance has been recognised during the year in respect of receivables from related party.

* Includes ₹ 34.91 lakhs against lien for letter of credit and bank guarantee with Axis Bank & SBI and ₹ 216.78 lakhs against non-lien Margin money.



13 Non current tax asset (Net)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance Income Tax (Net of provision of ₹ 339.63 lakhs (March 31, 2023 1,868.80 lakhs)	903.50	92.29
	903.50	92.29

14 Other assets

Particulars	Non - Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good, unless otherwise stated)				
(i) Capital Advances (Refer Note No. 40)				
Unsecured, considered good others	1,595.20	604.35	-	-
	1,595.20	604.35	-	-
(ii) Balances with Government Authorities				
Goods and service tax receivables	-	-	422.91	18.20
Amount deposit under protest	-	101.17	-	-
	-	101.17	422.91	18.20
(iii) Others				
Export incentive receivable	-	-	200.69	536.02
Prepaid expenses *	-	-	501.96	63.34
Advances recoverable in cash or kind	-	-	19.97	4.47
Advances to suppliers	-	-	420.08	756.55
Advances to related party (Refer note 21)	-	-	1,667.00	-
	-	-	2,809.70	1,360.38
	1,595.20	705.52	3,232.61	1,378.58

* It includes advance against initial public offer related expenses of ₹ 232.00 lakhs (refer note- 66)

15 Inventories

(Valued at lower of cost or realisable value)

Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials (Refer note i (a) below)	2,911.52	4,159.07
Work in progress (WIP)	2,855.38	3,128.05
Finished goods (Refer note i (b) below)	6,432.29	6,431.06
Stores and spares	1,649.21	1,706.00
Scrap	46.97	70.56
Total	13,895.37	15,494.74
Notes:		
(i) Includes goods in transit:		
(a) Raw material	69.83	531.66
(b) Finished goods	5,078.95	4,689.22
	5,148.78	5,220.88

16 Trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured Considered good - others	16,764.03	21,298.45
Unsecured Considered good-related parties	967.35	1,431.42
Total	17,731.38	22,729.87

Notes :

(i) The average credit period on sales of goods is 30 days-75 days. No interest is charged on trade receivables.

(ii) There are no indicators / default on receipts of payment from debtors (including related parties). Accordingly, the Company does not anticipate risk of recovery and expected credit loss in respect thereof.

(iii) Of the trade receivables balance as at the year end, the Company's largest customers who represents more than 10% of the total balance of trade receivables are as follows;

Particulars	Type of Customer	As at March 31, 2024	As at March 31, 2023
Customer A	Domestic	8,114.58	9,659.13
Customer B	Export	-	4,389.76

There are no other customers other than mentioned above, who represent more than 10% of the total balance of the trade receivables.

The company's exposure to credit and current risk and loss allowance related to trade receivables are disclosed in Note 44.



Hero Motors Limited

Notes to standalone financial statements for the year ended March 31, 2024
(Amount in ₹ lakhs, unless otherwise stated)

a) Trade receivables ageing schedule as at March 31, 2024:

Particulars	Outstanding for following periods from the due date of payment					Total
	Less than 6 months*	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	16,729.85	18.48	15.70	-	-	16,764.03
Undisputed Trade Receivables – considered good related parties	329.90	24.79	612.66	-	-	967.35
Disputed Trade Receivables – considered good	-	-	-	-	-	-
17,059.75	43.27	628.36	-	-	-	17,731.38
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Less: Provision for doubtful trade receivables	-	-	-	-	-	-
(v) Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Net Trade receivables	17,059.75	43.27	628.36	-	-	17,731.38

b) Trade receivables ageing schedule as at March 31, 2023:

Particulars	Outstanding for following periods from the due date of payment					Total
	Less than 6 months*	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	20,897.70	241.44	159.19	0.12	-	21,298.45
Undisputed Trade Receivables – considered good related parties	12.52	-	-	1,418.90	-	1,431.42
Disputed Trade Receivables – considered good	-	-	-	-	-	-
20,910.22	241.44	159.19	1,419.02	-	-	22,729.87
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Less: Provision for doubtful trade receivables	-	-	-	-	-	-
(v) Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Net Trade receivables	20,910.22	241.44	159.19	1,419.02	-	22,729.87

* Includes unbilled and not due.

c) For trade receivables or any contractual right to receive cash that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses. Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. The Company follows simplified approach for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL's at each reporting date, right from its initial recognition.

i) The movement in the allowance for expected credit loss allowance is as follows:

	As at March 31, 2024	As at March 31, 2023
Balance as at beginning of the year	-	-
Loss allowances during the year	-	-
Trade receivables written off / written back during the year	-	-
Balance as at the end of the year	-	-

a) Trade receivables from domestic customers are generally on terms of 45- 60 days (March 31, 2023: 45-60 days).

b) Trade receivables from export customers are generally on terms of 30-75 days (March 31, 2023: 30-90 days).

c) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other persons.



17 Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks:		
- Current account	915.06	382.45
- Deposits with original maturity of less than 3 months (Refer Note 'b' below)	2,000.00	-
Cash in hand	0.25	3.20
	2,915.31	385.65

a) For the purpose of the statement of cash flow, the cash and cash equivalent are considered as given above.

b) The deposits maintained by the company with Banks comprise of the time deposits which may be withdrawn by the company at any point of time without prior notice and are made of varying period depending upon the cash requirements of the company and earn interest at respective deposit rate.

18 Bank balances other than cash & cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Deposits with original maturity of more than 3 months but less than 12 months(Refer notes below) *	4,600.00	8,053.00
	4,600.00	8,053.00

Note :

* The above deposits includes ₹ 2,000.00 lakhs (March 31, 2023 : Rs. Nil) on which lien is marked on over draft facility obtained from kotak bank

19 Equity Share Capital

	As at March 31, 2024	As at March 31, 2023
Authorised Share capital		
38,00,00,000 shares (March 31, 2023: 38,00,00,000) Equity Shares of Rs. 10 each*	38,000.00	38,000.00
	38,000.00	38,000.00
Issued, subscribed and fully paid up share capital		
353,578,380 (March 31, 2023: 353,578,380) Equity Shares of Rs. 10 each*	35,357.84	35,357.84
	35,357.84	35,357.84

a) Reconciliation of issued and subscribed share capital:

Particulars	No. of Shares*	Amount
Balance as at April 1, 2022	3,45,97,133	3,459.71
Add: Shares issued during the year {Refer Note 20 (ii) (d)}	31,89,81,247	31,898.13
Balance as at March 31, 2023	35,35,78,380	35,357.84
Add: Shares issued during the year	-	-
Balance as at March 31, 2024	35,35,78,380	35,357.84

b) Terms/ rights attached to equity shares:

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share and will rank pari passu with each other in all respect. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The Company has not paid any dividend during the year.

c) Details of shareholders holding more than 5% shares in the Company

Name of Share Holder	As at March 31, 2024		As at March 31, 2023	
	No. of Shares*	Holding %	No. of Shares*	Holding %
Pankaj Munjal on behalf of OP Munjal Holding	27,31,23,055	77.25%	27,31,23,055	77.25%
South Asia Growth Invest LLC	2,59,47,024	7.34%	2,59,47,024	7.34%
Bhagyoday Investments Private limited	2,39,78,804	6.78%	2,39,78,804	6.78%

* Number of Shares are given in absolute numbers.



d) Details of Promoter's Shareholding:

Promoter's Name	As at March 31, 2024		As at March 31, 2023		% Change during the year
	No. of Shares*	% of total shares	No. of Shares*	% of total shares	
Pankaj Munjal on behalf of OP Munjal Holding	27,31,23,055	77.25%	27,31,23,055	77.25%	0.00%
Pankaj Munjal on behalf of Om Prakash Pankaj Munjal - AOP	1,05,37,140	2.98%	1,05,37,140	2.98%	0.00%
Pankaj Munjal	94,00,047	2.66%	94,00,047	2.66%	0.00%
Hero Cycles Limited	77,52,750	2.19%	77,52,750	2.19%	0.00%
Pankaj Munjal on behalf of Munjal Sales Corporation	1,49,359	0.04%	1,49,359	0.04%	0.00%

e) Movement of share holding pattern during the year :

Type of capital	Share Price	As at March 31, 2023		Addition		Deletion		As at March 31, 2024	
		No of share*	Amount in lakhs	No of share*	Amount in lakhs	No of share*	Amount in lakhs	No of share*	Amount in lakhs
Name Of Share Holder									
Equity Share holder									
Pankaj Munjal on behalf of OP Munjal Holding	10	27,31,23,055	27,312.31	-	-	-	-	27,31,23,055	27,312.31
South Asia Growth Invest LLC	10	2,59,47,024	2,594.70	-	-	-	-	2,59,47,024	2,594.70
Bhagyoday Investments P. Ltd.	10	2,39,78,804	2,397.88	-	-	-	-	2,39,78,804	2,397.88
Pankaj Munjal on behalf of Om Prakash Pankaj Munjal - AOP	10	1,05,37,140	1,053.71	-	-	-	-	1,05,37,140	1,053.71
Pankaj Munjal	10	94,00,047	940.00	-	-	-	-	94,00,047	940.00
Hero Cycles Limited	10	77,52,750	775.28	-	-	-	-	77,52,750	775.28
Charu Munjal	10	9,42,425	94.24	-	-	-	-	9,42,425	94.24
Aditya Munjal	10	7,07,022	70.70	-	-	-	-	7,07,022	70.70
Abhishek Munjal	10	7,06,210	70.62	-	-	-	-	7,06,210	70.62
Smt. Sudarshan Kumari Munjal	10	2,43,163	24.32	-	-	-	-	2,43,163	24.32
Pankaj Munjal on behalf of Munjal Sales Corp	10	1,49,359	14.94	-	-	-	-	1,49,359	14.94
South Asia EBT Trust	10	87,110	8.71	-	-	-	-	87,110	8.71
Tarun Vohra	10	812	0.08	-	-	-	-	812	0.08
AK Dewan	10	812	0.08	-	-	-	-	812	0.08
Pawan Puri	10	812	0.08	-	-	-	-	812	0.08
Vipin Kumar Bagal	10	812	0.08	-	-	-	-	812	0.08
Arun Jit Singh Sodhi	10	812	0.08	-	-	-	-	812	0.08
Munjal Sales Corporation	10	211	0.02	-	-	-	-	211	0.02
Total		35,35,78,380	35,357.84	-	-	-	-	35,35,78,380	35,357.84



Movement of share holding pattern during the year ended March 31, 2023 :

Type of capital	Share Price	As at March 31, 2022		Addition		Deletion		As at March 31, 2023	
		No of share*	Amount in lakhs	No of share*	Amount in lakhs	No of share*	Amount in lakhs	No of share*	Amount in lakhs
Name Of Share Holder									
Pankaj Munjal on behalf of Op Munjal	10	-	-	27,31,23,055	27,312.31	-	-	27,31,23,055	27,312.31
South Asia Growth Invest LLC	10	-	-	2,59,47,024	2,594.70	-	-	2,59,47,024	2,594.70
Bhagyoday Investments P. Ltd.	10	5,63,479	56.35	2,34,15,325	2,341.53	-	-	2,39,78,804	2,397.88
Pankaj Munjal on behalf of Om Prakash	10	-	-	1,05,37,140	1,053.71	-	-	1,05,37,140	1,053.71
Pankaj Munjal	10	3,395	0.34	93,96,651	939.67	-	-	94,00,047	940.00
Hero Cycles Limited	10	3,37,59,948	3,375.99	26,936	2.69	2,60,34,134	2,603.41	77,52,750	775.28
Charu Munjal	10	-	-	9,42,425	94.24	-	-	9,42,425	94.24
Aditya Munjal	10	-	-	7,07,022	70.70	-	-	7,07,022	70.70
Abhishek Munjal	10	-	-	7,06,210	70.62	-	-	7,06,210	70.62
Smt. Sudarshan Kumari Munjal	10	2,43,163	24.32	-	-	-	-	2,43,163	24.32
Pankaj Munjal on behalf of Munjal Sa	10	-	-	1,49,359	14.94	-	-	1,49,359	14.94
South Asia EBT Trust	10	-	-	87,110	8.71	-	-	87,110	8.71
Tarun Vohra	10	-	-	812	0.08	-	-	812	0.08
AK Dewan	10	-	-	812	0.08	-	-	812	0.08
Pawan Puri	10	-	-	812	0.08	-	-	812	0.08
Vipin Kumar Bagal	10	-	-	812	0.08	-	-	812	0.08
Arun Jit Singh Sodhi	10	-	-	812	0.08	-	-	812	0.08
Munjal Sales Corporation	10	211	0.02	-	-	-	-	211	0.02
Public shareholders	10	26,936	2.69	-	-	26,936	2.69	-	-
Total		3,45,97,133	3,459.71	34,50,42,317	34,504.23	2,60,61,070	2,606.11	35,35,78,380	35,357.84

f) Shares held by holding/ultimate holding &/or Subsidiary

No Shares are held by the subsidiary of the Company. The Company does not have holding and ultimate holding Company.

g) 18 shareholders holding 131 shares appearing in shareholding list are belong to Hero Cycle Limited referring to scheme of demerger . The transfer is pending owing to operational issue at the end of depository and Registrar & Transfer Agent (RTA).

* Number of Shares are given in absolute numbers.



20 Other Equity

Particulars	As at March 31, 2024	As at March 31, 2023
a. Securities premium:		
Balance at the beginning of financial year	55,439.61	-
Add: Premium on issue of equity shares (refer note 47) and refer note {ii-(d)} below	-	43,381.87
Add: Premium on issue of Non-Cumulative Compulsory Convertible Preference Shares	-	12,402.80
Less: Share issue Expenses	-	(345.06)
Balance at the end of financial year	55,439.61	55,439.61
b. CCPS classified as Equity:		
Balance at the beginning of financial year	2,097.19	-
Add: Issue of Non-cumulative Compulsory convertible preference shares	-	2,097.19
Balance at the end of financial year	2,097.19	2,097.19
c. Share-based payment reserve		
Balance at the beginning of financial year	1,334.98	-
Add: Credit to equity for equity-settled share-based payments	3,946.17	1,334.98
Balance at the end of financial year	5,281.15	1,334.98
d. Retained earnings		
Balance at the beginning of financial year	16,611.27	12,230.77
Add: Profit for the year	1,896.99	4,862.25
Add: Remeasurement of defined benefit obligations(net of tax)	70.23	(481.75)
Less: Payment of Dividend (Refer note 61)	(935.70)	-
Balance at the end of financial year	17,642.79	16,611.27
e. Demerger adjustment deficit account		
Balance at the beginning of financial year	(75,279.98)	(75,279.98)
Add: Effect of Business combination	-	-
Balance at the end of financial year	(75,279.98)	(75,279.98)
f. Share pending issuance		
Balance at the beginning of financial year	-	75,279.98
Less: Issue of equity shares (refer note 47)	-	(75,279.98)
Balance at the end of financial year	-	-
Total other equity (a+b+c+d+e)	5,180.76	203.07

Notes:

- For Movement during the year in other equity, refer "Statement of changes in equity".
- The description of the nature and purpose of each reserves within equity is as follows:
- The Board of Directors of the Company at its meeting held on July 16, 2024 has recommended for approval of the Final Dividend of ₹ 0.25 each equity share of ₹ 10 fully paid up on existing share capital for the year ended March 31, 2024. The dividend payment is expected to be ₹ 888.95 lakhs ,subject to tax deduction of source, as applicable.

a) **Securities premium:**

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

b) **Share-based payments reserve:**

The Share-based payments reserve is used to recognise the grant date fair value of options issued to employees under employees stock options scheme.

c) **Retained earnings:**

Retained earnings represents the undistributed profits of the Company.

d) **Shares Pending Issuance**

Shares pending for issuance as on March 31, 2022 has been issued in financial year 2022-23 (Refer Note 47) as an effect of which company has issued a total of 31,89,81,247 @ ₹10/shares and accordingly Out of total balance of ₹ 75,279.98 lakhs, ₹ 43,381.87 lakhs has been transferred to Security premium and ₹ 31,898.11 lakhs has been transferred to Equity share Capital.



e) Demerger adjustment deficit account

The difference between assets, liabilities and reserves transferred and the purchase consideration on Demerger is recorded as "Demerger Adjustment Deficit Account"

Non Cumulative compulsory convertible preference share

During the year ended March 31, 2023 the Group has issued 2,09,71,920 non cumulative compulsory convertible preference share @ ₹ 69.13 (face value ₹ 10 each) convertible in to equity shares in the ratio of 1:1 each. The details of CCPS holders as at March 31, 2024 and March 31, 2023 are given below.

Name Of Share Holder	As at March 31, 2024		As at March 31, 2023	
	Number of Shares	Amount	Number of Shares	Amount
South Asia Growth Invest LLC	2,09,08,282	2,090.83	2,09,08,282	2,090.83
South Asia EBT Trust	63,658	6.37	63,658	6.37
Total	2,09,71,940	2,097.19	2,09,71,940	2,097.19

Terms and rights of Compulsorily Convertible Preference Shares (CCPS) issued to South Asia Growth Invest LLC and South Asia EBT Trust:

CCPS would be compulsorily converted into 2,09,71,920 number of equity shares as agreed between the company and CCPS holders at the option of the CCPS holders at any time after the date of allotment of CCPS but not later than 5 years from the date of allotment.

As per the original terms (including addendum thereto), the CCPS holders had right on the promoters of the Company to provide it an exit at fair market value of securities after 60 months from the Execution Date of agreement(December 7, 2022), if the Company is unable to provide exit to Investors either via IPO or any other route. Subsequently, the parties agreed and amended the terms wherein after 60 months from the Execution Date of agreement, the investors would be entitled to request the Company and its promoters to buyback its shares and the Board may, at its sole discretion (with the affirmative vote of the investor nominee director), if deemed commercially prudent to undertake a buy-back in accordance with the applicable laws. Based on the assessment of the Company as per the amended terms, the buy back event is controlled by the Board of Directors of the Company and hence these CCPS have been classified as equity.

If the Company is unable to provide an exit by way of buyback within the timelines as per agreement, the CCPS holders shall be entitled to identify a Person who is willing to purchase all of the Shares from the CCPS holders and may require the Promoters to transfer any or all of the Equity Securities held by such Promoters to the identified person, if required by that identified person on the terms which shall be no less favorable than those as offered to the CCPS holders.

The holders of CCPS –

- carry a pre-determined non-cumulative dividend rate of 0.0001% per annum in priority to any dividend on the Equity shares.
- carry a preferential right vis-à-vis the equity shares of the Company with respect to payment of dividend and repayment of capital during winding up.
- Each CCPS shall entitle the holder to such voting rights that such holder would have been entitled to exercise if such CCPS had been converted into Equity Shares in accordance with these terms prior to the date of such general meeting.
- The CCPS shall be participating in the surplus assets and profits, on winding up which may remain after the entire capital has been repaid.



21 Non Current Borrowing - At Amortised Cost	Represents Non - Current part long term borrowing		Represents Current part long term borrowing	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Particulars				
Secured				
(a) Term Loan from Bank	5,231.37	1,496.25	970.88	99.75
(b) External commercial Borrowing (ECB)	2,208.15	2,900.60	736.05	-
(c) Redeemable Non-Convertible Debenture	-	1,667.00	1,667.00	1,666.50
	7,439.52	6,063.85	3,373.93	1,766.25
Less: Amount disclosed under other financial liabilities as 'Current Borrowings' (refer note 22)	-	-	3,373.93	1,766.25
	7,439.52	6,063.85	-	-

Security

(i) The term loan and External Commercial Borrowing mentioned in (a) and (b) have been secured by first pari passu charge on all movable fixed assets of Ghaziabad plant.

(ii) The Redeemable Non Convertible Debentures mentioned (RNCD) in (c) above have been secured by a first pari passu charge (equitable mortgage) on the land and building of Mangli plant held by Hero Cycles Limited and a first pari passu charge on Flat No 2A , 10th Floor Gurugram held by Hero Cycle Limited. These non convertible debenture were transferred to the Company via demerger scheme and are not transferred in the name of the company. On due date company used to pay its liability to Hero Cycles Limited and Hero Cycle Limited used to pay to Debenture Holder (HDFC Bank Limited) ; During the current financial year, the charge against the Mangli land has been released by the Bank. The Company has prepaid the entire outstanding balance ₹ 1,667.00 lakhs amount to Hero Cycle Limited before the due date for onward repayment to Bank. Hero Cycle Limited will repay the amount on due date and thus such repayment to Hero Cycle Limited is currently classified as Advance in Other Current assets.

Terms of Repayment

Maturity profile of secured term loans is as set out below :	2024-25	2025-26	2026-27	2027-28	Beyond 2028-29
(i) Term loan from banks are repayable in quarterly instalments	970.88	1,618.50	1,618.50	1,346.75	647.62
(ii) External Commercial Borrowings	736.05	736.05	736.05	736.05	-

Notes :

- The rate of interest for term loan from Axis bank is 1 year MCLR+ 0.2% spread and repo +2.45% i.e. 9.45% p.a and 8.95% p.a. respectively.
- The rate of interest for term loan from Kotak bank is 3 Months MCLR+ 0.5% spread i.e. 8.95% p.a .
- The rate of interest for External commercial borrowings is 3M Secured Overnight Financing Rate + 2.75% p.a. i.e. 7.64% to 8.08% p.a;The Company have entered in to Interest rate swap @ 6.65% p.a. with Axis Bank Limited.
- The 7.8 % Redeemable Non Convertible Debentures have been issued through Beacon Trusteeship Services Limited.

Details of borrowings availed and repaid during the year :

Particulars	Opening	Addition	Forex Reinstatement	Repayment	As at March 31, 2024
External Commercial Borrowing	2,900.60	-	43.60	-	2,944.20
Non Convertible Debenture	3,333.50	-	-	(1,666.50)	1,667.00
Term Loan	1,596.00	4,825.00	-	(218.75)	6,202.25
Total	7,830.10	4,825.00	43.60	(1,885.25)	10,813.45

22 Current Borrowing - At Amortised Cost

Particulars	As at March 31, 2024	As at March 31, 2023
Secured		
(a) Working Capital Demand Loan	16,590.05	16,202.35
(b) Buyer's Credit	-	189.76
(c) Current Maturities of Long Term Borrowings (Refer Note 21)	3,373.93	1,766.25
(d) Bank Overdraft	892.47	-
(e) Export Packing Credit	1,000.00	-
	21,856.45	18,158.36

Note

The Company had access to the following undrawn borrowing facilities at the end of the reporting year :

Particulars	As at March 31, 2024	As at March 31, 2023
Floating Rate		
Expiring Within One Year (Bank Overdraft and Other Facilities)	3,324.00	1,904.00
Expiring beyond One Year (Bank Loans)	-	-
	3,324.00	1,904.00

Security

- (i) The Working Capital Demand Loan and Export Packing Credit mentioned in (a) and (e) have been secured by first pari passu charge on entire current assets of the company present and future for both Axis and Kotak Mahindra Bank.
- (ii) The Bank Overdraft have been secured by FD equivalent to 100% of OD limit.

Notes :

- The rate of interest for Working Capital Demand Loan from Axis Bank and Kotak Bank is 7.95% p.a.
- The rate of interest for Bank Overdraft from Kotak Bank is Term Deposit+0.80% i.e. 8.10% p.a.
- The rate of interest for Export Packing Credit from Axis Bank is 5.95% p.a.
- The rate of interest for Buyer's Credit is 1M Secured Overnight Financing Rate+ 0.90% -1.15% p.a.
- Refer Note No. 21 for the terms and conditions, nature of security and maturity profile of the current maturities of long-term borrowings (forming part of long term borrowings of the Company).



23 Other financial liabilities

Particulars	Non - Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
At amortised cost				
Security deposit	2.14	413.40	-	-
Interest accrued but not due on borrowings	-	-	42.97	118.06
Creditors for capital goods	-	-	662.02	161.82
Payable to Related parties	-	-	1,342.69	1,765.37
Bonus / Leave Travel Allowances	-	-	248.59	214.01
Bill Discounting / Factoring	-	-	7,568.93	8,856.59
At Fair Value through Profit and Loss				
Forward contract payable	-	-	-	19.98
	2.14	413.40	9,865.20	11,135.83

Notes:

a) The company's exposure to currency and liquidity risk related to trade payables is disclosed in note 45.

24 Other current liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Advance from customer	38.40	405.80
Statutory dues	559.58	225.26
	597.98	631.06

25 Provisions

Particulars	Non - Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits				
Provision for compensated absences (Refer note 41)	252.26	236.87	43.10	33.65
Provision for gratuity (Refer note 41)	1,467.02	1,415.75	156.24	134.85
	1,719.28	1,652.62	199.34	168.50

26 Trade payables

Particulars	As at March 31, 2024	As at March 31, 2023
Sundry Creditor for goods and services		
Total outstanding dues of micro and small enterprises	1,662.59	1,590.86
Total outstanding dues of creditors other than micro and small enterprises	10,128.41	10,574.04
Total	11,791.00	12,164.90

a) Trade Payables ageing schedule as at March 31, 2024:

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME (Refer Note 50)	1,662.15	0.44	-	-	1,662.59
(ii) Others	10,089.75	38.66	-	-	10,128.41
(iv) Disputed dues — MSME	-	-	-	-	-
(v) Disputed dues — Others	-	-	-	-	-

Note : Unbilled included under less than 1 year.

a) Trade Payables ageing schedule as at March 31, 2023:

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME (Refer Note 50)	1,590.86	-	-	-	1,590.86
(ii) Others	10,285.78	209.96	1.90	76.40	10,574.04
(iii) Disputed dues — MSME	-	-	-	-	-
(iv) Disputed dues — Others	-	-	-	-	-

Note : Unbilled dues included under less than 1 year.

Note: Refer note 50 for disclosure required under MSMED Act, 2006



27 Deferred Tax Liabilities (Net)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax liabilities	1,535.38	1,290.82
Deferred tax assets	532.56	894.90
Net deferred tax liabilities	1,002.82	395.92

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax liabilities relates to followings:		
Property, Plant and Equipment and Intangible Assets	1,527.17	1,287.18
Forward Contract Receivable	8.21	-
Payment of leave Encashment	-	3.65
	1,535.38	1,290.82
Deferred tax Assets relates to followings:		
Employee benefit	532.56	500.95
Forward Contract	-	5.03
Share based payment expenses	-	335.99
Right of use asset	-	52.93
	532.56	894.90
Deferred tax Liabilities (net)	1,002.82	395.92

28 Income tax recognised in Statement of profit and loss

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax expense:		
Current year	339.63	1,868.80
Relating to earlier year Tax adjustment	(403.79)	(137.58)
Total current tax (A)	(64.16)	1,731.22
Deferred tax assets/ (liabilities):		
Current year origination and reversals of temporary difference	250.94	(332.65)
Relating to earlier year Tax adjustment	332.34	(237.49)
Deferred tax charge/ (credit) (B)	583.28	(570.14)
Total tax expense recognised in statement of profit and loss	519.12	1,161.08

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Income tax recognised in Other Comprehensive Income		
Income tax impact on Remeasurement of defined benefits	23.62	(162.02)
Total Income tax recognised in Other Comprehensive Income	23.62	(162.02)

Reconciliation of estimated Income tax expense at tax rate to income tax expense reported in the Statement of profit and loss is as follows:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before tax	2,416.11	6,023.33
Applicable income tax rate	25.17%	25.17%
Expected Income tax expenses	608.09	1,515.95
Adjustments:		
Corporate Social Responsibility	21.94	10.57
Income tax related to prior years	(403.79)	(137.58)
Deferred Tax adjustment related to prior year	332.34	(237.49)
Others	(39.46)	9.49
Reported Income tax expenses	519.12	1,161.08

Notes:

1) The Company has elected to exercise the option permitted under Section 115BAA of the Income tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019.

2) The Company has recognised deferred tax liabilities (net of assets) only to the extent it is probable that future taxable income will be available against which unused tax credit will be adjusted.



29 Revenue from operations

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Sale of product	85,829.12	1,02,628.45
Sale of Service	1,562.04	1,083.37
	87,391.16	1,03,711.82
Other Operating Revenues		
- Scrap Sales	1,368.47	1,366.30
- Export Incentive	360.25	449.40
	89,119.88	1,05,527.52

a) Performance obligation

Revenue is recognised upon transfer of control of products and point of completion of services

During the year, the company has not entered into long term contracts with customers and accordingly disclosure of unsatisfied or remaining performance obligation (which is affected by several factors like changes in scope of contracts, periodic revalidations, adjustment for revenue that has not been materialized, tax laws etc.) is not applicable to the company.

b) Disaggregation of revenue: The table below presents disaggregated revenues from contracts with customers on the basis of geographical spread of the operations of the company. The company believes that this disaggregation best depicts how the nature, amount of revenues and cash flows are affected by market and other economic factors:

Revenue based on Geography	For the year ended March 31, 2024	For the year ended March 31, 2023
India	61,385.43	66,086.49
Outside India	27,734.45	39,441.03
Revenue from operations	89,119.88	1,05,527.52
Revenue based on Customer-wise	For the year ended March 31, 2024	For the year ended March 31, 2023
Related Party	252.83	12,314.34
Non- Related Party	88,867.05	93,213.18
Revenue from operations	89,119.88	1,05,527.52
c) Reconciliation of revenue from operations of products with contracted price	For the year ended March 31, 2024	For the year ended March 31, 2023
Contracted Price	85,829.12	1,02,628.45
Less:		
Sales Returns	-	-
Rebate and Discount	-	-
	85,829.12	1,02,628.45

30 Other income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest Income		
- On bank deposits	588.26	260.73
- Interest received on Trade Investment	-	150.50
- On Loan to Subsidiaries (refer note 11)	633.64	249.92
- Other	43.01	-
Other non-operating income:		
Rental income	16.69	6.06
Profit on sale of Property Plant Equipment	3.38	9.56
Profit on sale / fair valuation	87.29	143.56
Mark to Market Gain on Forward Contract	32.63	-
Foreign Exchange Fluctuation Gain(net)	246.14	573.03
Excess Provision/ Liabilities Written Back	300.00	1.94
Gain on derecognition of Right of use asset and lease liability#	105.12	-
Other Non Operating Income	-	8.54
	2,056.16	1,403.84

Net effect of derecognition of Right of Use Assets and Lease Liabilities on account of termination of lease agreement of land situated at Mangli Ludhiana, Punjab.



31 Cost of raw material consumed		
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Raw Material		
Balance at the beginning of the Year	4,159.07	3,596.99
Add:- Purchases during the year	57,646.98	73,161.74
	61,806.05	76,758.73
Less:- Balance at the end of the Year	2,911.52	4,159.07
Cost of raw materials consumed	58,894.53	72,599.66
32 Changes in inventories of finished goods, work in progress and stock in trade		
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventories at the beginning of the year		
Work-in-progress	3,128.05	2,096.61
Finished goods	6,431.06	6,587.53
Scrap Stock	70.56	142.50
Stock in trade	-	225.47
(A)	9,629.67	9,052.11
Inventories at the end of the year		
Work-in-progress	2,855.38	3,128.05
Finished goods	6,432.29	6,431.06
Scrap Stock	46.97	70.56
(B)	9,334.64	9,629.67
(Increase) / decrease in inventory (A-B)	295.03	(577.56)
33 Employee benefits expense		
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages & bonus	5,675.93	6,496.22
Contribution to provident and other fund (Refer note 41)	501.80	511.45
Gratuity expense (Refer note 41)	304.82	169.31
Compensated absences	94.04	222.62
Staff welfare expenses	384.68	303.98
Share based payment expenses (Refer Note No.36)	3,946.17	1,334.99
Director Sitting Fees	1.60	2.30
	10,909.04	9,040.87
34 Finance costs		
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expense on		
-term loans & working capital facilities	1,483.85	1,480.13
-redeemable non convertible debentures	182.11	343.83
-external commercial borrowings	202.48	17.38
-others	20.28	-
Other borrowing cost		
- Reverse discount	152.77	177.61
- Buyer credit	5.76	47.58
- Sales bill discounting	354.23	304.65
- Others	108.89	91.90
Interest on lease liability	56.25	97.03
	2,566.62	2,560.11
Note :		
The company has capitalised the borrowing cost ₹ 222.58 lakhs (March 31, 2023: Nil) .The interest rate used for capitalization ranges from 8.95% - 9.45%.		
35 Depreciation and amortisation expense		
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of property, plant and equipment (Refer note 4)	1,375.10	1,563.40
Amortisation of intangible assets (Refer note 6)	57.80	48.00
Amortisation of Right of use assets (Refer Note 7)	56.50	113.27
	1,489.40	1,724.67



36 Employee Stock option plan

Details of Stock Option Scheme

Details of Stock Option Scheme		ESOP Scheme plan 2022	
Particulars	Option Value ₹ in absolute value	Date of Grant	Number of option Granted*
Tranche-1	60.93	December 02, 2022	95,15,278
Tranche-2	27.44	December 30, 2022	49,43,511
Tranche-3	29.97	December 30, 2022	39,54,809
Tranche-4	32.34	March 01, 2023	11,54,196
Tranche-5	16.57	July 13, 2023	5,89,800
Tranche-6	16.95	November 17, 2023	1,44,975
Date of Board approval of the relevant scheme			December 02, 2022
Date of Shareholder's approval of the relevant scheme			December 02, 2022
Date of last modification by shareholders			NA
Method of settlement (Cash/Equity)			Equity
Vesting Period		Minimum of 1 Year and maximum of 8 year from grant date	
Exercise period		10 years from the vesting date	
Exercise price	The options are granted to eligible employees at the latest available closing price of the shares of the company prior to the grant date as per the valuation report obtained by the company		
Vesting Condition	Vesting of options is a function of achievement of performance criteria or any other criteria as specified by the company in the grant letter ,further the vesting takes place on staggered basis over the respective vesting period.		

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Expenses arising from equity - settled share based payment transactions (Refer Note 33)	3,946.17	1,334.99
Total expense arising from share-based payment transactions recognized in statement of profit and loss	3,946.17	1,334.99

Notes:

(i) The company has given stock options to certain employees and has considered the related compensation cost to recognize in the statement of profit and loss ,over the vesting period

The details of activity under the ESOP Plans have been summarized below :

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Number of options*	Weighted Average Exercise Price (₹)	Number of options*	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	1,95,67,794	40.38	-	-
Granted during the year	7,34,775	68.43	1,95,67,794	40.38
Forfeited during the year	(2,32,045)	68.43	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Remaining average contractual life (in years)		3.80		4.54
Outstanding at the end of the year	2,00,70,524	41.10	1,95,67,794	40.38
Vested and Exercisable at the year end	73,75,491		-	

Fair value of options granted

The weighted average fair value of stock options granted during the year pertaining to ESOP 2022 plan is ₹ 16.64 (March 31, 2023 ₹ 44.53) (in Rupee) The fair value at grant date is determined using the using the Black- Scholes model which takes into account the exercise price, the term of the option, the share price at grant date and expected expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The following tables list the inputs used for fair valuation of options for the ESOP plans

Particulars	For option granted during the year ended March 31,2024	For option granted during the year ended March 31,2023
	ESOP 2022 Plan	ESOP 2022 Plan
Dividend yield	0.53%	0.36%
Expected volatility	36.97%-43.00%	39.02%-39.98%
Risk free interest rate	6.69%-6.91%	6.87%-7.08%
Expected life of share option	3.5 to 6.4 years	4 to 6.4 years
Share price at grant	47.37	69.14

* Number of options are in absolute number



Hero Motors Limited
Notes to standalone financial statements for the year ended March 31, 2024
(Amount in ₹ lakhs, unless otherwise stated)

37 Other expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Rent	165.68	151.45
Contract Labour Charges	3,309.99	3,122.30
Power & Fuel	2,410.42	2,512.88
Consumption of Stores & Spare	2,081.56	2,518.62
Packing Material Consumed	2,174.98	2,440.88
Security Charges	182.23	176.73
Repair & maintenance		
- Plant & machinery	608.84	603.43
- Buildings	96.20	65.16
- Others	29.53	22.45
Legal & professional expenses	294.07	521.18
Payment to the auditors (refer note 'a' below)	56.83	47.50
Freight & Forward Charges	1,377.79	1,557.87
Other selling expenses	387.97	256.42
Rates & taxes	35.63	78.85
Travelling & Conveyance	376.70	294.52
Insurance Expenses	235.95	206.50
Bank Charges	98.82	94.99
Loss on sale/write off of PPE	2.37	27.45
Mark to Market Loss on Forward Contract	-	19.98
Corporate Social Responsibilities (refer note 38)	87.16	42.00
Miscellaneous expenses	592.59	799.12
Total	14,605.31	15,560.28

a) **Details of payment made to auditors is as follows:**

i) **Payment to Auditor**

	For the year ended March 31, 2024	For the year ended March 31, 2023
- Statutory audit fee	47.50	45.00
- Tax audit fee	2.50	2.50
- Other services and certification	6.83	-
	56.83	47.50

38 Corporate Social responsibility expenditure(CSR)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Gross amount required to be spent by the company during the year	80.85	42.00
Amount spent during the year on :		
- National Apprenticeship Promotion Scheme	27.77	11.42
- Other	59.39	2.00
Unspent amount at the end of the year	-	28.58
Amount spent during current year pertaining to previous years	28.58	-
Total of previous year unspent balance	-	-
Reason for unspent balances :		
- For Current Year	Nil	
- For previous Year	As the project were ongoing projects, the spending was distributed beyond 2022-23.	
Nature of CSR activities	Skill Development and Entrepreneurship	Skill Development and Entrepreneurship
Details of related party transaction to CSR expenditure as per relevant Accounting Standard :	Nil	Nil
Movement in the CSR provision during the year :		
Opening Provision	28.58	-
Add:Provision made during the year	87.16	42.00
Less:spent during the year	115.74	13.42
Provision at the end of the year	-	28.58

Total unspent amount of ₹ 28.58 lakhs as on March 31, 2023 has been deposited in Prime Minister relief Fund within 6 months from the end of the previous financial year.



39 Earnings per share (EPS)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit attributable to the equity shareholders (A)	1,896.99	4,862.25
Number equity shares outstanding at the end of the year (B)	35,35,78,380	35,35,78,380
Weighted average number of potential equity shares for Non-Cumulative compulsory convertible preference shares	2,09,71,941	52,86,078
Weighted average number of equity shares for Basic EPS (C)	37,45,50,321	12,98,97,097
Nominal value of Equity shares (₹)	10	10
Basic Earning per share (A/C) (in ₹)	0.51	3.74
Weighted average number of potential equity shares on account of Pending Employee Stock option Scheme	81,39,045	26,75,850
Weighted average number of Equity shares (including dilutive shares) outstanding for Dilutive EPS (D)	38,26,89,366	13,25,72,948
Nominal value of Equity shares ₹	10	10
Diluted earnings per share (A/D) (in ₹)	0.50	3.67

40 Contingent liabilities and commitments

a) Contingent liabilities (To the extent not provided for)

The Company has reviewed all its pending claims, litigations and other proceedings and has adequately provided for wherever required. However, wherever it is difficult for the Company to estimate the timings of cash outflows, if any, in respect of the below as it is determinable only on receipt of judgement/decisions pending with various forums/authorities, the Company has disclosed the same as Contingent Liabilities (pending resolution of the respective proceedings).

The Company does not expect the outcome of these proceedings to have a material or adverse effect on financial position of the Company. Also, the Company does not expect any reimbursements in respect of the below contingent liabilities.

Particulars	As At March 31, 2024	As At March 31, 2023
- Claims against the company not acknowledged as debt (see note-I below)	39.29	39.29
- Bank Guarantee	328.18	-

Several Legal Cases of labour pending at labour Court, Civil Court and High Court. The Company has assessed and believe that none of these cases, either individually or in aggregate, are expected to have any material adverse effect on its standalone financial statements. However, Since it is difficult for the Company to estimate the timings of the cash outflows, if any, no further provision or separate disclosure is made in books of account.

- I A Vendor - Sadhu Forging Limited, has filed suit claiming ₹ 39.29 lakhs as balance payment against supply of material. Hero Motors Limited has resisted the claim on the basis that the material supplied was faulty by the vendor, material was rejected by Hero Motors Limited & Debit Note raised to the Vendor. The case is pending at Civil Court, Faridabad
- II The excise department issued a show cause notice to demand duty of ₹ 474.82 lakhs along with interest and penalties. Vide final order dated September 05,2017 the CESTAT set aside the SCN and dropped the demand. The Department filed Civil Appeal to impugn the final order passed by CESTAT , which is pending consideration before the Supreme Court.

b) Commitments

	As At March 31, 2024	As At March 31, 2023
Capital Commitment: Estimated amount of contracts remaining to be executed on the capital account (net of capital advances of ₹ 1,466.30 lakhs (March 31, 2023 : ₹ 604.35 lakhs))	3,388.12	190.34

The Company does not have any other long term commitments or material non cancellable contractual commitments, which may have a material impact on the standalone financial statement.



41 Gratuity and other post-employment benefit plans

a) Defined contribution plans

The Company makes contribution towards Employees Provident Fund, Employee's State Insurance scheme and other welfare schemes. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The company during the year recognised the following amount in the Statement of profit and loss under company's contribution to defined contribution plan.

	For the year ended March 31, 2024	For the year ended March 31, 2023
Employer's Contribution to Provident Fund/ Pension Fund	465.86	466.09
Employer's Contribution to Employee State Insurance	35.24	44.29
Employer's Contribution to Welfare Fund	0.70	1.07
Total	501.80	511.45

The contribution payable to these schemes by the Company are at the rates specified in the rules of the schemes.

b) Defined benefit plans

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected Unit Credit Method" was carried out, through which the Company is able to determine the present value of obligations. "Projected Unit Credit Method" recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to build up the final obligation.

i) Gratuity scheme

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The gratuity is funded for Mangli unit by Life Insurance Corporation of India and unfunded for Ghaziabad unit.

The following tables summarize the components of net benefit expense recognised in the Statement of profit and loss and the fund status and amounts recognised in the balance sheet for the defined benefit plan and other long term benefits. These have been provided on accrual basis, based on year end actuarial valuation.

	As at March 31, 2024		As at March 31, 2023	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
Change in benefit obligation				
Opening defined benefit obligation	538.65	1,296.72	439.40	740.87
Interest cost	38.65	96.80	31.05	56.04
Service cost	31.33	157.68	22.56	83.26
Effect of Business Combination	-	-	-	(31.12)
Past Service cost	-	-	-	-
Benefits paid	(39.65)	(135.51)	(54.44)	(91.09)
Actuarial (gain) / loss on obligations	0.15	(98.42)	100.08	538.76
Present value of obligation as at the end of the year	569.13	1,317.27	538.65	1,296.72

d) The following tables summarise the components of net benefit expense recognised in the Statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
Cost for the year included under employee benefit				
Current service cost	31.33	157.68	22.56	83.26
Past service cost	-	-	-	-
Interest cost	38.65	96.80	31.05	56.04
Effect of Business Combination	-	-	-	-
Expected return on plan assets	(20.85)	-	(23.60)	-
Actuarial (gain) / loss	-	-	-	-
Net amount charged to Profit and Loss	49.13	254.48	30.01	139.30

e) Changes in the fair value of the plan assets are as follows:

	As at March 31, 2024		As at March 31, 2023	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
Fair value of plan assets at the beginning	284.79	-	318.92	-
Expected return on plan assets	20.85	-	23.60	-
Actual Company Contributions	1.59	-	1.64	-
Employee's Contribution	-	-	-	-
LIC charges	-	-	-	-
Benefits paid	(39.65)	-	(54.44)	-
Actuarial gains / (losses) on the plan assets	(4.43)	-	(4.92)	-
Fair value of plan assets at the end	263.15	-	284.79	-

Detail of actuarial gain/loss recognised in OCI is as follows:

	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
Actuarial gain / (loss) for the year -	(0.15)	98.42	(100.08)	(538.76)
Actuarial gain / (loss) for the year - plan	(4.43)	-	(4.92)	-
Effect of Business Combination	-	-	-	-
Unrecognised actuarial gains / (losses) at the end of year	(4.57)	98.42	(105.01)	(538.76)



f) Principal actuarial assumptions at the balance sheet date are as follows:

Economic assumptions

1. Discount rate
2. Rate of increase in compensation levels
3. Expected Return on Plan Assets

Demographic assumptions

1. Retirement Age (years)
2. Mortality Rate

Withdrawal Rate

1. Ages from 0 to 30 Years
2. Ages from 31 to 44 Years
3. Ages Above 44 years

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factor such as supply and demand in the employment market.

	As at March 31, 2024		As at March 31, 2023	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
1. Discount rate	7.09%	7.09%	7.32%	7.33%
2. Rate of increase in compensation levels	8.00%	8.00%	8.00%	8.00%
3. Expected Return on Plan Assets	7.09%	-	7.32%	-
1. Retirement Age (years)	58	58	58	58
2. Mortality Rate	Indian Assured Lives Mortality (2012-14) (modified) ultimate		Indian Assured Lives Mortality (2012-14) (modified) ultimate	
1. Ages from 0 to 30 Years	3.90%	8.00%	3.60%	3.00%
2. Ages from 31 to 44 Years	3.90%	3.50%	3.60%	2.00%
3. Ages Above 44 years	3.90%	1.00%	3.60%	1.00%

g) Net assets / (liabilities) recognized in the Balance Sheet and experience adjustments on actuarial gain / (loss) for benefit obligation and plan assets.

Particulars	As at March 31, 2024		As at March 31, 2023	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
Present value of obligation	569.13	1,317.27	538.65	1,296.72
Less: Fair value of plan assets	263.15	-	284.79	-
Net assets / (liability)	(305.98)	(1,317.27)	(253.86)	(1,296.72)

h) Expected contribution for the next year is ₹ 340.70 lakhs (March 31, 2023: ₹ 285.20 lakhs) in respect of Gratuity for Mangli Unit.

i) A quantitative sensitivity analysis for significant assumptions is as shown below:

	As at March 31, 2024		As at March 31, 2023	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
A. Discount rate				
Effect on DBO due to 1% increase in Discount Rate	(34.44)	(98.96)	(33.69)	(102.53)
Effect on DBO due to 1% decrease in Discount Rate	38.54	116.07	37.78	120.96
B. Salary escalation rate				
Effect on DBO due to 1% increase in Salary Escalation Rate	36.21	115.08	35.95	119.95
Effect on DBO due to 1% decrease in Salary Escalation Rate	(34.48)	(100.09)	(33.90)	(103.69)

C. There are no changes in current year from the previous corresponding period in the methods and assumptions used in preparing the sensitivity analysis

D. Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated..

j) Risk

Discount Rate	Reduction in discount rate in subsequent valuations can increase the liability.
Salary Increases	Actual salary increases will increase the defined benefit liability. Increase in salary increase rate assumption in future valuations which in turn also increase the liability.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawals rates in subsequent valuations can impact defined benefit liability.
Mortality and disability	Actual details and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

k) Maturity profile of cash outflows relating to defined benefit obligation are as follows:

	As at March 31, 2024		As at March 31, 2023	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
0 to 1 years	71.89	123.03	54.57	113.98
1 to 2 years	66.61	119.77	49.13	122.69
2 to 3 years	46.51	171.23	61.88	111.87
3 to 4 years	69.95	134.32	42.58	156.19
4 to 5 years	60.55	154.09	64.25	128.90
From 5 years onwards	310.69	546.78	296.05	598.49



Hero Motors Limited
Notes to standalone financial statements for the year ended March 31, 2024
(Amount in ₹ lakhs, unless otherwise stated)

42 Related party transactions

a) List of related parties

Nature of Relationship	Name of the Related Party
Subsidiaries	Hero Motors Thai Ltd. (September 20, 2021)
	Spur Technologies Private Limited (November 29, 2023)
	Hero EDU Systems Private Limited (February 17, 2023)
	Hewland Engineering Limited (February 21, 2023)
	HYM Drive Systems Private Limited (April 07, 2022)
Enterprise over which Key Managerial Personnel exercise Significant influence	Bhagyoday Investments Private Limited
	Firefox Bikes Private Limited
	Hero Cycles Group Private Limited
	Hero Cycles Limited
	HMC E-Valley Private Limited (formerly known as Hero E-Cycles Private Limited)
	Hero PBG Cycles Private Limited
	Hero Transmission Private Limited
	High Rise Industries
	Lectro E-Mobility Private Limited
	Munjat Kiru Industries Private Limited
	Munjat Sales Corporation
	Nuvomax Nutritionals Private Limited
	OMA Living Private Limited
	HNF GmbH
	ZF Hero Chassis Systems Private Limited
Key Management Personnel (KMP) & their relative	
Mr. Pankaj Munjal	Director and Shareholder
Mr. Amit Gupta	Managing Director & CEO
Mr. Abhishek Munjal	Whole time Director
Mrs. Ruhani Munjal	Spouse of Mr. Abhishek Munjal
Mr. Keshav Misra	Director
Mr. Sridhar Narayan	Nominee Director
Mr. Kulbir Singh	Independent Director
Ms. Pratibha Goyal	Independent Director
Mr. Pawan Puri	Director
Mr. Darpan Vasishtha	Chief Financial Officer
Mr. Ritesh Kumar Agrawal	Chief Financial Officer
Ms. Sheeba Dhamija	Company Secretary
Ms. Purna Joshi	Company Secretary

b) Related Party Transactions

A. Transactions with related parties

S.No	Particulars	Relation	Year Ended	Year Ended
			March 31, 2024	March 31, 2023
a. Sale of Goods				
	Spur Technologies Private Limited	Subsidiary	16.49	1,298.23
	Hero Cycles Limited	Significant Influence	14.78	9,496.48
	HMC E-Valley Private Limited (formerly known as Hero E-Cycles Private Limited)	Significant Influence	10.54	977.79
	Hero Motor Thai Limited	Subsidiary	188.55	146.21
	Hewland Engineering Limited	Subsidiary	-	203.23
	Hym Drive Systems Private Limited	Subsidiary	16.88	192.40
	Hero EDU Systems Private Limited	Subsidiary	5.59	-
b. Purchase of goods				
	Munjat Kiru Industries Private Limited	Significant Influence	2,134.07	2,612.54
	Spur Technologies Private Limited	Subsidiary	-	0.28
	HMC E-Valley Private Limited (formerly known as Hero E-Cycles Private Limited)	Significant Influence	4.01	1.14
	High Rise Industries	Significant Influence	1,705.87	1,054.45
	Hero Cycles Limited	Significant Influence	17.81	11,022.45
	Lectro E-Mobility Private Limited	Significant Influence	-	7.20
	Oma Living Private Limited	Significant Influence	1.23	3.53
	Hym Drive Systems Private Limited	Subsidiary	7.44	-
c. Consultancy Fees				
	Nuvomax Nutritionals Private Limited	Significant Influence	183.45	259.06
d. Purchase of Service				
	Hero Cycles Limited	Significant Influence	2,416.51	-
	Hewland Engineering Limited	Subsidiary	29.36	137.94
e. Purchase of Property, Plant and Equipment				
	Hero Cycles Limited	Significant Influence	2,308.78	187.69
	Spur Technologies Private Limited	Subsidiary	5.44	-
f. Sale of Property, Plant and Equipment				
	Spur Technologies Private Limited	Subsidiary	12.55	-



Hero Motors Limited
Notes to standalone financial statements for the year ended March 31, 2024
(Amount in ₹ lakhs, unless otherwise stated)

b) Related Party Transactions				
A. Transactions with related parties				
S.No	Particulars	Relation	Year Ended	Year Ended
			March 31, 2024	March 31, 2023
g. Loan given				
	Spur Technologies Private Limited	Subsidiary	-	250.00
	Hero Motor Thai Limited	Subsidiary	371.34	4,462.16
	Hewland Engineering Limited	Subsidiary	1,005.15	1,256.14
	Hero EDU Systems Private Limited	Subsidiary	1,225.00	-
	Hym Drive Systems Private Limited	Subsidiary	646.00	-
h. Loan received back				
	Spur Technologies Private Limited	Subsidiary	(250.00)	-
i. Loan received				
	Hym Drive Systems Private Limited	Subsidiary	-	500.00
j. Loan repaid				
	Hym Drive Systems Private Limited	Subsidiary	-	(500.00)
j. Investment in equity shares				
	Hero Motor Thai Ltd.	Subsidiary	-	1,021.06
	Hero EDU Systems Private Limited	Subsidiary	-	100.00
	Hewland Engineering Limited	Subsidiary	-	10.08
	Spur Technologies Private Limited	Subsidiary	1,970.00	-
k. Purchase of 100% equity from Hero Cycle Limited				
	Spur Technologies Private Limited	Transaction under common control	950.00	-
l. Rental income				
	Spur Technologies Private Limited	Subsidiary	0.34	0.40
	Hero EDU Systems Private Limited	Subsidiary	14.00	-
m. Rental expense				
	Hero Cycles Limited	Significant Influence	217.94	-
n. Interest Income on loan				
	Hero Motor Thai Limited	Subsidiary	501.36	226.65
	Hym Drive Systems Pvt Limited	Subsidiary	12.93	-
	Spur Technologies Private Limited	Subsidiary	16.34	11.28
	Hewland Engineering Limited	Subsidiary	62.42	-
	Hero EDU Systems Private Limited	Subsidiary	40.59	-
o. Other Income				
	Hero Cycles Limited	Significant Influence	300.00	-
p. Interest Paid on loan				
	Hym Drive Systems Pvt Limited	Significant Influence	-	4.43
q. Other Expense				
	Reimbursement Of Expenses			
	Hero Global Designs Limited	Significant Influence	2.40	0.24
	Spur Technologies Private Limited	Significant Influence	-	10.18
	Lectro E-Mobility Private Limited	Significant Influence	-	0.38
	HMC E-Valley Private Limited (formerly known as Hero E-Cycles Private Limited)	Significant Influence	0.26	9.90
	Hero Cycles Limited	Significant Influence	48.44	731.89
	Munjat Sales Corporation	Significant Influence	-	0.10
	Hero Motor Thai Limited	Subsidiary	207.53	81.63
	Hewland Engineering Limited	Subsidiary	-	6.39
	Hym Drive Systems Private Limited	Subsidiary	9.47	12.25
	Hero Edu Systems Private Limited	Subsidiary	275.19	2.36
r. Corporate Guarantee				
	Spur Technologies Private Limited	Subsidiary	1,590.00	-
s. Remuneration paid to Key Management Personnel*				
	Refer note (a) below			
	Amit Gupta	Managing Director and	396.57	240.00
	Dorpan Vashishtha (DOL-13-Oct-23)	CFO	93.52	160.00
	Ritesh Agrawal (DOJ-16-Feb-24)	CFO	16.65	-
	Abhishek Munjal	Whole Time Director	335.05	335.05
	Ruhani Munjal	Relative	20.93	20.93
	Sheeba Dhamija	Company Secretary	20.95	18.72
t. Directors sitting Fees:				
	Ms. Pratibha Goyal	Independent Director	0.60	1.00
	Mr. Kulbir Singh	Independent Director	1.00	0.30
	Mr. Pawan Puri	Director	-	1.00



Hero Motors Limited
Notes to standalone financial statements for the year ended March 31, 2024
(Amount in ₹ lakhs, unless otherwise stated)

B. Closing Balances				
S.No	Particulars	Relation	As at March 31, 2024	As at March 31, 2023
a. Trade Receivable				
	Spur Technologies Private Limited	Subsidiary	26.83	281.52
	HMC E-Valley Private Limited (formerly known as Hero E-Cycles Private Limited)	Significant Influence	615.96	-
	Hero Global Designs Limited	Significant Influence	1.12	844.61
	Hym Drive Systems Private Limited	Subsidiary	35.16	11.50
	Hero Motor Thai Limited	Subsidiary	288.28	293.79
b. Other Receivable				
	Hero Edu Systems Private Limited	Subsidiary	394.39	2.36
	Hewland Engineering Limited	Subsidiary	0.60	185.06
	Hero Motor Thai Limited	Subsidiary	62.03	-
c. Trade Payable				
	Munjal Kiru Industries Private Limited	Significant Influence	1,200.04	972.23
	Nuvomax Nutritionals Private Ltd	Significant Influence	28.03	27.54
	Zf Hero Chassis Systems Private Limited	Significant Influence	5.51	5.51
	High Rise Industries	Significant Influence	61.96	153.52
	Oma Living Private Limited	Significant Influence	0.13	-
	HNF GmbH	Significant Influence	1.69	-
d. Other Payable				
	Hero Cycles Limited	Significant Influence	1,343.91	1,765.00
e. Payable against purchase of Property, Plant and Equipment				
	Hero Cycles Limited	Significant Influence	228.20	-
f. Investment in Equity Shares				
	Hym Drive Systems Private Limited	Subsidiary	2,880.00	2,880.00
	Hero Motor Thai Limited	Subsidiary	1,418.93	1,418.93
	Hero Edu Systems Private Limited	Subsidiary	100.00	100.00
	Hewland Engineering Limited	Subsidiary	10.08	10.08
	Spur Technologies Private Limited	Subsidiary	2,920.24	-
g. Interest Receivable				
	Hewland Engineering Limited	Subsidiary	62.09	-
	Hero Edu Systems Private Limited	Subsidiary	40.59	-
	Hero Motor Thai Limited	Subsidiary	746.05	-
	Hym Drive Systems Private Limited	Subsidiary	12.93	-
h. Loan Receivable				
	Hym Drive Systems Private Limited	Subsidiary	646.00	-
	Hero Motor Thai Limited	Subsidiary	5,412.69	5,058.80
	Hewland Engineering Limited	Subsidiary	2,438.24	1,387.61
	Hero Edu Systems Private Limited	Subsidiary	1,225.00	-
	Spur Technologies Private Limited	Subsidiary	-	250.00
i. Other Advance				
	Hero Cycles Limited	Significant Influence	1,657.00	-
j. Corporate Guarantee				
	Spur Technologies Private Limited	Subsidiary	1,590.00	-

Note a) The status of stock options pending vesting/exercise, granted to Key Management Personnels are as below

Name of Key Management Personnel	Mr. Amit Gupta		Mr. Keshav Misra
	ESOP Scheme Plan 2022		ESOP Scheme Plan 2022
ESOP tranche	Tanche-1	Tanche-2	Tanche-1
Exercise price (₹ per option)	10	69.14	69.14
Share option outstanding as at 31st March 2024 (In Nos)	95,15,278	49,43,511	39,54,809
Share option outstanding as at 31st March 2023 (In Nos)	95,15,278	49,43,511	39,54,809

b) Refer Note 16 'Equity share capital' for movement of shareholding

43 Ultimate Beneficiary

- (i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries)
- (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- (ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding parties) with the understanding (whether recorded
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding Parties (ultimate
- (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries



44 Fair value measurements

I Financial instruments

a) Financial instruments by category

Except investment in mutual funds which are measured at fair value through profit or loss and Investment in Debentures and unquoted equity investment (other than investment in subsidiary) which are measured through fair value through other comprehensive income all other financial assets and liabilities viz. trade receivables, security deposits, cash and cash equivalents, other bank balances, interest receivable, other receivables, trade payables, employee related liabilities and borrowings, are measured at amortised cost.

b) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the standalone financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost (c) measured through fair value through other comprehensive income and for which fair values are disclosed in the standalone financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels of in the fair value hierarchy:

Particulars	Level	As at March 31, 2024	As at March 31, 2023
Financial assets measured at fair value through Profit and loss			
Investment in Mutual Funds	Level 1	667.56	1,530.27
Forward Contract Receivable	Level 1	32.63	-
Financial assets measured at fair value through Other comprehensive Income			
Other investment	Level 3	15.12	113.16
Investment in Debenture	Level 3	136.08	-
Financial assets measured at amortized cost			
Investment in equity shares (Unquoted)	Level 3	7,329.24	4,408.64
Loan to employees	Level 3	191.26	21.27
Loan to related parties	Level 3	9,722.53	6,696.29
Security Deposits & Margin Money	Level 3	550.97	1,051.96
Interest accrued but not due on margin money	Level 3	251.69	140.00
Interest accrued but not due on loan to related parties	Level 3	861.99	226.64
Interest accrued and due on Deposit with Punjab state power corporation limited	Level 3	3.86	2.42
Other Receivable	Level 3	1,230.87	2,072.53
Trade receivables	Level 3	17,731.38	22,729.87
Cash and cash equivalents	Level 3	7,515.31	8,438.65
Receivables from related party	Level 3	394.39	188.25
Total Financial Assets		46,634.88	47,619.96
Financial liabilities measured at fair value			
Forward contract payable	Level 1	-	19.98
Financial liabilities valued at amortized cost			
Borrowings	Level 3	29,295.97	24,222.21
Security Deposits	Level 3	2.14	413.40
Lease Liabilities	Level 3	802.56	1,229.76
Interest accrued but not due on borrowings	Level 3	42.97	118.06
Trade payables	Level 3	11,791.00	12,164.90
Employee Benefit Payable	Level 3	248.59	214.01
Payable to Related parties	Level 3	1,342.69	1,765.37
Creditors for capital goods	Level 3	662.02	161.82
Bill Discounting / Factoring	Level 3	7,568.93	8,856.59
Total Financial Liabilities		51,756.87	49,166.10

c) Capital management

The company's capital management objectives are:

(a) to ensure the company's ability to continue as a going concern

(b) to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

For the purpose of Company's capital management, capital includes equity attributable to the equity shareholders of the Company and other equity reserves. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximize shareholders value.

Gearing Ratio

The Company has outstanding long term debt of ₹ 7,439.52 lakhs at the end of reporting period (previous year ₹ 6,063.85 lakhs) and short term debt of ₹ 21,856.45 lakhs at the end of reporting period (previous year ₹ 18,158.36 lakhs). Accordingly, the gearing ratio is worked out as follows:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Long term Borrowing (Refer Note 21)	7,439.52	6,063.85
Short Term Borrowing (Refer Note 22)	21,856.45	18,158.36
Total Debt	29,295.97	24,222.21
Less: Cash and bank balances	7,515.31	8,438.65
Adjusted Net Debt	21,780.66	15,783.56
Total Equity	40,538.60	35,560.91
Adjusted Net Debt to Equity	54%	44%



45 Financial risk management objectives and policies

The Company's principal financial liabilities comprises of trade and other payables, borrowings, current maturity of borrowings, interest accrued and capital creditors. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets includes Investment in mutual funds, loans to related parties, security deposits, trade receivables, cash and cash equivalents, deposits with bank, interest accrued in deposits, receivables from related and other parties and interest accrued thereon.

The Company has exposure to the following risks arising from financial instruments:

- credit risk,
- liquidity risk and
- market risk.

The Company's senior level management oversees the management of these risks and is supported by finance department that advises on the appropriate financial risk governance framework.

A. Credit Risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in finance loss to the Company. Credit risk arise from Cash and cash equivalents, deposit with banks, trade receivables and other financial assets measure at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporate this information into its credit risk control.

B. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company's objective is to, maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans from banks at an optimised cost.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

As at March 31, 2024	Less than 1 year	1 to 5 years	> 5 years	Total
Borrowings	21,856.45	7,439.52	-	29,295.97
Trade payables	11,791.00	-	-	11,791.00
Other financial liabilities	9,865.20	2.14	-	9,867.34
Lease Liabilities*	94.02	640.10	469.74	1,203.86
Total	43,606.67	8,081.76	469.74	52,158.17
As at March 31, 2023	Less than 1 year	1 to 5 years	> 5 years	Total
Borrowings	18,158.36	6,063.85	-	24,222.21
Trade payables	12,164.90	-	-	12,164.90
Other financial liabilities	11,135.83	413.40	-	11,549.23
Lease Liabilities*	1,229.76	-	-	1,229.76
Total	42,688.85	6,477.25	-	49,166.10

* refer note 65

Reconciliation of liabilities whose cash flow movements are disclosed as part of financing activities in the Statement of Cash Flows :

Balance sheet caption	Sattement of cash flows line item	As at April 1, 2023	Cash Flows	Non Cash Changes			As at March 31, 2024
				Forex	Interest Expenses	Other	
Non current borrowings	Proceeds from non-current borrowings	6,063.85	1,332.07	43.60	-	-	7,439.52
Current borrowings	Repayment of non-current borrowings	18,158.36	3,698.09	-	-	-	21,856.45
Lease liability	Payment / proceed from lease liability	1,229.76	(112.82)	-	-	(314.38)	802.56
Interest paid	Interest paid	118.06	(2,186.40)	-	2,111.31	-	42.97

Balance sheet caption	Sattement of cash flows line item	As at April 1, 2022	Non Cash Changes				As at March 31, 2023
			Cash Flows	Forex	Interest Expenses	Other	
Non current borrowings	Proceeds from non-current borrowings	5,833.33	221.91	8.61	-	-	6,063.85
Current borrowings	Repayment of non-current borrowings	19,170.93	(1,012.57)	-	-	-	18,158.36
Lease liability	Payment / proceed	-	-	-	97.03	1,132.73	1,229.76
Interest accrued	Interest paid	470.66	(2,193.93)	-	1,841.33	-	118.06

C. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its net exposure to interest rate risk related to borrowings, by balancing a proportion of fixed rate and floating rate borrowing in its total borrowing portfolio.

Interest Rate Sensitivity: The sensitivity analysis in the following sections relate to the position as at March 31, 2024 and March 31, 2023. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the portion of borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase decrease basis points	or in / (decrease) in profit before tax
March 31, 2024	+50	150.92
	-50	(150.92)
March 31, 2023	+50	161.40
	-50	(161.40)



The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

i) **Unhedged foreign currency exposure**

The carrying amount of the Company's unhedged foreign currency denominated monetary assets and liabilities at the end of the reporting period are as follows:

Particulars	As at March 31, 2024			As at March 31, 2023		
	CCY	₹	Foreign currency	CCY	₹	Foreign currency
-Trade payables						
	EUR	(32.73)	(0.36)	EUR	(132.67)	(0.46)
	SGD	-	-	SGD	(0.64)	(0.01)
	USD	(50.41)	(0.60)	USD	(485.31)	1.95
-Advance To Vendor						
	EUR	1,153.66	12.84	EUR	87.07	0.97
	JPY	-	-	JPY	2.73	4.41
	USD	3.04	0.04	USD	162.31	1.98
-Trade Receivables						
	EUR	699.07	7.78	EUR	718.72	8.04
	USD	3,204.37	38.42	USD	6,479.65	78.86
	GBP	-	-	GBP	219.24	2.16
-Advance from Customer						
	EURO	-	-	EURO	(96.51)	(1.08)
	USD	(18.59)	(0.22)	USD	(287.96)	(3.50)
-Loan to Subsidiary						
-Hero Motors Thai	THB	-	-	THB	50.58	21.08
-Hewland Engineering Limited	GBP	1,438.49	13.70	GBP	1,266.23	13.75

Note: External commercial borrowing is not prone to foreign exchange sensitivity risk as the same has been hedged.

ii) **Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's functional currency, hence exposure to exchange rate fluctuations arises. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates. The following tables demonstrate the sensitivity (strengthening or weakening of Indian Rupee) to a reasonably possible change in exchange rates, with all other variables held constant.

	Impact on profit before tax		Impact on total equity	
	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	As at March 31, 2023
USD sensitivity				
Increase by 5 %	156.92	(340.67)	156.92	(340.67)
decrease by 5 %	(156.92)	340.67	(156.92)	340.67
	-	-	-	-
	Impact on profit before tax		Impact on total equity	
	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	As at March 31, 2023
EURO sensitivity				
Increase by 5 %	91.00	(33.39)	91.00	(33.39)
decrease by 5 %	(91.00)	33.39	(91.00)	33.39
	-	-	-	-



	Impact on profit before tax		Impact on total equity	
	As at March 31, 2024	Year ended March 31, 2023	As at March 31, 2024	As at March 31, 2023
GBP sensitivity				
Increase by 5 %	71.92	57.32	71.92	57.32
decrease by 5 %	(71.92)	(57.32)	(71.92)	(57.32)
	-	-	-	-
	Impact on profit before tax		Impact on total equity	
	Year ended March 31, 2024	Year ended March 31, 2023	As at March 31, 2024	As at March 31, 2023
SGD sensitivity				
Increase by 5 %	-	0.03	-	0.03
decrease by 5 %	-	(0.03)	-	(0.03)
	-	-	-	-
	Impact on profit before tax		Impact on total equity	
	Year ended March 31, 2024	Year ended March 31, 2023	As at March 31, 2024	As at March 31, 2023
THB sensitivity				
Increase by 5 %	-	338.74	-	338.74
decrease by 5 %	-	(338.74)	-	(338.74)
	-	-	-	-
	Impact on profit before tax		Impact on total equity	
	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
JPY sensitivity				
Increase by 5 %	-	0.14	-	0.14
decrease by 5 %	-	(0.14)	-	(0.14)
	-	-	-	-

Note: External commercial borrowing is not prone to foreign exchange sensitivity risk as the same has been hedged.



46 Segment Reporting

The primary reporting of the Company has been performed on the basis of business segment. The Company is organised into key business segments – Power Train & Alloy & Metallica. Segments have been identified and reported based on the nature of the products, the risks and returns, the organisation structure and the internal financial reporting systems.

The following is the segment information :

Particulars	Power Train		Alloy & Metallica		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1. REVENUE						
External sales (Gross)	35,385.47	45,796.47	52,005.41	57,915.35	87,391.16	1,03,711.82
Other Operating Income	594.00	555.52	1,135.00	1,260.18	1,728.72	1,815.70
Total revenue	35,979.47	46,351.99	53,140.41	59,175.53	89,119.88	1,05,527.52
2. RESULTS						
Segment results	5,695.00	6,717.97	3,115.32	3,305.26	8,810.32	10,023.23
Unallocated expenses (net of income)	-	-	-	-	(3,827.59)	(1,439.81)
Operating profit	5,695.00	6,717.97	3,115.32	3,305.26	4,982.73	8,583.42
Finance costs	-	-	-	-	2,566.62	2,560.11
Profit before tax	-	-	-	-	2,416.11	6,023.31
Provision for taxation	-	-	-	-	519.12	1,161.08
Net profit after tax	-	-	-	-	1,896.99	4,862.25
3. OTHER INFORMATION						
A. ASSETS						
Segment assets	39,678.01	38,971.08	24,945.98	27,424.37	64,623.99	66,395.43
Unallocated assets	-	-	-	-	31,190.90	21,179.68
Total assets	-	-	-	-	95,814.89	87,575.11
B. EQUITY AND LIABILITIES						
Equity (Share Capital & Other Equity)	-	-	-	-	40,538.61	35,560.92
Segment liabilities	8,358	8,141	16,609	18,185	24,966.90	26,326.00
Secured and unsecured loans	-	-	-	-	29,295.97	24,222.21
Unallocated liabilities	-	-	-	-	1,013.41	1,465.98
Total liabilities	-	-	-	-	95,814.89	87,575.11
C. OTHERS						
Unallocated capital expenditure	-	-	-	-	8,945.65	5,468.22
Unallocated depreciation and amortisation expense	-	-	-	-	1,489.40	1,724.67
Unallocated non cash expenses other than depreciation	-	-	-	-	3,946.17	1,334.99

Geographical information

Secondary segment reporting is performed on the basis of geographical location of customers. The operations of the Company are 69% in India, with exports contributing to approximately 31% (Previous Year 37%) of its annual sales. The management views the Indian market and export market as distinct geographical segments.

Revenue from external customers (Refer note 29)

	(₹ in lakhs)	
	As at March 31, 2024	As at March 31, 2023
India	29,553.33	22,284.02
Outside India	-	-
Total	29,553.33	22,284.02

Non-current assets for this purpose consist of Property, Plant and Equipment, Right of Use Assets, Capital work in progress and Intangible assets.

Segment accounting policies:

In addition to the material accounting policies applicable to the operating segments as set out in note 2.1, the accounting policies in relation to segment accounting are as under:

(i) Segment revenue and expenses:

Joint revenue and expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segments.

(ii) Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of operating cash, trade receivables, inventories and property, plant and equipment, which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consists principally of trade payables. Segment assets and liabilities do not include deferred income taxes. While most of the assets/ liabilities can be directly attributed to individual segment, the carrying amount of certain assets/ liabilities pertaining to two or more segments are allocated to the segments on a reasonable basis.

Segment revenue and profit

The expenses that are not directly attributable to the business segments are shown as unallocable expenses.

Segment assets and liabilities

Segment assets include all operating assets used by a segment and consist principally of debtors, inventories, advances and Property Plant and Equipments. Assets at the unallocable level including cash and bank balances, Loans, other financial asset, investment and tax assets are not allocable to segments on a reasonable basis and thus the same have not been allocated.

Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities.

The Company's largest customers who represents more than 10% of the total revenues are as follows;

Particulars	Type of Customer	As at March 31, 2024	As at March 31, 2023
Customer A	Domestic	41,347.60	24,243.73
Customer B	Export	9,483.89	23,689.16



47 Scheme of Arrangement

The Board of Director of Hero Cycle Limited (HCL) ("Transferor Company") as its meeting held on August 27, 2021 has approved a scheme and subsequently filed with National Company Law Tribunal (NCLT) for demerger of Auto business of HCL into Hero Motors Limited ("resulting Company").

Pursuant to the scheme approved by the National Company Law Tribunal, Chandigarh Bench on November 09, 2022 for which the certified copy of the order dated November 09, 2022 was received on November 16, 2022, the Demerged Undertaking (Primarily related to Auto Business consisting, inter-alia, of all assets including movable and immovable properties and liabilities related thereto) was demerged from the Demerged Company and transferred to the Resulting Company, with effect from April 01, 2021, the appointed date.

Shareholders of the Demerged Company were to receive 81,174 share of the Resulting Company for every 100 share they held in the Demerged Company.

As per the Scheme, all assets and liabilities of the Auto Business ("Demerged Undertaking") stand transferred to the Resulting Company from the appointed date. The employees of the Demerged Undertaking have also moved to the Resulting Company and consequently the employee related benefits and all contracts and agreements in relation to them have been taken over by the Resulting Company in the financial year ended March 31, 2022.

Pursuant to the approved Scheme, the Resulting Company has given effect to the scheme in the standalone financial statements for demerger of Demerged Undertaking. Further, as per the requirements of Appendix C to Ind AS 103 "Business Combination", the comparatives for the year ended March 31, 2021 have been restated as if the common control business combination had occurred from the beginning of the earliest period presented. The Accounting treatment includes the following:

1. Assets, Liabilities and Reserves of the Demerged Undertaking transferred to and vested in the Resulting Company were recorded at their carrying values as appearing in books of the Demerged Company at the time of the demerger effective date and in accordance with requirements of relevant Ind AS.
2. The Resulting Company will issue new equity shares pursuant to the approved Scheme to the shareholders of the Demerged Company
3. The inter-company balances between Demerged Company and Resulting Company relating to Demerged Undertaking, if any, in the books of accounts of Demerged Company and Resulting Company got cancelled.
4. The difference between assets, liabilities and reserves transferred and the purchase consideration on Demerger is recorded as "Demerger Adjustment Deficit Account" of Resulting Company.
5. As per para 43 of Ind-AS 7 - Statement of Cash Flows, transactions that do not require the use of cash and cash equivalents (i.e. the above transfer of assets and liabilities under the scheme of demerger) have been excluded from the standalone cash flow statement for the year ended March 31, 2022.

The details of Demerged Undertaking as per the scheme approved by National Company Law Tribunal into Resulting Company is as follows:

Particulars	As at April 1, 2021
ASSETS	
Non-current assets	16,627.33
Current assets	31,231.48
Total assets	47,858.80
Equity and liabilities	
Equity	
Other equity	3,214.36
Total equity	3,214.36
Liabilities	
Non-current liabilities	13,860.89
Current liabilities	30,783.55
Total equity and liabilities	47,858.80
Excess of assets over liabilities	Nil
Less: Issue of equity share capital of the Company due to demerger (Refer Note 20)	75,279.98
Amount credited to Demerger Adjustment Deficit Account pursuant to the above scheme of demerger	(75,279.98)

Note : Equity shares pending for issuance at the end of previous year i.e. March 31, 2022 were issued in previous financial year ended March 31, 2023.



Hero Motors Limited
Notes to standalone financial statements for the year ended March 31, 2024
(Amount in ₹ lakhs, unless otherwise stated)

48 Financial Ratios

Description	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	% change	Reason for variance
Current ratio	Current Assets	Current Liabilities	1.06	1.24	(14.7)%	NA
Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.72	0.68	6.1 %	NA
Debt Service Coverage ratio	Earnings available for debt service= Net Profit after Tax + Non Cash Operating Expenses/(Depreciation and amortization))+Finance cost	Debt Service= Interest, and Principal Repayments	2.42	0.69	251.8 %	The Increase is mainly on account of decrease in loan repayment.
Return on Equity ratio	Net Profits after taxes - Preference Dividend	Average Shareholder's Equity	5.0%	18.97%	(73.7)%	The decrease is mainly on account of decrease in profit and increase Shareholder's funds.
Inventory Turnover ratio	Revenue	Average Inventory	6.06	7.12	(14.8)%	NA
Trade Receivable Turnover Ratio	Revenue	Average Trade Receivable	4.41	5.04	(12.6)%	NA
Trade Payable Turnover Ratio	Purchases of goods and services	Average Trade Payables	4.81	4.58	5.0 %	NA
Net Capital Turnover Ratio	Revenue	Working capital= Current assets - Current liabilities	33.32	10.19	226.8 %	The increase is mainly on account of decrease in working capital as compared to decrease in revenue.
Net Profit ratio	Net Profit after tax.	Revenue	2.13%	4.61%	(53.8)%	The decrease is mainly on account of decrease in Revenue and PAT.
Return on Capital Employed	Earnings before interest and taxes	Capital Employed= Tangible Net Worth + Total Debt + Deferred Tax Liability	7.03%	14.26%	(50.7)%	The decrease is mainly on account of decrease in EBIT.

Note: Reasons have been explained for variance in which % of change is more than 25% as compared to previous year.
Average refers to (opening + closing)/2



49 Transfer Pricing:

The Company has established a comprehensive system on maintenance of information and documents as required by the transfer pricing legislation under 92-92F of the Income Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions entered into with the associated enterprises during the year and expects such records to be in existence latest by the due date as required under law. The management is of the opinion that its international transactions are at arm's length and the aforesaid legislation will not have any impact on the financial statements.

50 Details of dues to micro and small enterprises as defined under MSMED Act 2006:

The Ministry of Micro, Small and Medium Enterprises had issued an Office Memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on information received and available with the Company, there are no amounts payable to Micro and Small Enterprises as at 31 March 2024 except as follows:-

Particulars	As at March 31, 2024	As at March 31, 2023
(i) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	1,662.59	1,590.86
(ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

51 There are no amounts which were required to be transferred to the Investor Educational and Protection Fund by the Company.

52 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment received Presidential assent in September 2020 and was published in the Gazette of India. However, the date on which the code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

53 As per section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The CSR activities and spend are as per the CSR Policy recommended by the CSR Committee and approved by the Board.

54 All the amounts included in the financial statements are reported in lakhs of Indian Rupees ('INR' or 'Rs.') and are rounded to the nearest lakh, unless stated otherwise.

55 Relationship with Struck-off Companies

The Company has not incurred any transaction with struck-off companies i.e., investments in securities, receivables, payables, shared held by struck off companies and other balances during the period.

56 Registration of charges or satisfaction with Registrar of Companies

There is no charge created on the assets of the Company with the Registrar of Companies other than assets specified in Note 21.

57 Details of Crypto Currency or Virtual Currency

The Company has not done any investment or trading in crypto and virtual currencies.

58 The Company does not have any Benami property, where any proceedings has been initiated or pending against the Company for holding any Benami property.

59 The Company has not been declared as a wilful defaulter by any lender who has powers to declare a Company as a wilful defaulter at any time during the financial year or after the end of reporting period but before the date when financial statements are approved.

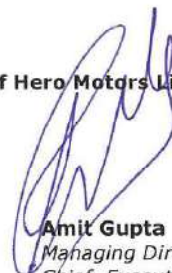


- 60 The Company does not have any transaction which is not recorded in the books of account but has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961).
- 61 The Company has declared and paid interim dividend ₹ 935.70 lakhs during the year(₹ 0.25 /share).
- 62 The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- 63 As per the notification of the Ministry of Corporate Affairs (MCA) dated August 05, 2022, the Central Government has notified the Companies (Accounts) Fourth Amendment Rules, 2022 which amended the Companies (Accounts) Rules, 2014 (hereinafter referred as 'Rules'). As per said Rules, the Companies are, inter-alia, required to maintain back-up of the books of accounts and other relevant books and papers in electronic mode in servers physically located in India on a daily basis. The books of account along with other relevant records and papers of the Company are maintained in electronic mode and the same is physically located in India and backups are being carried out on a daily basis.
- 64 The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- 65 The Company had entered into agreement of lease of land from Hero Cycles Limited for 10 years which was expiring on March 31, 2032; During the year, the Company has entered into an agreement to buy this land at a consideration of ₹ 2,282.00 lakhs and continued to hold the possession of the land and accordingly has terminated the land lease agreement. The Company has paid ₹ 2053.00 lakhs towards purchase consideration of the land and has disclosed the balance amount payable under the head capital creditors and has capitalized the land as free hold land and has reclassified the building constructed on this land from leasehold improvements to buildings.
The Company is currently in the process of getting the land registered in its name at the Sub registrar. Further, net gain on account of cancellation of land lease agreement (accounted as right of use assets and lease liability) has been credited under the head 'Other income' in Note 30.
- 66 The Company is in the process of launching its initial public offer (IPO), accordingly the Company is in the process of filing the DRHP with Securities and Exchange Board of India (SEBI). The Company has incurred initial public offer related expenses of ₹ 232.00 lakhs in connection with proposed public offer of equity shares. The initial public offer related expenses shall be shared in proportion mutually agreed between the Parent Company and the Selling Shareholders in accordance with applicable law. The Company's share of expenses will be adjusted against securities premium to the extent permissible under Section 52 of the Companies Act, 2013 on successful completion of initial public offer.
- 67 The Ministry of Corporate Affairs (MCA) vide its notification No. GSR 206(E) dated March 24, 2021 has issued the "Companies (Audit and Auditors) Amendment Rules, 2021" read with sub-section 3 of Section 143 of the Companies Act, 2013 (hereinafter referred as "the Act") introducing Rule 11(g). As per this rule, every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.
During the year, the Company maintained its books of account in SAP S4 Hana accounting software where audit trail feature (edit log facility) was not enabled during the year ended March 31, 2024. The Company is evaluating implementation of audit trail feature in accounting software used for maintaining its books of account to comply with the requirements of Proviso to Rule 3(1) of the Companies (Account) Rules, 2014.

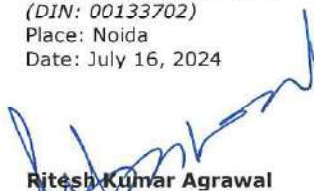
For and on behalf of Board of Directors of Hero Motors Limited



Keshav Misra
Non-Executive and
Non-Independent Director
(DIN: 00133702)
Place: Noida
Date: July 16, 2024



Amit Gupta
Managing Director and
Chief Executive Officer
(DIN: 02997032)
Place: Noida
Date: July 16, 2024



Ritesh Kumar Agrawal
Chief Financial Officer
Place: Noida
Date: July 16, 2024



Sheeba Dhamija
Company Secretary
M. No. 29705
Place: Noida
Date: July 16, 2024

INDEPENDENT AUDITOR'S REPORT

To The Members of Hero Motors Limited Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Hero Motors Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.



- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

- (a) We did not audit the financial statements of five subsidiaries whose financial statements reflect total assets of Rs. 28,195.22 Lakhs as at March 31, 2024, total revenues of Rs. 17,902.71 Lakhs and net cash inflows amounting to Rs. 940.63 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.
- (b) Two of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Parent's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Parent's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Parent and audited by us.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law maintained by the Group including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except for not complying with the requirements of audit trail as stated in (i)(vi) below.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.



- e) On the basis of the written representations received from the directors of the Parent as on March 31, 2024 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.
- g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us and based on the auditor's reports of subsidiary companies incorporated in India, the remuneration paid by the Parent and such subsidiary companies to their respective directors during the year is in accordance with the provisions of section 197 of the Act.

- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 42 to the consolidated financial statements;
 - ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts for which there were any material foreseeable losses- Refer Note 65 to the consolidated financial statements.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India.
 - iv) (a) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries that, to the best of their knowledge and belief, other than as disclosed in the note 45 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



(b) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries that, to the best of their knowledge and belief, other than as disclosed in the note 45 to the consolidated financial statements, no funds have been received by the Parent or any of such subsidiaries, from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) The interim dividend proposed in the current year, declared and paid by the Parent, during the year is in accordance with section 123 of the Companies Act 2013, as applicable.

As stated in footnote iii of note 22 to the consolidated financial statements, subsequent to the year end, the Board of Directors of the Parent Company have proposed final dividend for the year which is subject to the approval of the members of the Parent Company at the ensuing Annual General Meetings. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

vi) Based on our examination which included test checks, and based on the other auditor's reports of its subsidiary companies incorporated in India whose financial statements have been audited under the Act, the Parent and its subsidiary companies incorporated in India have used accounting software for maintaining their respective books of account for the year ended March 31, 2024, wherein the accounting software did not have the audit trail feature enabled throughout the year (refer note 73 of the financial statements).

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No. 117366W/W - 100018)



Rajesh Kumar Agarwal
(Partner)

(Membership No. 105546)

UDIN: 24105546BKEPET8374

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements'
section of our report of even date)**

**Report on the Internal Financial Controls with reference to consolidated financial statements under Clause
(i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as at and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of Hero Motors Limited (hereinafter referred to as "the Parent") and its subsidiary companies, which are incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on "the internal control with reference to consolidated financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary companies, which are companies incorporated in India.



Meaning of Internal Financial Controls with reference to consolidated financial statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on "the criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to three subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For Deloitte Haskins & Sells LLP

Chartered Accountants
(Firm's Registration No. 117366W/W - 100018)



Rajesh Kumar Agarwal
(Partner)

(Membership No. 105546)
UDIN: 24105546BKEPET8374

Place: Gurugram
Date: July 16, 2024

Hero Motors Limited
Consolidated Balance Sheet as at March 31, 2024
CIN : U29299PB1998PLC039602
(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
A. Assets			
1. Non-current assets			
(a) Property, plant and equipment	4	36,029.92	25,712.55
(b) Right of use assets	5	3,547.56	1,869.95
(c) Capital work in progress	7	6,218.27	6,863.64
(d) Goodwill	8	797.25	797.25
(e) Other Intangible assets	9	525.21	394.75
(f) Intangible assets under development	10	1,542.74	-
(g) Financial assets			
(i) Investments	11	156.20	118.16
(ii) Loans	13	131.07	2.32
(iii) Other financial assets	14	739.13	397.14
(h) Deferred tax asset (Net)	29	41.59	36.94
(i) Non-current tax assets (net)	15	904.59	94.99
(j) Other non-current assets	16	1,741.70	1,095.49
Total non-current assets		52,375.23	37,383.18
2. Current assets			
(a) Inventories	17	17,989.79	19,579.29
(b) Financial assets			
(i) Investments	12	667.56	1,530.26
(ii) Trade receivables	18	19,478.69	25,100.98
(iii) Cash and cash equivalents	19	4,226.09	755.79
(iv) Bank balances other than cash and cash equivalents	20	4,600.00	8,555.18
(v) Loans	13	60.19	33.57
(vi) Other financial assets	14	2,017.55	4,145.10
(c) Other current assets	16	4,569.61	2,117.71
Total current assets		53,609.48	61,817.88
Total assets		1,05,984.71	99,201.06
B. Equity and liabilities			
1. Equity			
(a) Equity share capital	21	35,357.84	35,357.84
(b) Other equity	22	3,226.09	(494.18)
Equity attributable to the owners of the company		38,583.93	34,863.66
Non controlling Interests	22	(1,102.33)	(1,131.41)
Total equity		37,481.60	33,732.25
2. Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	8,175.29	7,167.51
(ii) Lease Liabilities	6	2,333.00	1,024.70
(iii) Others financial liabilities	25	470.70	413.40
(b) Provisions	27	7,364.66	6,802.33
(c) Deferred tax liabilities (net)	29	1,059.91	428.54
Total non-current liabilities		19,403.56	15,836.48



Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	22,224.34	19,793.43
(ii) Lease Liabilities	6	666.28	477.84
(iii) Trade payables	28		
- Total outstanding due of micro enterprises and small enterprises		1,717.06	1,599.08
- Total outstanding due of creditors other than micro enterprises and small enterprises		11,907.22	13,252.35
(iv) Other financial liabilities	25	10,195.33	12,673.36
(b) Other current liabilities	26	2,185.26	1,526.40
(c) Provisions	27	204.06	309.87
Total current liabilities		49,099.55	49,632.33
Total equity and liabilities		1,05,984.71	99,201.06

Summary of Material Accounting Policies 2

The accompanying notes form an integral part of these consolidated financial statements 1-69

As per our report of even date attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rajesh Kumar Agarwal
(Partner)

(Membership No. 105546)
Place : Gurugram
Date: July 16, 2024



For and on behalf of Board of Directors of
Hero Motors Limited

Keshav Misra

Keshav Misra
Non-Executive and
Non-Independent Director
(DIN: 00133702)
Place: Noida
Date: July 16, 2024

Amit Gupta

Amit Gupta
Managing Director and
Chief Executive Officer
(DIN: 02997032)
Place: Noida
Date: July 16, 2024

Ritesh Kumar Agrawal

Ritesh Kumar Agrawal
Chief Financial Officer
Place : Noida
Date: July 16, 2024

Sheeba Dhamija

Sheeba Dhamija
Company Secretary
M. No. 29705
Place : Noida
Date: July 16, 2024



Hero Motors Limited
Consolidated Statement of Profit and Loss for year ended March 31, 2024
CIN : U29299PB1998PLC039602
(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
I Revenue from operations	31	1,06,438.59	1,05,462.27
II Other income	32	1,903.27	1,536.97
III Total income (I+II)		1,08,341.86	1,06,999.24
IV Expenses			
(a) Cost of materials consumed	33	64,044.80	75,629.38
(b) Changes in inventories of finished goods, work in progress, stock in trade and store and spares	34	456.77	(3,774.39)
(c) Employee benefits expense	35	18,083.45	9,331.01
(d) Finance costs	36	2,994.42	2,693.16
(e) Depreciation and amortisation expense	37	2,855.14	1,828.46
(f) Other expenses	38	17,475.87	15,915.57
Total expenses		1,05,910.45	1,01,623.19
V Profit before share of net Profit of associates, and tax (III-IV)		2,431.41	5,376.05
VI Add : Share of loss of associate		-	(162.48)
VII Profit/ (loss) before tax (V-VI)		2,431.41	5,213.57
VIII Tax expense:	30		
(a) Current tax		124.68	1,737.13
(b) Deferred tax		603.10	(574.37)
Total tax expense		727.78	1,162.76
IX Profit for the year (VII-VIII)		1,703.63	4,050.81
X Other comprehensive income			
(A) (i) Items that will not be reclassified to profit or loss			
(a) Re-measurement losses on defined benefit plans		(488.09)	(645.87)
(ai) Share of losses related to associate		-	(531.49)
(ii) Income tax on items that will not be reclassified to profit or loss		(23.62)	162.02
(B) (i) Items that will be reclassified to profit or loss			
(a) Exchange differences in translating the financial statements of foreign operations		(423.71)	256.52
Other comprehensive income for the year, net of tax		(935.42)	(758.82)
XI Total comprehensive income for the year, net of tax		768.21	3,291.99
XII Profit for the year attributable to :			
Equity holder of parent		1,341.84	4,061.48
Non-Controlling interest		361.79	(10.67)
		1,703.63	4,050.81
XIII Other comprehensive income for the year attributable to :			
Equity holder of parent		(602.71)	(758.82)
Non-Controlling interest		(332.71)	-
		(935.42)	(758.82)
XIV Total comprehensive income for the year attributable to :			
Equity holder of parent		739.13	3,302.66
Non-Controlling interest		29.08	(10.67)
		768.21	3,291.99
XV Earnings per share: (face value ₹ 10 per share)	40		
1) Basic (amount in ₹)		0.36	3.13
2) Diluted (amount in ₹)		0.35	3.06

Summary of Material Accounting Policies 2

The accompanying notes form an integral part of these consolidated financial statements 1-69

As per our report of even date attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rajesh Kumar Agarwal
(Partner)
(Membership No. 105546)
Place : Gurugram
Date: July 16, 2024



For and on behalf of Board of Directors of
Hero Motors Limited

Keshav Misra

Keshav Misra
Non-Executive and
Non-Independent Director
(DIN: 00133702)
Place: Noida
Date: July 16, 2024

Amit Gupta

Amit Gupta
Managing Director and
Chief Executive Officer
(DIN: 02997032)
Place: Noida
Date: July 16, 2024

Ritesh Kumar Agrawal

Ritesh Kumar Agrawal
Chief Financial Officer
Place : Noida
Date: July 16, 2024

Sheeba Dhamija

Sheeba Dhamija
Company Secretary
M. No. 29705
Place : Noida
Date: July 16, 2024

Hero Motors Limited
Consolidated Statement of changes in equity for the year ended March 31, 2024
(Amount in ₹ lakhs, unless otherwise stated)

A. Equity Share Capital	3459.71
As at April 01, 2022	31,898.12
Changes during the year	35,357.84
As at March 31, 2023	-
Changes during the year	35,357.84
As at March 31, 2024	-

B. Other Equity

Particulars	Security Premium	Equity Component of CCPS	Share based payment reserve	Demerger adjustment deficit account	Capital reserves	Share Pending Issuance	Retained Earnings	Foreign Currency Translation Reserve	Total Other Equity before Non controlling Interest	Non Controlling Interest	Total Other Equity including Non Controlling Interest
Balance as at April 01, 2022 (as previously reported)	-	-	-	(75,279.98)	-	75,279.98	12,215.54	(0.48)	12,215.06	-	12,215.06
Pooling of interest accounting for Common control Business combination (refer note 22e)	-	-	-	-	160.76	-	235.54	-	396.30	-	396.30
Balance as at April 01, 2022 as restated	-	-	-	(75,279.98)	160.76	75,279.98	12,451.08	(0.48)	12,611.36	-	12,611.36
Issue of equity shares (refer note 47)	43,381.87	-	-	-	-	(75,279.98)	-	-	(31,898.11)	-	(31,898.11)
Issue of non-cumulative compulsory convertible preference shares	12,402.80	2,097.19	-	-	-	-	-	-	14,499.99	-	14,499.99
Share issue expenses	(345.07)	-	-	-	-	-	-	-	(345.07)	-	(345.07)
Share-based payments	-	-	1,334.99	-	-	-	-	-	1,334.99	-	1,334.99
Pre acquisition reserve	-	-	-	-	-	-	-	-	-	(370.68)	(370.68)
Profit for the year (refer 22(g))	-	-	-	-	-	-	4,061.48	-	4,061.48	(1,073.30)	2,988.18
Deemed equity contribution by non controlling interest	-	-	-	-	-	-	-	-	-	312.57	312.57
Other comprehensive income	-	-	-	-	-	-	(1,015.34)	256.52	(758.82)	-	(758.82)
Total comprehensive income for the year	-	-	-	-	-	-	3,046.14	256.52	3,302.66	(1,131.41)	2,171.25
Balance as at March 31, 2023	55,439.60	2,097.19	1,334.99	(75,279.98)	160.76	-	15,497.22	256.04	(494.18)	(1,131.41)	(1,625.59)
Share issue expenses (refer 22(f))	(29.33)	-	-	-	-	-	-	-	(29.33)	-	(29.33)
Credit to equity for equity settled share-based payments	-	-	3,946.17	-	-	-	-	-	3,946.17	-	3,946.17
Profit during the year	-	-	-	-	-	-	1,341.84	-	1,341.84	361.79	1,703.63
Dividend distribution	-	-	-	-	-	-	(935.70)	-	(935.70)	-	(935.70)
Other comprehensive income	-	-	-	-	-	-	(225.37)	(377.34)	(602.71)	(332.71)	(935.42)
Total comprehensive income for the year	-	-	-	-	-	-	180.77	(377.34)	(196.57)	29.08	(167.49)
Balance as at March 31, 2024	55,410.27	2,097.19	5,281.16	(75,279.98)	160.76	-	15,677.99	(121.30)	3,226.09	(1,102.33)	2,123.76

* Refer note 22(e)

Summary of Material Accounting Policies

2

The accompanying notes form an integral part of these consolidated financial statements 1-69

As per our report of even date attached

For Deloitte Hoskins & Sells LLP

Chartered Accountants

(Firm's Registration No. 117355W/W-100018)



Rajesh Kumar Agarwal
Partner

(Membership No. 105546)

Place : Gurugram

Date: July 16, 2024

For and on behalf of Board of Directors of

Hero Motors Limited

Keshav Misra

Keshav Misra

Non-Executive and

Non-Independent Director

(DIN: 00123702)

Place: Noida

Date: July 16, 2024

Amit Gupta
Managing Director and
Chief Executive Officer
(DIN: 02997032)
Place: Noida
Date: July 16, 2024

Sheeba Dhamija
Company Secretary
M. No. 25705
Place : Noida
Date: July 16, 2024



Ritesh Kumar Agrawal

Chief Financial Officer

Place : Noida

Date: July 16, 2024

Hero Motors Limited**Consolidated Statement of Cash Flows for the year ended March 31, 2024****CIN : U29299PB1998PLC039602****(Amount in ₹ lakhs, unless otherwise stated)**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Cash flows from operating activities		
Profit before tax	2,431.41	5,213.57
Adjustments for:		
Depreciation and amortization	2,855.14	1,828.46
Interest cost	2,115.96	1,943.22
Other borrowing cost	878.46	749.94
Foreign currency translation reserve	(423.71)	256.52
Provision/sundry balances written back	(300.08)	(3.28)
Unrealized foreign exchange loss gain	87.79	8.58
Loss/(Profit) on sale of property plant and equipment	(10.84)	17.89
Employee stock option	3,946.17	1,334.99
Rental income	(2.35)	(5.66)
Gain on derecognition of right of use asset and lease liability	(105.12)	-
Profit on sale / fair valuation	(87.29)	(143.56)
Other Non Operating Income	(2.99)	(59.26)
Share in loss of associate	-	(693.97)
Interest income	(967.58)	(671.29)
Operating profit before working capital changes	10,414.97	9,776.15
Working Capital adjustments:		
Adjustment for (Increase) / decrease in Operating Assets :		
(Increase) / decrease in trade receivables	5,555.30	(3,469.68)
(Increase) / decrease in inventories	1,589.50	(1,895.99)
(Increase) / decrease in other financial assets	1,901.67	258.64
(Increase) / decrease in other assets	(2,345.49)	1,933.21
Increase / (decrease) in trade payables	(926.24)	(2,235.89)
Increase / (decrease) in other financial liabilities	(3,050.02)	1,952.81
Decrease in provisions	(31.57)	(282.67)
Increase in other liabilities	675.78	65.88
Cash generated from operations	13,783.90	6,102.46
Income tax paid (net of refunds)	(934.28)	(1,891.70)
Net cash inflow from/(used in) operating activities (A)	12,849.62	4,210.76
Cash flows from investing activities		
Capital Expenditure on Property, plant and equipment (including capital advances)	(13,283.43)	(13,772.25)
Proceeds from Sale of property, plant and equipment	25.07	69.17
Investment in debenture/shares	(38.04)	(113.16)
Sale of mutual fund	949.99	1,059.82
Loan granted	(155.37)	(18.25)
Interest received	854.46	621.11
Rent received	2.35	5.66
Bank balance not considered as cash & cash equivalent	3,955.18	(8,518.59)
NET cash inflow from/ (used in) investing activities (B)	(7,689.79)	(20,666.49)
Cash flows from financing activities		
Proceeds from non-current borrowings	4,825.00	9,063.77
Repayment of non-current borrowings	(2,253.14)	(13,020.70)
Proceeds from / repayment of current borrowings (net)	823.23	4,292.50
Proceeds from issue non-cumulative compulsory convertible preference shares	-	14,500.00
Payment of Interim Dividend	(935.70)	
Share issue expenses	(29.33)	(345.07)
Payment of lease liabilities	(865.79)	(149.99)
Other borrowing cost	(878.46)	(749.94)
Interest paid	(2,375.34)	(1,799.48)
Net cash inflow from/(used in) financing activities (C)	(1,689.53)	11,791.09



Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Net Increase (decrease) in cash and cash equivalents (A+B+C)	3,470.30	(4,664.64)
Opening balance of cash and cash equivalents	755.79	5,420.45
Total cash and cash equivalents (Note no. 19)	4,226.09	755.79
Components of cash and cash equivalents		
Cash on hand	0.26	3.20
With banks - Current account*	2,225.83	752.59
With banks - Deposit account	2,000.00	-
Total cash and cash equivalents (Note no. 19)*	4,226.09	755.79

*Includes ₹ 0.68 lakhs as at March 31, 2024 (as at March 31, 2023 ₹ Nil) as unpaid dividend account and is restrictive in nature.

Notes :

- a) The Cash Flow Statement has been prepared in ordinance with 'indirect method' as set out in Ind AS - 7 - 'Statement of Cash Flows', as notified under section 133 of Companies Act, 2013 read with relevant rules issued thereunder.
b) Disclosure as required in terms of amendments to Ind AS 7 'Statement of Cash Flows'

Particulars	As at March 31, 2023	Cash Flows	Non Cash Changes	As at March 31, 2024
Non current borrowings	7,167.51	964.18	43.60	8,175.29
Current borrowings	19,793.43	2,430.91	-	22,224.34
Closing balance of loan	26,960.94	3,395.09	43.60	30,399.63

Particulars	As at March 31, 2022	Cash Flows	Non Cash Changes	As at March 31, 2023
Non current borrowings	6,333.33	825.60	8.58	7,167.51
Current borrowings	20,204.88	(411.45)	-	19,793.43
Closing balance of loan	26,538.21	414.15	8.58	26,960.94

The accompanying notes form an integral part of these consolidated financial statements 1-69

As per our report of even date attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rajesh Kumar Agarwal
Partner

(Membership No. 105546)

Place : Gurugram

Date: July 16, 2024



**For and on behalf of Board of Directors of
Hero Motors Limited**

Keshav Misra

Keshav Misra
Non-Executive and
Non-Independent Director
(DIN: 00133702)

Place: Noida

Date: July 16, 2024

Amity Gupta

Amity Gupta
Managing Director and
Chief Executive Officer
(DIN: 02997032)

Place: Noida

Date: July 16, 2024



Ritesh Kumar Agrawal

Ritesh Kumar Agrawal
Chief Financial Officer

Place : Noida

Date: July 16, 2024

Sheeba Dhamija

Sheeba Dhamija
Company Secretary
M. No. 29705

Place : Noida

Date: July 16, 2024

Hero Motors Limited
Notes forming part of the consolidated financial statements for the year ended March 31, 2024
(Amount in ₹ lakhs, unless otherwise stated)

4 Property, Plant and Equipment

Particulars	Free Hold Land	Leasehold Improvements	Buildings	Plant & Machinery	Furniture & Fixtures	Vehicles	Office Equipment	Computer	Total
Cost / Deemed Cost									
Balance as at April 1, 2022	460.67	537.97	2,737.77	16,352.96	142.76	181.97	113.50	253.75	20,781.35
Add: Additions made during the year	-	65.11	2,741.31	6,346.97	175.74	66.47	62.44	163.16	9,621.70
Acquisition Adjustment (refer note d) below)	-	38.20	-	11,505.77	1,530.25	-	1,516.06	-	14,590.28
Less: (Disposals)/adjustments during the year	-	-	-	(105.00)	-	(0.27)	(1.96)	(9.03)	(116.26)
Balance as at March 31, 2023	460.67	641.28	5,479.58	34,100.70	1,848.75	248.17	1,690.04	407.88	44,877.07
Add: Additions made during the year	2,282.00	537.51	470.30	8,913.43	140.77	71.91	63.25	259.55	12,738.72
Less: (Disposals)/adjustments during the year	-	(603.08)	603.08	(395.34)	(1.50)	(26.34)	4.23	(11.15)	(430.10)
Translation difference	-	(13.18)	-	209.41	51.12	-	50.89	(3.09)	295.15
Balance as at March 31, 2024	2,742.67	562.53	6,552.96	42,828.20	2,039.14	293.74	1,808.41	653.19	57,480.84
Accumulated depreciation									
Balance as at April 1, 2022	-	457.69	126.36	3,609.31	36.94	18.42	36.88	70.45	4,356.05
Add: Depreciation charge for the year	-	5.31	160.81	1,322.88	18.09	26.24	28.13	75.48	1,636.93
Acquisition Adjustment (refer note d) below)	-	13.62	-	10,463.79	-	-	1,395.95	-	13,200.40
Less: (Disposals)/adjustments during the year	-	-	-	(28.87)	-	-	-	(0.33)	(29.20)
Balance as at March 31, 2023	-	476.62	287.17	15,367.11	1,382.06	44.66	1,460.96	145.60	19,164.18
Add: Depreciation charge for the year	-	47.74	233.58	1,676.13	76.49	36.39	70.97	127.51	2,268.81
Less: (Disposals)/adjustments during the year	-	(469.24)	469.24	(386.04)	-	(15.37)	(3.89)	(10.57)	(415.87)
Translation difference	-	(0.61)	-	343.24	44.59	-	46.84	(0.26)	433.80
Balance as at March 31, 2024	-	54.51	989.99	17,000.44	1,503.14	55.68	1,574.88	262.28	21,450.92
Net carrying amount									
As at March 31, 2023	460.67	164.66	5,192.41	18,733.59	466.69	203.51	229.08	262.28	25,712.55
As at March 31, 2024	2,742.67	508.02	5,562.97	25,827.76	536.00	228.06	233.53	390.91	36,029.92

Note :

- Refer note 23 & 24 for property, plant and equipment pledged/ hypothecated as security for borrowing by the company.
- Refer note 42 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- During the year ended March 31, 2024, the Group has reassessed useful life of Plant and machineries based on technical evaluation carried at by management expert which is higher than as specified by Schedule II to the Companies Act , 2013, in order to reflect the actual usage of the assets. This has resulted in decrease in depreciation expenses by ₹ 391.96 lakhs.
- Refers to acquisition of assets and related accumulated depreciation of Hewland Engineering Limited.
- Refer note 63 for acquisition of land during the year ended March 31, 2024



5 Right of Use Assets

Below are the carrying amounts of right to use assets and lease liabilities and the movements during the year. The Group's leased assets consists of leases for building and land.

Particulars	Leasehold Building	Leasehold Land	Total
Balance as on April 1, 2022	-	16.97	16.97
Additions	-	2,006.72	2,006.72
Derecognition of Right of use Assets	-	-	-
Balance as on March 31, 2023	-	2,023.69	2,023.69
Additions	850.46	2,357.36	3,207.82
Derecognition of Right of use Assets#	-	(1,132.73)	(1,132.73)
Translation difference	-	11.13	11.13
Balance as on March 31, 2024	850.46	3,259.45	4,109.91
Accumulated depreciation			
Balance as on April 1, 2022	-	16.97	16.97
Charge for the year	-	136.77	136.77
Derecognition of Right of use Assets	-	-	-
Balance as on March 31, 2023	-	153.74	153.74
Charge for the year	-	500.80	500.80
Adjustment during the year	28.95	45.07	74.02
Derecognition of Right of use Assets#	-	(169.77)	(169.77)
Translation difference	-	3.56	3.56
Balance as on March 31, 2024	28.95	533.40	562.35
Carrying amount			
As at March 31, 2023	-	1,869.95	1,869.95
As at March 31, 2024	821.51	2,726.05	3,547.56

6 Leases liabilities

Particulars	Lease Hold Building	Lease Hold Land	Total
Balance as at April 1, 2022	-	-	-
Additions	-	1,525.32	1,525.32
Finance cost accrued during the period	-	127.21	127.21
Payment of lease liabilities	-	(150.00)	(150.00)
Balance as at March 31, 2023	-	1,502.53	1,502.53
Additions	850.06	2,357.36	3,207.42
Finance cost accrued during the period	15.31	196.36	211.67
Payment of lease liabilities	(15.54)	(850.24)	(865.78)
Deletion of Lease liability#	-	(1,068.07)	(1,068.07)
Translation difference	-	11.51	11.51
Balance as at March 31, 2024	849.83	2,149.45	2,999.28

The following is the break-up of current and non-current lease liabilities

Particulars	Current	Non - current
As at March 31, 2023	477.84	1,024.70
As at March 31, 2024	666.28	2,333.00

The following is the movement in lease liabilities during the period :

Other Disclosures

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation expense on right-of-use assets (Refer note 5)	500.80	136.77
Interest expense on lease liabilities (Refer note 36)	211.67	127.93
Expense relating to short-term leases	252.97	152.58
Total Cash outflow for leases	865.78	150.00

Note

The effective discount rate for lease liabilities is 9.00% p.a.

The Leases generally have lease terms of 2 - 9 years. The Company's obligations under its leases are secured by the lessor's title to the leased

assets. The Company is restricted from assigning or sub leasing the leased assets

Refer Note 63.



7 Capital work in progress (CWIP)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	6,863.64	3,005.18
Add: Addition made during the year	8,258.54	8,340.44
Less: transferred to Property, Plant & Equipment during the year	(8,757.91)	(4,481.98)
Translation difference	(146.00)	-
	6,218.27	6,863.64

The Group has capitalised following expenses to the cost of property, plant and equipment / capital work in progress in relation to projects.

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	787.62	110.11
Employee benefit expenses	1,293.54	476.67
Contract Labour Charges	114.19	-
Finance cost	456.91	313.63
Other Expenses	772.73	584.15
Translation difference	38.29	(111.15)
	3,463.28	1,373.41
less: Allocated to Property Plant and Equipment	(1,845.71)	(585.79)
Closing balance included under Capital Work in progress	1,617.57	787.62

Ageing schedule of CWIP as at March 31, 2024:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	5,977.22	241.05	-	-	6,218.27
Projects temporarily suspended	-	-	-	-	-

Ageing schedule of CWIP as at March 31, 2023:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	5,831.45	1,032.19	-	-	6,863.64
Projects temporarily suspended	-	-	-	-	-

Note: There are no project whose completion is overdue or has exceeded its cost compared to its original plan during the year ended March 31, 2024 and March 31, 2023.



8 Goodwill

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	797.25	-
Goodwill on acquisitions*	-	797.25
Balance at the end of the year	797.25	797.25

Note*

During the previous year ended March 31, 2023, the Group has acquired 32% share in Hewland Engineering Limited from Hero International B.V. pursuant to which Hewland Engineering Limited has become an associate of Hero Motor Limited; On February 21, 2023 Hero Motors Limited has made further investment directly in the shares of Hewland Engineering Limited and increased its stake to 51%; post which the Hewland Engineering Limited has become subsidiary of the Group.

Asset acquired and liability assumed of Hewland Engineering Limited as on March 31, 2023 is as below :

Particulars	As at March 31, 2023
Assets	
Property, plant and equipment (net of accumulated depreciation)	1,389.88
Inventories	3,295.85
Trade receivables	2,733.28
Cash and cash equivalents	80.60
Other current assets	167.62
Total Assets (A)	7,667.23
Liabilities	
Loans	1,672.05
Provisions	5,108.80
Borrowings	78.53
Trade payables	2,765.35
Other current liabilities	830.96
Provisions	115.73
Total Liability (B)	10,571.42
Identifiable net assets at fair value on the date of acquisition (A-B)	(2,904.19)
Fair value of net assets	(2,904.19)
Less : Non-controlling interest measured at fair value	(1,423.05)
Net asset for holding	(1,481.14)
Purchase Consideration	10.08
Goodwill arising on acquisition	1,491.22
Adjusted through other equity*	(693.97)
Goodwill Recognized	797.25

The Goodwill of ₹ 797.25 lakhs comprises the fair value of expected synergies arising from acquisition. Goodwill is allocated to the acquired business as a whole. None of the Goodwill recognized is deductible for income tax purposes.

* The Group adjusted its share of profit and other comprehensive income against the goodwill on the date it became subsidiary from associate.

The Group has not identified any intangible assets and recognised goodwill as per Ind AS 103 - Business Combination.



9 Other intangible assets

Particulars	Computer Software	Development Cost (Motor Design)	Websites	Trademark / Lables	Total
At Deemed cost					
Gross carrying amount					
Balance as at April 1, 2022	93.74	-	-	0.46	94.20
Add: Additions during the year	224.07	105.20	-	44.07	373.34
Less: (Disposals) / adjustments during the year	(1.75)	-	-	0.11	(1.64)
Balance as at March 31, 2023	316.06	105.20	-	44.64	465.90
Add: Additions during the year	97.92	110.37	5.50	2.24	216.03
Less: (Disposals) / adjustments during the year	4.72	-	-	(5.91)	(1.19)
Balance as at March 31, 2024	418.70	215.57	5.50	40.97	680.74
Accumulated amortisation					
Balance as at April 1, 2022	17.90	-	-	0.06	17.96
Add: Amortisation charge for the year	51.30	2.14	-	1.38	54.82
Less: (Disposals) / adjustments during the year	(1.74)	-	-	0.11	(1.63)
Balance as at March 31, 2023	67.46	2.14	-	1.55	71.15
Add: Amortisation charge for the year	62.61	18.61	0.11	4.20	85.53
Less: (Disposals) / adjustments during the year	(0.55)	-	-	(0.60)	(1.15)
Balance as at March 31, 2024	129.52	20.75	0.11	5.15	155.53
Net carrying amount					
As at March 31, 2023	248.60	103.06	-	43.09	394.75
As at March 31, 2024	289.18	194.82	5.39	35.82	525.21

10 Intangible assets under development (IAUD)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	-	-
Add: Addition made during the year	1,542.74	-
Less: (Disposals)/adjustments during the year	-	-
Balance at the end of the year	1,542.74	-

The Group has capitalised following expenses to the cost of Intangible assets under development in progress in relation to projects.

Particulars	As at March 31, 2024	As At March 31, 2023
Employee Benefit Expenses	1,162.61	-
Finance cost	38.67	-
Other Common Expenses	372.09	-
Pre-Operative expenses pending allocation	1,573.37	-
Less: Sale of trial run production	(30.63)	-
Total Pre-Operative Expenses Pending Allocation	1,542.74	-

Ageing schedule of Intangible assets under development as at March 31, 2024:

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,542.74	-	-	-	1,542.74
Projects temporarily suspended	-	-	-	-	-

Note:

i) Other intangible assets under Development related to below:-

HYM Drive Systems Private Limited	69.82
Hero Edu Systems Private Limited	1,472.92
	1,542.74

(ii) There are no project whose completion is overdue or has exceeded its cost compared to its original plan during the year ended March 31, 2024.



11 Investments

Particulars	As at March 31, 2024	As at March 31, 2023
Non- Current		
I) Investments in equity shares of Others - (unquoted) (valued at fair value through Other comprehensive income)		
a) AMP Solar Urja Private Limited 1,51,200 equity shares (March 31, 2023: 182) of ₹ 10 each fully paid up	15.12	0.02
b) Ludhiana Advanced Centre for Cycle Technology (50,000 equity shares (March 31, 2023: 50,000) of ₹ 10 each fully paid up)	5.00	5.00
II) Investments in Debenture of Others - (unquoted) (valued at fair value through Other comprehensive income)		
a) AMP Solar Urja Private Limited 11,340 Debentures (March 31, 2023: 11,340) of ₹ 1000 each fully paid up The Compulsory convertible debenture shall be entitled to Interest at rate of 0.01% per annum. Interest shall be due and receivables at the end of every financial year.	136.08	113.14
	156.20	118.16
i) Aggregate value of unquoted investments	156.20	118.16

12 Investments**Current Investment**

Particulars	As at March 31, 2024	As at March 31, 2023
Investments in Mutual funds measured at Fair Value through Profit and Loss		
Quoted Investments		
a) Aditya Birla Sun Life Liquid Fund 1,23,036.20 (March 31, 2023 : 1,23,036.20) market linked Mutual Fund	479.45	446.72
b) HDFC Liquid Fund 3,965.44 Units (March 31, 2023 : 24,496.84 Units) market linked Mutual Fund	188.11	1,083.54
	667.56	1,530.26
a) Aggregate book value of quoted investments	615.48	1,514.19
b) Aggregate market value of quoted investments	667.56	1,530.26
c) The number of units in note above represents absolute numbers.		

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13 Loans measured at amortized cost

Particulars	Non - Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good				
Loans to Employees	131.07	2.32	60.19	33.57
	131.07	2.32	60.19	33.57

a) The Group has no outstanding loans which have significant increase in credit risk and loans which are credit impaired. (Refer Note No. 45)

14 Other financial assets

Particulars	Non - Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good				
At amortized cost				
i. Interest accrued but not due				
- Margin Money*	251.69	35.11	-	104.90
ii. Interest accrued and due on Deposit				
Interest accrued and due on Deposit with Punjab State Power Corporation Limited	3.86	2.42	-	-
iii. Others				
Balance with Banks:				
In Deposit Accounts (with remaining maturity of less than twelve months)(refer note Below)	-	-	155.33	774.82
Security deposits -Others (Electricity, rent and others)	483.58	359.61	7.69	15.72
Receivable from Hero Cycles Limited for sale of shares	-	-	-	1,110.00
Receivables from related party	-	-	-	0.83
Other Receivables	-	-	1,821.90	2,138.83
At Fair Value through Profit and Loss				
Forward Contract Receivable	-	-	32.63	-
	739.13	397.14	2,017.55	4,145.10

Note:

- a. Parent Company- Balances with Banks held as Margin Money Deposits against Bank Guarantee and Letter of Credit issued by Axis Bank.
b. There is no loss allowance in relation to any outstanding balance and no loss allowance has been recognised during the year in respect to receivables from related party.
c. Spur Technologies Private Limited- Lien is marked with Sales Tax Department at the time of VAT Registration
* Includes ₹ 34.91 lakhs against Lien for Letter of Credit and Bank Guarantee with Axis and SBI Bank, and ₹ 216.78 lakhs against non-lien Margin money.

15 Non Current Tax Asset

Particulars	As at March 31, 2024	As at March 31, 2023
Advance Income Tax	904.59	94.99
Net of provision of ₹ 529.00 lakhs (March 31, 2023: ₹ 1,868.80 lakhs)		
	904.59	94.99

16 Other assets

Particulars	Non - Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good				
(i) Capital Advances (Refer Note No. 42)	1,737.45	989.87	-	-
	1,737.45	989.87	-	-
(ii) Balances with Government Authorities				
Goods and Service Tax, Income tax, VAT and Custom duty recoverable	3.46	3.17	1,252.55	488.09
Amount Deposit Under Protest	-	101.17	-	-
	3.46	104.34	1,252.55	488.09
(iii) Others				
Export incentive receivable	-	-	203.80	540.12
Prepaid expenses *	0.79	1.28	858.17	233.43
Advances Recoverable in Cash or Kind	-	-	42.56	4.47
Advances to suppliers	-	-	545.53	851.58
Advances to related party (Refer note 43)	-	-	1,667.00	-
Other Receivables	-	-	-	0.02
	0.79	1.28	3,317.06	1,629.62
	1,741.70	1,095.49	4,569.61	2,117.71

* It includes advance against initial public offer related expenses of ₹ 232.00 lakhs (refer note- 62)



Hero Motors Limited

Notes forming part of the consolidated financial statements for the year ended March 31, 2024
(Amount in ₹ lakhs, unless otherwise stated)

17 Inventories

(Valued at Lower of cost and or realisable value)

Particulars	As at March 31, 2024	As at March 31, 2023
Raw Materials (Refer note i (a) below)	3,709.63	4,780.76
Work in Progress (WIP)	3,835.39	4,736.24
Finished Goods (Refer note i (b) below)	8,663.42	8,050.34
Traded Goods	63.96	206.40
Stores and Spares	1,670.27	1,731.87
Scrap	47.12	73.68
Total	17,989.79	19,579.29

Notes:

(i) Includes goods in transit:

(a) Raw material	195.97	531.66
(b) Finished goods	5,078.95	4,729.16
	5,274.92	5,260.82

18 Trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured Considered good		
- Related parties	696.78	880.73
- Others	18,781.91	24,214.69
Unsecured, Considered Doubtful		
- Others	7.36	5.56
Less: Allowance for receivables (credit impaired)	(7.36)	-
Total	19,478.69	25,100.98

Notes :

Of the trade receivables balance as at the year end, the largest customers who represents more than 10% of the total balance of trade receivables are as follows;

Particulars	Type of Customer	As at March 31, 2024	As at March 31, 2023
Customer A	Domestic	8,114.58	9,659.13
Customer B	Export	-	4,389.76

There are no other customers other than mentioned above, who represent more than 10% of the total balance of the trade receivables.

The group's exposure to credit and current risk and losses allowance related to trade receivables are disclosed in Note 45.



Hero Motors Limited
Notes forming part of the consolidated financial statements for the year ended March 31, 2024
(Amount in ₹ lakhs, unless otherwise stated)

a) Trade receivables ageing schedule as at March 31, 2024:

Particulars	Outstanding for following periods from the due date of payment					Total
	Less than 6 months*	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	18,780.45	59.88	15.70	-	-	18,856.03
(ii) Undisputed Trade Receivables –considered good related parties	9.69	0.32	612.66	-	-	622.67
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	7.36	-	-	7.36
Less: Allowances for expected credit loss	-	-	(7.36)	-	-	(7.36)
Net Trade receivables	18,790.14	60.19	628.36	-	-	19,478.69

b) Trade receivables ageing schedule as at March 31, 2023:

Particulars	Outstanding for following periods from the due date of payment					Total
	Less than 6 months*	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	23,846.61	242.38	1,006.30	0.12	-	25,095.42
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	5.56	5.56
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Less: Allowances for expected credit loss	-	-	-	-	-	-
Net Trade receivables	23,846.61	242.38	1,006.30	0.12	5.56	25,100.98

* Includes unbilled and not due.

A) For trade receivables or any contractual right to receive cash that result from transactions that are within the scope of Ind AS 115, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses. Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. The Group follows simplified approach for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL's at each reporting date, right from its initial recognition.

a) The movement in the allowance for expected credit loss allowance is as follows:

	As At March 31, 2024	As At March 31, 2023
Balance as at beginning of the year	-	-
Loss allowances during the year	7.36	-
Trade receivables written off / written back during the year	-	-
Balance as at the end of the year	7.36	-

a) Trade receivables from domestic customers are generally on terms of 45- 60 days (March 31, 2023: 45-60 days).

b) Trade receivables from export customers are generally on terms of 30-75 days (March 31, 2023: 30-75 days).

c) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other persons.

d) There are no indicators / default on receipts of payment from debtors (including related parties). Accordingly, the Company does not anticipate risk of recovery and expected credit loss in respect thereof.



19 Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks:		
- Current account	2,225.83	752.59
- Deposits with original maturity of less than 3 months (Refer Note 'b' below)	2,000.00	-
Cash in hand	0.26	3.20
	4,226.09	755.79

a) For the purpose of the statement of cash flow, the cash and cash equivalent are same given above.

b) The deposits maintained by the group with Banks comprise of the time deposits which may be withdrawn by the group at any point of time without prior notice and are made of varying period depending upon the cash requirements of the group and earn interest at respective deposit rate.

20 Bank balances other than cash & cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Deposits with original maturity of more than 3 months but less than 12 months(Refer notes below) *	4,600.00	8,555.18
	4,600.00	8,555.18

Note:

*The above deposits includes ₹ 2,000.00 Lakhs (March 31, 2023 : Rs. Nil) on which lien is marked on Overdraft Facility obtained from Kotak Bank .

21 Equity Share Capital

	As at March 31, 2024	As at March 31, 2023
Authorised Share capital 38,00,00,000 shares (March 31, 2023: 38,00,00,000) Equity Shares of Rs. 10 each*	38,000.00	38,000.00
	38,000.00	38,000.00
Issued, subscribed and fully paid up share capital		
35,35,78,380 (March 31, 2023: 35,35,78,380) Equity Shares of Rs. 10 each*	35,357.84	35,357.84
	35,357.84	35,357.84

a) Reconciliation of Issued and Subscribed Share Capital:

Particulars	No. of Shares*	Amount
Balance as at April 1, 2022	3,45,97,133	3,459.72
Add: Shares issued during the year {Refer Note 22 (ii) (f)}	31,89,81,247	31,898.12
Balance as at March 31, 2023	35,35,78,380	35,357.84
Add: Shares issued during the year	-	-
Balance as at March 31, 2024	35,35,78,380	35,357.84

b) Terms/ rights attached to equity shares:

The group has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share and will rank pari passu with each other in all respect. In the event of liquidation of the group, the holders of equity shares will be entitled to receive remaining assets of the parent company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The parent company has not paid any dividend during the year.

c) Details of shareholders holding more than 5% shares in the group

	As at March 31, 2024		As at March 31, 2023	
Name of Share Holder	No. of Shares*	Holding %	No. of Shares*	No. of Shares*
Pankaj Munjal on behalf of OP Munjal Holding	27,31,23,055	77.25%	27,31,23,055	27,31,23,055
South Asia Growth Invest LLC	2,59,47,024	7.34%	2,59,47,024	2,59,47,024
Bhagyoday Investments Private limited	2,39,78,804	6.78%	2,39,78,804	2,39,78,804

d) Details of Promoter's Shareholding:

Promoter's Name	As at March 31, 2024		As at March 31, 2023		% Change during the year
	No. of Shares*	% of total shares	No. of Shares*	% of total shares	
Pankaj Munjal on behalf of OP Munjal Holding	27,31,23,055	77.25%	27,31,23,055	77.25%	0.00%
Pankaj Munjal on behalf of Om Prakash Pankaj Munjal - AOP	1,05,37,140	2.98%	1,05,37,140	2.98%	0.00%
Pankaj Munjal	94,00,047	2.66%	94,00,047	2.66%	0.00%
Hero Cycles Limited	77,52,750	2.19%	77,52,750	2.19%	0.00%
Pankaj Munjal on behalf of Munjal Sales Corporation	1,49,359	0.04%	1,49,359	0.04%	0.00%



Hero Motors Limited
Notes forming part of the consolidated financial statements for the year ended March 31, 2024
(Amount in ₹ lakhs, unless otherwise stated)

e) Movement of share holding pattern during the year :

Type of capital	Share Price	As at March 31, 2023		Addition		Deletion		As at March 31, 2024	
		No of share*	₹ in lakhs	No of share*	₹ in lakhs	No of share*	₹ in lakhs	No of share*	₹ in lakhs
Name Of Share Holder									
Pankaj Munjal on behalf of OP Munjal Holding	10	27,31,23,055	27,312.32	-	-	-	-	27,31,23,055	27,312.32
South Asia Growth Invest LLC	10	2,59,47,024	2,594.70	-	-	-	-	2,59,47,024	2,594.70
Bhagyoday Investments P. Ltd.	10	2,39,78,804	2,397.88	-	-	-	-	2,39,78,804	2,397.88
Pankaj Munjal on behalf of Om Prakash Munjal - AOP	10	1,05,37,140	1,053.71	-	-	-	-	1,05,37,140	1,053.71
Pankaj Munjal	10	94,00,047	940.00	-	-	-	-	94,00,047	940.00
Hero Cycles Limited	10	77,52,750	775.28	-	-	-	-	77,52,750	775.28
Charu Munjal	10	9,42,425	94.24	-	-	-	-	9,42,425	94.24
Aditya Munjal	10	7,07,022	70.70	-	-	-	-	7,07,022	70.70
Abhishek Munjal	10	7,06,210	70.62	-	-	-	-	7,06,210	70.62
Smt. Sudarshan Kumari Munjal	10	2,43,163	24.32	-	-	-	-	2,43,163	24.32
Pankaj Munjal on behalf of Munjal Sales Corp	10	1,49,359	14.94	-	-	-	-	1,49,359	14.94
South Asia EBT Trust	10	87,110	8.71	-	-	-	-	87,110	8.71
Tarun Vohra	10	812	0.08	-	-	-	-	812	0.08
AK Dewan	10	812	0.08	-	-	-	-	812	0.08
Pawan Puri	10	812	0.08	-	-	-	-	812	0.08
Vipani Kumar Bagai	10	812	0.08	-	-	-	-	812	0.08
Arun Jit Singh Sodhi	10	812	0.08	-	-	-	-	812	0.08
Munjal Sales Corporation	10	211	0.02	-	-	-	-	211	0.02
Total		35,35,78,380	35,357.84	-	-	-	-	35,35,78,380	35,357.84

f) Movement of share holding pattern for the previous year :

Type of capital	Share Price	As at March 31, 2022		Addition		Deletion		As at March 31, 2023	
		No of share *	₹ in lakhs	No of share *	₹ in lakhs	No of share *	₹ in lakhs	No of share *	₹ in lakhs
Name Of Share Holder									
Pankaj Munjal on behalf of OP Munjal Holding	10	-	-	27,31,23,055	27,312.32	-	-	27,31,23,055	27,312.32
South Asia Growth Invest LLC	10	-	-	2,59,47,024	2,594.70	-	-	2,59,47,024	2,594.70
Bhagyoday Investments P. Ltd.	10	5,63,479	56.35	2,34,15,325	2,341.53	-	-	2,39,78,804	2,397.88
Pankaj Munjal on behalf of Om Prakash Munjal - AOP	10	-	-	1,05,37,140	1,053.71	-	-	1,05,37,140	1,053.71
Pankaj Munjal	10	3,396	0.34	93,96,651	939.67	-	-	94,00,047	940.01
Hero Cycles Limited	10	3,37,59,948	3,375.99	26,936	2.69	2,60,34,134	2,603.41	77,52,750	775.27
Charu Munjal	10	-	-	9,42,425	94.24	-	-	9,42,425	94.24
Aditya Munjal	10	-	-	7,07,022	70.70	-	-	7,07,022	70.70
Abhishek Munjal	10	-	-	7,06,210	70.62	-	-	7,06,210	70.62
Smt. Sudarshan Kumari Munjal	10	-	-	-	-	-	-	2,43,163	24.32
Pankaj Munjal on behalf of Munjal Sales Corp	10	2,43,163	24.32	-	-	-	-	1,49,359	14.94
South Asia EBT Trust	10	-	-	1,49,359	14.94	-	-	87,110	8.71
Tarun Vohra	10	-	-	87,110	8.71	-	-	812	0.08
AK Dewan	10	-	-	812	0.08	-	-	812	0.08
Pawan Puri	10	-	-	812	0.08	-	-	812	0.08
Vipani Kumar Bagai	10	-	-	812	0.08	-	-	812	0.08
Arun Jit Singh Sodhi	10	-	-	812	0.08	-	-	812	0.08
Munjal Sales Corporation	10	-	-	812	0.08	-	-	812	0.08
Public shareholders	10	211	0.02	-	-	26,936	2.69	211	0.02
Total		3,45,97,133	3,459.71	34,50,42,317	34,504.23	2,60,61,070	2,606.10	35,35,78,380	35,357.84

g) Shares held by holding/ultimate holding &/or Held Subsidiary

No Shares are held by the subsidiary of the parent company. The parent company does not have holding and ultimate holding company.

h) 18 shareholders holding 131 shares appearing in shareholding list are actually belong to Hero Cycle Limited referring to scheme of demerger. The transfer is pending owing to operational issue at the end of depository and, Registrar and Transfer agents.

* Number of Shares are given in absolute numbers.



22 Other Equity

Particulars	As at March 31, 2024	As at March 31, 2023
a. Securities premium:		
Balance at the beginning of financial year	55,439.60	-
Add: Premium on issue of equity shares (refer note 47)	-	43,381.87
Add: Premium on issue of non-cumulative compulsorily convertible preference shares	-	12,402.80
Less: Share Issue Expenses	(29.33)	(345.07)
Balance at the end of financial year	55,410.27	55,439.60
b. Equity component of CCPS:		
Balance at the beginning of financial year	2,097.19	-
Add: Issue of non-cumulative compulsorily convertible preference shares	-	2,097.19
Balance at the end of financial year	2,097.19	2,097.19
c. Share-based payment reserve		
Balance at the beginning of financial year	1,334.99	-
Add: Credit to equity for equity-settled share-based payments	3,946.17	1,334.99
Balance at the end of financial year	5,281.16	1,334.99
d. Capital reserve-Common Control		
Balance at the beginning of financial year (Refer note (e))	160.76	160.76
Add: Addition during the year	-	-
Balance at the end of financial year	160.76	160.76
e. Retained earnings		
Balance at the beginning of financial year	15,497.22	12,451.08
Add: Profit for the year	1,341.84	4,061.48
Add: Remeasurement of defined benefit obligations(net of tax)	(225.37)	(1,015.34)
Less: Dividend distribution	(935.70)	-
Balance at the end of financial year	15,677.99	15,497.22
f. Demerger adjustment deficit account		
Balance at the beginning of financial year	(75,279.98)	(75,279.98)
Add: Effect of Business combination	-	-
Balance at the end of financial year	(75,279.98)	(75,279.98)
g. Share pending issuance		
Balance at the beginning of financial year	-	75,279.98
Less: Issue of equity shares (refer note 47)	-	(75,279.98)
Balance at the end of financial year	-	-
h. Foreign Currency Translation Reserve		
Balance at the beginning of financial year	256.04	(0.48)
Add: Addition during the year	(377.34)	256.52
Balance at the end of financial year	(121.30)	256.04
i. Non controlling Interest		
Balance at the beginning of financial year	(1,131.41)	-
Pre acquisition reserve	-	(370.68)
Profit for the year / Addition during the year	361.79	(1,073.30)
Other comprehensive income	(332.71)	-
Deemed Equity Contribution by Non Controlling interest	-	312.57
Balance at the end of financial year	(1,102.33)	(1,131.41)
Total other equity (a+b+c+d+e+f+g+h+i)	2,123.76	(1,625.59)

Notes:

- For Movement during the period in Other Equity, refer "Statement of Change in Equity".
- The description of the nature and purpose of each reserves within equity is as follows:
 - Securities premium:** Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013
 - Share-based payments reserve:** The Share-based payments reserve is used to recognise the grant date fair value of options issued to employee under employees stock options scheme
 - Retained earnings:** Retained Earnings represents the undistributed profits of the Group.
 - Remeasurement of defined benefit obligations:** The Group transfers actuarial gain/ (loss) arising at the time of valuation of defined benefit obligations to Other Comprehensive Income.
 - Capital reserve-Common Control:** Consequent to the acquisition of Spur Technologies Private Limited, the difference between the share capital of Spu Technologies Private Limited of ₹ 1,111.00 lakhs and the consideration paid of ₹ 950.24 lakhs has been recognized as other capital reserve-common control as at April 01, 2022. (Refer note 48)



f) Shares Pending Issuance :

Shares pending for issuance as on March 31, 2022 has been issued in financial year 2022-23 (Refer Note 47) as an effect of which company has issued a total of 31,89,81,247 shares and accordingly Out of total balance of ₹ 75,279.98 lakhs, ₹ 43,381.87 lakhs has been transferred to Security premium and ₹ 31,898.11 lakhs has been transferred to Equity share Capital.

g) Non Controlling Interest - Hewland Engineering Limited

Non-controlling interest (NCI) of ₹ 1,073.30 lakhs reported during the year ending March 31, 2023 includes an amount of ₹ 1062.63 lakhs (49% of ₹ 2,068.65 lakhs) value at the date of acquisition. The balance of ₹10.67 lakhs is related to NCI of HYM Drive system private limited during the period.

h) ₹29.33 lakhs incurred for Issuance of Further Equity Share Capital by HYM Drive System Private Limited and Spur Technology Private Limited.

i) Demerger adjustment deficit account

The difference between assets, liabilities and reserves transferred and the purchase consideration on Demerger is recorded as "Demerger Adjustment Deficit Account"

j) Foreign Currency Translation Reserve

This represent conversion of foreign subsidiaries from there respective functional currency to reporting currency i.e. ₹.

Non Cumulative compulsory convertible preference share

During the year ended March 31, 2023 the Group has issued 2,09,71,920 non cumulative compulsory convertible preference share @ ₹ 69.13 (face value ₹

10 each) convertible in to equity shares in the ratio of 1:1 each. The details of CCPS holders as at March 31, 2024 and March 31, 2023 are given below.

Name Of Share Holder	As at March 31, 2024		As at March 31, 2023	
	Number of Shares	Amount	Number of Shares	Amount
South Asia Growth Invest LLC	2,09,08,282	2,090.83	2,09,08,282	2,090.83
South Asia EBT Trust	63,658	6.37	63,658	6.37
Total	2,09,71,940	2,097.19	2,09,71,940	2,097.19

Terms and rights of Compulsorily Convertible Preference Shares (CCPS) issued to South Asia Growth Invest LLC and South Asia EBT Trust:

CCPS would be compulsorily converted into 2,09,71,920 number of equity shares as agreed between the company and CCPS holders at the option of the CCPS holders at any time after the date of allotment of CCPS but not later than 5 years from the date of allotment.

The holders of CCPS –

- a) carry a pre-determined non-cumulative dividend rate of 0.0001% per annum in priority to any dividend on the Equity shares.
- b) carry a preferential right vis-à-vis the equity shares of the Company with respect to payment of dividend and repayment of capital during winding up.

c) Each CCPS shall entitle the holder to such voting rights that such holder would have been entitled to exercise if such CCPS had been converted into Equity Shares in accordance with these terms prior to the date of such general meeting.

d) The CCPS shall be participating in the surplus assets and profits, on winding up which may remain after the entire capital has been repaid.

e) During the year ended March 31, 2023, the Holding Company issued 2,09,08,283 Non Cumulative Compulsorily Convertible preference shares (CCPS) of INR 10 each to South Asia Growth Invest LLC and 63,658 Non Cumulative CCPS of INR 10 each to South Asia EBT Trust. The CCPS shall mandatorily convert on the later of: (i) the 60 months from the Execution Date i.e. December 7, 2022 of the definitive agreements with the investors and (ii) the Business Day immediately prior to the date of filing the Red Herring Prospectus with the Securities and Exchange Board of India in connection with undertaking an initial public offering of the Company ("Mandatory Conversion Date"). In addition, the CCPS shall convert at the option of the Investor at any time prior to the Mandatory Conversion Date and such option can be exercised by the Investor in respect of some or all of the CCPS held by it in multiple tranches selected by the Investor in its absolute discretion. If the Investor exercises its right to convert some or all of the CCPS held by it, the Company shall issue and allot Equity Shares to the Investor upon conversion within ten Business Days of the date of exercise of the option to convert.

The preference shares are compulsorily convertible into equity shares based on various conversion and exit options as per the terms of the shareholders agreement. As per the shareholders' agreement, the Holding Company shall make its best efforts to provide an exit to investors through an IPO (Initial Public Offer) on or before December 7, 2027 ("Cut-Off Date"). If within the Exit Period, as defined in the terms of the agreement, the Holding Company is unable to provide exit to Investors, then Investors shall be entitled to issue a written notice to the Holding Company and its Promoters to provide an exit at fair market value of securities.

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23 Non Current Borrowing - At Amortised Cost

Particulars	Represents Non - Current part long term borrowing		Represents Current part long term borrowing	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
(a) Term Loan from Bank	5,967.14	2,599.91	1,338.77	467.64
(b) External commercial Borrowing	2,208.15	2,900.60	736.05	-
(c) Redeemable Non-Convertible Debenture	-	1,667.00	1,667.00	1,666.50
	8,175.29	7,167.51	3,741.82	2,134.14
Less: Amount disclosed under other financial liabilities as 'Current Borrowings' (refer note 24)	-	-	3,741.82	2,134.14
	8,175.29	7,167.51	-	-

Amount disclosed under current Borrowing (Refer Note 24)

Security

Parent Company

- (i) The term loan and External Commercial Borrowing mentioned in (a) and (b) have been secured by first pari passu charge on all movable Property, Plant and Equipment of Ghaziabad plant.
- (ii) The redeemable non convertible debentures mentioned (RNCD) in (c) above have been secured by a first pari passu charge (equitable mortgage) on the land and building of Mangli plant held by Hero Cycles Limited and a first pari passu charge on Flat No 2A , 10th Floor Gurugram held by Hero Cycle Limited. These non convertible debenture were transferred to the Company via demerger scheme and are not transferred in the name of the company. On due date company used to pay its liability to Hero Cycles Limited and Hero Cycle Limited used to pay to Debenture Holder (HDFC Bank Limited) ; During the current financial year, the charge against the Mangli land has been released by the Bank. The Company has prepaid the entire outstanding balance ₹ 1,667.00 lakhs amount to Hero Cycle Limited before the due date for onward repayment to Bank. Hero Cycle Limited will repay the amount on due date and thus such repayment to Hero Cycle Limited is currently classified as Advance in Other Current assets.

Subsidiary- Spur Technologies Private Limited

The term loan have been secured by first pari passu charge on all movable Property, Plant and Equipment.

Terms of Repayment-

Parent Company

Maturity profile of secured term loans is as set out below :	2024-25	2025-26	2026-27	2027-28	Beyond 2028-29
(i) Term loan from banks are repayable in quarterly instalments	1,338.77	1986.39	1986.39	1,346.75	647.63
(ii) External Commercial Borrowings	736.05	736.05	736.05	736.05	-

Notes :

Parent Company

- a. The rate of interest for term loan from Axis bank is 1 year MCLR+ 0.2% spread and repo +2.45% i.e. 9.45% p.a and 8.95% respectively.
- b. The rate of interest for term loan from Kotak bank is 3 Months MCLR+ 0.5% spread i.e. 8.95% p.a .
- c. The rate of interest for External commercial borrowings is 3 Months Secured Overnight Financing Rate + 2.75% p.a. i.e. 7.64% to 8.08% p.a, the Group has entered in
- d. The 7.8 % Redeemable Non Convertible Debentures have been issued through Beacon Trusteeship Services Limited.

Details of borrowings availed and repaid during the year :

Parent Company

Particulars	Opening	Addition	Forex Reinstatement	Repayment	As at March 31, 2024
External Commercial Borrowing	2,900.60	-	43.60	-	2,944.20
Non Convertible Debenture	3,333.50	-	-	(1,666.50)	1,667.00
Term Loan	3,067.55	4,825.00	-	(586.64)	7,305.91
Total	9,301.65	4,825.00	43.60	(2,253.14)	11,917.11

24 Current Borrowing - At Amortised Cost

Particulars	As at March 31, 2024	As at March 31, 2023
Secured		
(a) Working Capital Demand Loan	16,590.05	16,202.35
(b) Buyer's Credit	-	189.76
(c) Cash Credit	-	188.65
(d) Current Maturities of Long Term Borrowings (Refer Note 23)	3,741.82	2,134.14
(e) Bank Overdraft	892.47	-
(f) Export Packing Credit	1,000.00	-
(g) Short Term borrowing	-	78.53
Unsecured		
(a) Loan from Related Parties	-	1,000.00
	22,224.34	19,793.43

Note

The Group had access to the following undrawn borrowing facilities at the end of the reporting year :

Particulars	As at March 31, 2024	As at March 31, 2023
Floating Rate		
Expiring Within One Year (Bank Overdraft and Other Facilities)	3,624.00	2,204.00
Expiring beyond One Year (Bank Loans)	-	-
	3,624.00	2,204.00

Security

- a. The Working Capital Demand Loan and Export Packing Credit mentioned in (a) and (f) have been secured by first pari passu charge on entire current assets of the Group present and future for both Axis and Kotak Mahindra Bank.

Notes :

- a. The rate of interest for Working Capital Demand Loan from Axis Bank and Kotak Bank is 7.95%.
- b. The rate of interest for Bank Overdraft from Kotak Bank is Term Deposit+0.80% i.e. 8.10%.
- c. The rate of interest for Export Packing Credit from Axis Bank is 5.95%.
- d. The rate of interest for Buyer's Credit is 1month Secured Overnight Financing Rate+ 0.90% -1.15% p.a.
- e. Refer Note No. 23 for the terms and conditions, nature of security and maturity profile of the current maturities of long-term borrowings (forming part of long term



25 Other financial liabilities

Particulars	Non - Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
At amortized cost				
Security deposit	2.15	413.40	-	-
Interest accrued but not due on borrowings	-	-	42.97	361.36
Interest accrued and due on borrowings	-	-	-	125.11
Employee related payable	-	-	47.49	44.37
Creditors for capital goods	468.55	-	940.32	336.57
Payable to Related parties	-	-	1,346.70	1,765.37
Bonus / Leave Encashment / Leave Travel Allowance	-	-	248.92	214.01
Liability for Acquisition of Spur Technologies Private Limited*	-	-	-	950.00
Bill Discounting / Factoring	-	-	7,568.93	8,856.59
At fair value through Profit and Loss				
Forward contract payable	-	-	-	19.98
	470.70	413.40	10,195.33	12,673.36

Notes:

a) The group's exposure to currency and liquidity risk related to trade payables is disclosed in note 45.

* In compliance with Appendix C of Ind AS 103 "Business Combination", the Consolidated Balance sheet as at March 31, 2023 has been restated. Accordingly, total cash consideration for acquisition of Spur Technologies Private Limited of ₹ 950.00 lakhs payable on November 29, 2023 has been considered for acquisition as current liability as at March 31, 2023, the same has been paid during the year.

26 Other liabilities

Particulars	Current	
	As at March 31, 2024	As at March 31, 2023
Advance from customer	1,350.02	1,236.76
Statutory dues	816.86	253.57
Others	18.38	36.07
	2,185.26	1,526.40

27 Provisions

Particulars	Non - Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits				
Provision for compensated absences (Refer note 41)	274.47	248.80	45.50	150.37
Provision for gratuity/Defined benefit pension liability (Refer note 41)	7,090.19	6,553.53	158.56	159.50
	7,364.66	6,802.33	204.06	309.87

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28 Trade payables

Particulars	As at March 31, 2024	As at March 31, 2023
Sundry Creditor for goods and service		
Total Outstanding dues of Micro and Small enterprises	1,717.06	1,599.08
Total Outstanding dues of Creditors other than Micro and Small enterprises	11,907.22	13,252.35
	13,624.28	14,851.43

a) Trade Payables ageing schedule as at Mar 31, 2024:

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	1,716.62	0.44	-	-	1,717.06
(ii) Others	11,859.11	45.24	2.87	-	11,907.22
(iii) Disputed dues — MSME	-	-	-	-	-
(iv) Disputed dues — Others	-	-	-	-	-

Note- Unbilled dues are included in less than 1 year.

a) Trade Payables ageing schedule as at March 31, 2023:

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	1,599.08	-	-	-	1,599.08
(ii) Others	12,938.48	235.56	1.90	76.41	13,252.35
(iii) Disputed dues — MSME	-	-	-	-	-
(iv) Disputed dues — Others	-	-	-	-	-

Note- Unbilled dues are included in less than 1 year.

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29 Deferred Tax Liabilities (Net)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred Tax Liabilities	1,059.91	428.54
Deferred Tax Assets	41.59	36.94
Net Deferred Tax Liabilities	1,018.32	391.60

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax liabilities relates to followings:		
Property, Plant and Equipment and Intangible Assets	1,685.49	1,319.79
Forward Contract Receivable	8.21	-
Payment of leave Encashment	-	3.65
Right of use asset	69.09	-
Offsetting of deferred tax liabilities with deferred tax (assets)	(702.88)	(894.90)
Deferred tax Liabilities (net)	1,059.91	428.54
Deferred tax Assets relates to followings:		
Employee benefit	546.75	504.51
Carry forward of Losses	183.97	32.85
Preliminary Expenses	1.85	0.53
Forward Contract Payable	-	5.03
Share based payment expenses	-	335.99
Lease Liability	11.90	52.93
Offsetting of deferred tax (assets) with deferred tax liabilities	(702.88)	(894.90)
Deferred tax assets (net)	41.59	36.94
	1,018.32	391.60

30 Income tax recognised in Statement of profit and loss

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax expense:		
Current year	548.54	1,874.71
Prior year tax adjustment	(423.87)	(137.58)
Total current tax (A)	124.67	1,737.13
Deferred tax assets/ (liabilities):		
Current year origination and reversals of temporary difference	265.74	(336.88)
Prior year tax adjustment	337.37	(237.49)
Deferred tax charge/ (credit) (B)	603.11	(574.37)
Total tax expense recognised in statement of profit and loss	727.78	1,162.76

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Income tax recognised in Other Comprehensive Income		
Income tax impact on Remeasurement of defined benefits	23.62	(162.02)
Total Income tax recognised in Other Comprehensive Income	23.62	(162.02)



Reconciliation of estimated Income tax expense at tax rate to income tax expense reported in the Statement of profit and loss is as follows:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before tax	2,431.41	5213.57
Average income tax rate	25.17%	25.17%
Expected Income tax expenses	611.94	1,312.15
Adjustments:		
Corporate Social Responsibility	21.94	10.57
Deferred Tax adjustment	265.03	(208.34)
Income tax related to prior year	(423.87)	(22.49)
Tax effect of amounts which are not deductible in calculating of taxable income (net of exempt income)	157.68	-
Difference in Overseas tax rates	(1.67)	-
Others	96.73	70.87
Reported Income tax expenses	727.78	1,162.76

Notes:

a) The Parent company has elected to exercise the option permitted under Section 115BAA of the Income tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019.

b) The Group has recognised deferred tax liabilities (net of assets) only to the extent it is probable that future taxable income will be available against which unused tax credit will be adjusted.

c) The subsidiary (Hewland Engineering Limited) has unutilised tax losses of approximate ₹ 5,986.85 lakhs (March 31, 2023: ₹ 6,302.15 lakhs) available for offset against future taxable profit subject to agreement from HM Revenue and customs in its United Kingdom subsidiary. A deferred tax asset ₹ 3,045.89 lakhs (March 31, 2023 ₹ 2,134.60 lakhs) including amounts arising in relation to defined benefit pension scheme has not been recognised on the basis that its future economic benefit is uncertain.



31 Revenue from operations

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Sale of product	1,00,815.54	1,02,546.16
Sale of Service	3,124.59	1,083.37
	1,03,940.13	1,03,629.53
Other Operating Revenues		
- Scrap Sales	1,380.81	1,382.99
- Export Incentive	360.25	449.75
- Government Grant	757.40	-
	1,06,438.59	1,05,462.27

a) Performance obligation

Revenue is recognised upon transfer of control of products and point of completion of services.

During the year, the group has not entered into long term contracts with customers and accordingly disclosure of unsatisfied or remaining performance obligation (which is affected by several factors like changes in scope of contracts, periodic revalidations, adjustment for revenue that has not been materialized, tax laws etc.) is not applicable to the group.

b) Disaggregation of revenue: The table below presents disaggregated revenues from contracts with customers on the basis of geographical spread of the operations of the company. The company believes that this disaggregation best depicts how the nature, amount of revenues and cash flows are affected by market and other economic factors:

Revenue based on Geography	For the year ended March 31, 2024	For the year ended March 31, 2023
India	62,498.53	65,975.26
Outside India	43,940.06	39,487.02
Revenue from operations	1,06,438.59	1,05,462.27
Revenue based on Customer-wise	For the year ended March 31, 2024	For the year ended March 31, 2023
Related Party	1,289.22	12,138.26
Non- Related Party	1,05,149.37	93,324.01
Revenue from operations	1,06,438.59	1,05,462.27
c) Reconciliation of revenue from operations of products with contracted price	For the year ended March 31, 2024	For the year ended March 31, 2023
Contracted Price	1,00,815.54	1,02,546.16
Less:		
Sales Returns	-	-
Rebate and Discount	-	-
	1,00,815.54	1,02,546.16

32 Other income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest Income		
- On bank deposits	600.37	280.86
- Interest received on Trade Investment	-	151.79
- Others	367.21	238.64
Other non-operating income:		
Rental income	2.35	5.66
Profit on sale of fixed assets	13.22	9.56
Profit on sale / fair valuation	87.29	143.56
Mark to Market Gain on Forward Contract	32.63	-
Foreign Exchange Fluctuation Gain (net)	246.14	644.36
Excess Provision/ Liabilities Written Back	300.08	3.28
Gain on derecognition of right of use asset and lease liability#	105.12	-
Commission income	145.87	-
Other Non Operating Income	2.99	59.26
	1,903.27	1,536.97

Net effect of derecognition of Right of Use Assets and Lease Liabilities on account of termination of lease agreement of land situated at Mangli Ludhiana, Punjab.



Hero Motors Limited
Notes forming part of the consolidated financial statements for the year ended March 31, 2024
(Amount in ₹ lakhs, unless otherwise stated)

33 Cost of raw material consumed

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Raw Material		
Balance at the beginning of the year	4,780.76	3,596.99
Add:- Purchases during the year	62,973.67	76,813.15
	67,754.43	80,410.14
Less:- Balance at the end of the year	3,709.63	4,780.76
Cost of material consumed	64,044.80	75,629.38

34 Changes in inventories of finished goods, work in progress and stock in trade

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventories at the beginning of the year		
Work-in-progress	4,736.24	2,096.62
Finished goods	8,050.34	6,587.54
Scrap Stock	73.68	142.50
Stock in trade	206.40	465.61
(A)	13,066.66	9,292.27
Inventories at the end of the year		
Work-in-progress	3,835.39	4,736.24
Finished goods	8,663.42	8,050.34
Scrap Stock	47.12	73.68
Stock in trade	63.96	206.40
(B)	12,609.89	13,066.66
(Increase) / decrease in inventory (A-B)	456.77	(3,774.39)

35 Employee benefits expense

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages & bonus	11,778.57	6,585.86
Contribution to provident and other fund (Refer note 41)	1,092.14	534.67
Gratuity expense (Refer note 41)	547.44	173.57
Compensated absences	102.88	225.87
Staff welfare expenses	614.65	473.75
Share based payment expenses (Refer Note No.39)	3,946.17	1,334.99
Director Sitting fees	1.60	2.30
	18,083.45	9,331.01

36 Finance costs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expense on		
-term loans & working capital facilities	1,628.09	1,527.97
-redeemable Non Convertible Debentures	182.11	343.79
-external commercial borrowings	202.48	17.38
- Others	103.28	54.08
Other borrowing cost		
- Reverse discount	152.77	177.61
- Buyer credit	5.76	47.58
- Sales bill discounting	354.23	304.65
- Others	181.58	92.17
Interest on lease liability	184.12	127.93
	2,994.42	2,693.16

Note :

The Group has capitalised the borrowing cost ₹ 456.91 lakhs (March 31, 2023: 313.63) .The interest rate used for capitalization ranges from 8.95% - 9.45%.

37 Depreciation and amortisation expense

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of property, plant and equipment (Refer note 4)	2,268.81	1,636.87
Amortisation of intangible assets (Refer note 9)	85.53	54.82
Amortisation of Right of use assets (Refer Note 5)	500.80	136.77
	2,855.14	1,828.46



Hero Motors Limited**Notes forming part of the consolidated financial statements for the year ended March 31, 2024****(Amount in ₹ lakhs, unless otherwise stated)****38 Other expenses**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Rent	252.97	152.58
Contract Labour Charges	3,333.41	3,140.10
Power & Fuel	2,819.82	2,517.84
Consumption of Stores & Spare	2,100.17	2,535.76
Packing Material Consumed	2,220.28	2,443.48
Security Charges	204.38	176.73
Repair & maintenance		
- Plant & machinery	972.57	604.89
- Buildings	96.63	65.17
- Others	460.58	70.16
Legal & professional expenses	420.73	569.94
Payment to the auditors (refer note 'a' below)	140.76	53.31
Freight & Forward Charges	1,498.32	1,592.97
Other selling expenses	388.01	256.42
Rates & taxes	190.27	93.76
Travelling & Conveyance	459.31	309.52
Insurance Expenses	363.82	209.67
Bank Charges	121.47	97.09
Loss on sale/write off of PPE	2.38	27.45
Foreign Exchange Fluctuation Loss (net)	298.13	0.66
Mark to Market Loss on Forward Contract	-	19.98
Corporate Social Responsibilities	87.16	42.00
Miscellaneous expenses	1,044.70	936.10
Total	17,475.87	15,915.57

a) Details of payment made to auditors is as follows:**i) Payment to Auditor**

- Statutory audit fee
- Tax audit fee
- Other Services and Certification

	For the year ended March 31, 2024	For the year ended March 31, 2023
	128.70	50.31
	5.00	3.00
	7.06	-
	140.76	53.31

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39 Employee Stock option plan

Details of Stock Option Scheme

Details of Stock Option Scheme		ESOP Scheme plan 2022	
Particulars	Option Value (₹ In absolute value)	Date of grant	Number of options granted*
Tranche-1	60.93	December 02, 2022	95,15,278
Tranche-2	27.44	December 30, 2022	49,43,511
Tranche-3	29.97	December 30, 2022	39,54,809
Tranche-4	32.34	March 01, 2023	11,54,196
Tranche-5	16.57	July 13, 2023	5,89,800
Tranche-6	16.95	November 17, 2023	1,44,975
Date of Board approval of the relevant scheme			December 02, 2022
Date of Shareholder's approval of the relevant scheme			December 02, 2022
Date of last modification by shareholders			NA
Method of settlement (Cash/Equity)			Equity
Vesting period		Minimum of 1 Year and maximum of 8 year from grant date	
Exercise period		10 years from the vesting date	
Exercise price	The options are granted to eligible employees at the latest available closing price of the shares of the parent company prior to the grant date as per the valuation report obtained by the parent company.		
Vesting condition	Vesting of options is a function of achievement of performance criteria or any other criteria as specified by the parent company in the grant letter ,further the vesting takes place on staggered basis over the respective vesting period.		

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Expenses arising from equity - settled share based payment transactions (Refer Note 35)	3,946.17	1,334.99
Total expense arising from share-based payment transactions recognized in statement of profit and loss	3,946.17	1,334.99

Notes:

- (i) The parent company has given stock options to certain employees and has considered the related compensation cost to recognize in the statement of profit and loss ,over the vesting period.

The details of activity under the ESOP Plans have been summarized below :

Particulars	ESOP Scheme plan 2022			
	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Number of options*	Weighted Average Exercise Price (₹)	Number of options*	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	1,95,67,794	40.38	-	-
Granted during the year	7,34,775	68.43	1,95,67,794	40.38
Forfeited during the year	(2,32,045)	68.43	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Remaining average contractual life (in years)		3.80		4.54
Outstanding at the end of the year	2,00,70,524	41.10	1,95,67,794	40.38
Vested and Exercisable	73,75,491		-	

Fair value of options granted

The weighted average fair value of stock options granted during the year pertaining to ESOP 2022 plan is ₹ 16.64 (March 31, 2023: ₹ 44.53). The fair value at grant date is determined using the using the Black- Scholes model which takes into account the exercise price, the term of the option, the share price at grant date and expected expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The following tables list the inputs used for fair valuation of options for the ESOP plans

Particulars	For options granted during the year ended March 31,2024	For options granted during the year ended March 31,2023
	ESOP 2022 Plan	ESOP 2022 Plan
Dividend yield	0.53%	0.36%
Expected volatility	36.97%-43.00%	39.02%-39.98%
Risk free interest rate	6.69%-6.91%	6.87%-7.08%
Expected life of share option	3.5 to 6.4 years	4 to 6.4 years
Share price at grant	47.37	69.14

* Number of options are in absolute number



40 Earnings per share (EPS)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit attributable to the equity shareholders (A)	1,341.84	4,061.48
Number equity shares outstanding at the end of the year (B)	35,35,78,380	35,35,78,380
Weighted average number of potential equity shares for Non-Cumulative compulsory convertible preference shares	2,09,71,941	52,86,078
Weighted average number of equity shares for Basic EPS (C)	37,45,50,321	12,98,97,097
Nominal value of Equity shares (₹)	10.00	10.00
Basic Earnings per share (A/C) (₹)	0.36	3.13
Weighted average number of potential equity shares on account of Pending Employee Stock option Scheme	81,39,045	26,75,850
Weighted average number of Equity shares (including dilutive shares) outstanding for Dilutive EPS (D)	38,26,89,366	13,25,72,947
Nominal value of Equity shares (₹)	10.00	10.00
Diluted earnings per share (A/D) (₹)	0.35	3.06

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g) Group company Principal actuarial assumptions at the balance sheet date	As at March 31, 2024		As at March 31, 2023	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
Economic assumptions				
1. Discount rate	7.09%	7.09%	7.32%	7.26% - 7.33%
2. Rate of increase in compensation levels	8.00%	5%-10%	8.00%	5%-10%
3. Expected Return on Plan Assets	7.09%	-	7.32%	-
Demographic assumptions				
1. Retirement Age (years)	58	58	58	58
2. Mortality Rate	Indian Assured Lives Mortality (2012-14) (modified) ultimate		Indian Assured Lives Mortality (2012-14) (modified) ultimate	
Withdrawal Rate				
1. Ages from 0 to 30 Years	3.90%	1%-10%	3.60%	1%-9%
2. Ages from 31 to 44 Years	3.90%	1%-10%	3.60%	1%-9%
3. Ages Above 44 years	3.90%	1%-10%	3.60%	1%-9%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

h) Net assets / (liabilities) recognized in the Balance Sheet and experience adjustments on actuarial gain / (loss) for benefit obligation and plan assets.

Particulars	As at March 31, 2024		As at March 31, 2023	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
Present value of obligation	569.13	1,376.04	538.65	1,350.34
Less: Fair value of plan assets	263.16	-	284.80	-
Net assets / (liability)	(305.97)	(1,376.04)	(253.85)	(1,350.34)

i) Expected contribution for the next year is ₹ 340.70 lakhs (March 31, 2023: ₹ 285.20 lakhs) in respect of Gratuity.

1) A quantitative sensitivity analysis for significant assumptions is as shown below:

A. Discount rate	As at March 31, 2024		As at March 31, 2023	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
Effect on DBO due to 1% increase in Discount Rate	(34.44)	(103.30)	(33.69)	(102.10)
Effect on DBO due to 1% decrease in Discount Rate	38.54	121.16	37.78	122.43
B. Salary escalation rate				
Effect on DBO due to 1% increase in Salary Escalation Rate	36.21	120.25	35.95	121.45
Effect on DBO due to 1% decrease in Salary Escalation Rate	(34.48)	(104.58)	(33.90)	104.13

C. There are no changes in current year from the previous corresponding period in the methods and assumptions used in preparing the sensitivity analysis.

D. Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated.

k) Risk

Discount Rate	Reduction in discount rate in subsequent valuations can increase the liability.
Salary Increases	Actual salary increases will increase the defined benefit liability. Increase in salary increase rate assumption in future valuations which in turn also increase the liability.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawals rates at subsequent valuations can impact defined benefit liability.
Mortality and disability	Actual details and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

l) Maturity profile of Group cash outflows relating to defined benefit obligation are as follows:

	As at March 31, 2024		As at March 31, 2023	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
0 to 1 years	71.89	125.43	54.57	139.50
1 to 2 years	66.61	132.65	49.13	157.74
2 to 3 years	46.51	173.83	61.88	121.35
3 to 4 years	69.95	137.63	42.58	156.48
4 to 5 years	60.55	166.70	64.25	129.60
From 5 years onwards	310.69	563.48	296.05	604.97



(ii) Post-employment benefit plans of Subsidiary Company' i.e. Hewland Engineering Limited

a) The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

	For the year ended March 31, 2024
Employer's Contribution to Pension Fund	280.90
Employer's Contribution to Social Security Cost	564.19
	845.09

b) Defined benefit schemes

The Group operates a defined benefit pension scheme in the UK funded by employer's contributions with assets held in a separate trustee administered fund.

c) The following tables summarize the components of net benefit expense recognised in the Statement of profit and loss and the fund status and amounts recognised in the balance sheet for the defined benefit plan and other long term benefits. These have been provided on accrual basis, based on year end actuarial valuation.

Change in benefit obligation

Particulars	As at March 31, 2024	As at March 31, 2023
Opening defined benefit obligation	20,516.53	-
Interest cost	941.55	510.27
Effect of Business Combination		20,693.40
Actuarial gains/(Losses)	(62.42)	5.08
Benefits paid	(1,078.88)	(692.22)
Translation adjustments	681.32	-
Present value of obligation as at the end of the year	20,998.10	20,516.53

d) Changes in the fair value of the plan assets are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Fair value of plan assets at the beginning	15,407.73	-
Effect of Business Combination		17,029.01
Interest income on plan assets	712.66	421.84
Return on assets less interest income	(645.04)	(1,655.84)
Contributions by employer	527.48	304.94
Benefits paid	(1,078.88)	(692.22)
Other	(1.04)	-
Translation adjustments	508.47	-
Fair value of plan assets at the end	15,431.37	15,407.73

e) Net (assets) / liabilities recognized in the Balance Sheet on actuarial gain / (loss) for benefit obligation and plan assets.

Particulars	As at March 31, 2024	As at March 31, 2023
Fair value of plan assets	20,998.10	20,516.53
Present value of plan liabilities	(15,431.37)	(15,407.73)
Net pension scheme liability	5,566.72	5,108.80

f) Expected contribution for next year is ₹ 532.51 lakh (March 31, 2023 - ₹ 223.62 lakh) to its defined benefit pension scheme.

g) Detail of actuarial gain/loss recognised in OCI is as follows:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Actual return less interest income	(646.76)	(1,655.84)
Actuarial gains/(losses)	62.42	(5.08)
Total amount charged to other comprehensive income	(584.34)	(1,660.92)

h) Composition of plan assets

Particulars	As at March 31, 2024	As at March 31, 2023
Fixed income investment	3,706.60	-
Liability driven investment funds	4,059.51	4,669.69
Cash	206.91	594.64
Global equity	-	1,343.78
Diversified growth fund units	3,413.56	4,683.92
Annuity policies	4,044.80	4,115.71
Total	15,431.37	15,407.73



i) Principal actuarial assumptions used at the Statement of financial position date

Particulars	As at March 31, 2024	As at March 31, 2023
	%	%
Discount rates at start of period/year	4.60	4.30
Discount rate at end of period/year	4.90	4.60
Inflation - RPI	3.30	3.30
Inflation - CPI	2.50	2.50
Pension increases in deferment (Non GMP)	2.50	2.50
Pension increases in payment (RPI, max 5%)	3.00	3.20
Pension increases in payment (RPI, max 2.5%)	2.00	2.30
Pension increases in payment (RPI, max 3%)	2.30	2.30
Pension increases in payment (RPI, max 3%, max 5%)	3.70	3.60

j) Mortality rates	Number	Number
- for a male aged 65 now	86.1	86.60
- at 65 for a male member aged 45 now	88.6	89.00
- for a female aged 65 now	86.8	87.30
- at 65 for a female member aged 45 now	89.4	89.90

k) Sensitivity Analysis

	Change to defined benefit obligation
Increase/Decrease discount rate by 0.5% P.a.	-6% / +7%
Increase/Decrease assumed future rates of inflation by 0.5% P.a.	+4% / -4%

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42 Contingent liabilities and commitments

a) Contingent liabilities (To the extent not provided for)

The Group has reviewed all its pending claims, litigations and other proceedings and has adequately provided for wherever required. However, wherever it is difficult for the Group to estimate the timings of cash outflows, if any, in respect of the below as it is determinable only on receipt of judgement/decisions pending with various forums/authorities, the Group has disclosed the same as Contingent Liabilities (pending resolution of the respective proceedings).

The Group does not expect the outcome of these proceedings to have a material or adverse effect on financial position of the Group. Also, the Company does not expect any reimbursements in respect of the below contingent liabilities.

Particulars	As at March 31, 2024	As at March 31, 2023
- Legal Cases of labour pending before Labour Court	44.08	44.08
- H M Customs and Excise Duty Deferment Bond	-	0.52
- Claims against the company not acknowledged as debt (see note-I below)	39.29	39.29
-Bank Guarantee	328.18	-

Several Legal Cases of labour pending at labour Court, Civil Court and High Court. The Parent Company has assessed and believe that none of these cases, either individually or in aggregate, are expected to have any material adverse effect on its consolidated financial statements. However, Since it is difficult for the Parent Company to estimate the timings of the cash outflows, if any, no further provision or separate disclosure is made in books of account.

- I A Vendor - Sadhu Forging Limited, has filed suit claiming ₹ 39.29 lakh as balance payment against supply of material. The Parent company has resisted the claim on the basis that the material supplied was faulty by the vendor, material was rejected by the parent company & Debit Note raised to the Vendor. The case is pending with Civil Court, Faridabad.
- II The excise department issued a show cause notice to demand duty of ₹ 474.82 lakhs along with interest and penalties. Vide final order dated September 05,2017 the CESTAT set aside the SCN and dropped the demand. The Department filed Civil Appeal to impugn the final order passed by CESTAT , which is pending consideration before the Supreme Court.

b) Commitment

	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on the capital account (net of capital advances of ₹ 1,549.00 lakh (March 31, 2023 : ₹ 604.34 lakh)	4,719.09	376.35

The Group does not have any other long term commitments or material non cancellable contractual commitments, which may have a material impact on the consolidated financial statement.

43 Related party transactions

a) List of related parties of Parent Company

Nature of Relationship	Name of the Related Party
Enterprise over which Key Managerial Personnel exercise Significant influence	Bhagyoday Investments Private Limited
	Firefox Bikes Private Limited
	Hero Cycles Limited
	HMC E-Valley Private Limited (formerly known as Hero E-Cycles Private Limited)
	Hero Lectro (A div of hero cycles limited)
	HNF GmbH
	Hero Global Designs Limited
	High Rise Industries
	Lectro E-Mobility Private Limited
	Munjal Kiri Industries Private Limited
	Munjal Sales Corporation
	Nuvomax Nutritionals Private Limited
	OMA Living Private Limited
	ZF Hero Chassis Systems Private Limited

b) Key Management Personnel (KMP) & their relative of Parent company

Mr. Pankaj Munjal	Director and Shareholder	
W. Hewland	Director and Shareholder	
Mr. Amit Gupta	Managing Director & CEO	Appointment-September 09, 2022
Mr. Abhishek Munjal	Whole-time Director	Change in designation-September 09, 2022
Mr. Keshav Misra	Director	Appointment-September 09, 2022
Mr. Sridhar Narayan	Nominee Director	Appointment-January 04, 2023
Mr. Kulbir Singh	Independent Director	Appointment-February 01, 2023
Ms. Pratibha Goyal	Independent Director	
Mr. Pawan Puri	Director	Cessation-March 01, 2023
Mr. Darpan Vashishtha	Chief Financial Officer	Cessation-October 13, 2023
Mr. Ritesh Kumar Agrawal	Chief Financial Officer	Appointment-February 16, 2024
Ms. Sheeba Dhamija	Company Secretary	Appointment-May 01, 2022
Ms. Purna Joshi	Company Secretary	Cessation-May 02, 2022



c) Related Party Transactions			
S.No	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a.	Sale of goods		
	Hero Cycles Limited	579.15	10,427.62
	HMC E-Valley Private Limited (formerly known as Hero E-Cycles Private Limited)	708.38	1,710.64
	Firefox Bikes Private Limited	1.69	-
b.	Purchase of goods		
	Munjali Kiri Industries Private Limited	2,134.07	2,612.54
	HMC E-Valley Private Limited (formerly known as Hero E-Cycles Private Limited)	118.02	64.49
	High Rise Industries	1,705.87	1,054.45
	Hero Cycles Limited	19.15	11,114.80
	Lectro E-Mobility Private Limited	1.01	12.16
	Oma Living Private Limited	1.23	3.53
c.	Consultancy Fees		
	Nuvomax Nutritionals Private Ltd	183.45	259.06
d.	Purchase of Service		
	Hero Cycles Limited	2,416.51	-
e.	Loan Received		
	Hero Cycles Limited	381.00	-
f.	Loan Repaid		
	Hero Cycles Limited	881.00	-
	Bhaqyoday Investments Private Limited	500.00	-
g.	Issue of Share Capital		
	Hero Cycles Limited	1,110.00	-
h.	Other Income		
	Hero Cycles Limited	300.00	-
i.	Royalty Income		
	Hero Cycles Limited	3.53	53.79
j.	Interest Paid		
	Hero Cycles Limited	29.44	45.00
	Bhaqyoday Investments Private Limited	41.40	45.00
k.	Reimbursement of Expenses		
	Hero Cycles Limited	3.83	4.69
	HMC E-Valley Private Limited (formerly known as Hero E-Cycles Private Limited)	8.92	3.73
	Hero Lectro (A div of hero cycles limited)	-	2.07
l.	Purchase of Property, Plant and Equipment		
	Hero Cycles Limited	2,308.78	207.64
m.	Rental expense		
	Hero Cycles Limited	0.40	0.40
n.	Lease liability paid for ROU assets		
	HMC E-Valley Private Limited (formerly known as Hero E-Cycles Private Limited)	177.00	177.00
o.	Other Expense		
	Hero Global Designs Limited	2.40	0.24
	Lectro E-Mobility Private Limited	-	0.38
	HMC E-Valley Private Limited (formerly known as Hero E-Cycles Private Limited)	16.83	11.14
	Hero Cycles Limited	49.97	731.89
	Munjali Sales Corporation	-	0.10
p.	Remuneration paid to Key Management Personnel		
	Refer note (a) below		
	Amit Gupta	396.57	240.00
	Darpan Vashishtha	93.52	160.00
	Ritesh Agrawal	16.65	-
	Abhishek Munjal	335.05	335.05
	Sheeba Dhamija	20.95	18.72
q.	Directors sitting Fees:		
	Ms. Pratibha Goyal	0.60	0.54
	Mr. Kulbir Singh	1.00	-
	Mr. Pawan Puri	-	0.90



d) Closing Balances

S.No	Particulars	As at March 31, 2024	As at March 31, 2023
a. Trade Receivable			
	HMC E-Valley Private Limited (formerly known as Hero E-Cycles Private Limited)	640.58	48.73
	Hero Global Designs Limited	1.10	832.00
	Hero Cycles Limited	52.94	-
	Firefox Bikes Private Limited	2.16	-
b. Trade Payable			
	Munjal Kirju Industries Private Limited	1,200.04	972.23
	Nuvomax Nutritionals Private Limited	28.03	27.54
	Zf Hero Chassis Systems Private Limited	5.51	5.51
	High Rise Industries	61.96	153.52
	Hero Lectro (A div of hero cycles limited)	3.90	3.73
	Hero Cycles Limited	-	19.93
	Oma Living Private Limited	0.13	-
	HNF GmbH	1.69	-
c. Borrowings			
	Bhaqyoday Investments Private Limited	-	572.57
	Hero Cycles Limited	-	542.39
d. Other Payable			
	Hero Cycles Limited	1,343.91	1,765.00
e. Other Advance			
	Hero Cycles Limited	1,667.00	-
f. Payable against purchase of Property, Plant and Equipment			
	Hero Cycles Limited	228.20	-

Note

The Parent Company has given guarantee to finance long term loan taken by subsidiary Spur technologies private limited upto maximum exposure of ₹ 1,590.00 lakhs. The drawdown till March 31, 2024 is ₹ 1,103.66 lakhs. (Previous year Nil).

a) The status of stock options pending vesting/exercise, granted to Key Management Personnels are as below:

Name of Key Management Personnel	Amit Gupta		Mr. Keshav Misra
ESOP scheme	ESOP Scheme Plan 2022		ESOP Scheme Plan 2022
ESOP Tranche	Tranche-1	Tranche-2	Tranche-1
Exercise price (₹ per option)	10.00	69.10	69.10
Share options outstanding as at March 31, 2024 (In Nos)	95,15,278	49,43,511	39,54,809
Share options outstanding as at March 31, 2023 (In Nos)	95,15,278	49,43,511	39,54,809

b) Refer Note 21, for movement of shareholding pattern from erstwhile shareholders to new shareholders.

Ultimate Beneficiary

- (i) The Parent Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent Company (ultimate beneficiaries)
- (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- (ii) The Parent Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding parties) with the understanding (whether recorded in writing or otherwise) that the Parent Company shall
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding parties (ultimate beneficiaries), or
- (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries



44 Fair value measurements

I Financial instruments

a) Financial instruments by category

Except investment in mutual funds which are measured at fair value through profit or loss and Investment in Debentures and unquoted equity investment (other than investment in subsidiary) which are measured through fair value through other comprehensive income all other financial assets and liabilities viz. trade receivables, security deposits, cash and cash equivalents, other bank balances, interest receivable, other receivables, trade payables, employee related liabilities and borrowings, are measured at amortised cost.

b) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the consolidated financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels of in the fair value hierarchy:

Particulars	Level	As at March 31, 2024	As at March 31, 2023
Financial assets measured at fair value through profit and loss			
Investment in Mutual Funds	Level 1	667.56	1,530.26
Forward Contract Receivable	Level 1	32.63	-
Financial assets measured at fair value through Other comprehensive income			
Investments in Equity shares of others - (unquoted)	Level 3	20.12	5.00
Investments in Debenture of others - (unquoted)	Level 3	136.08	113.16
Financial assets measured at amortized cost			
Loan to employees	Level 3	191.26	35.89
Deposits with Bank and others	Level 3	155.33	774.82
Security deposits -Others (Electricity, rent and others)	Level 3	491.27	375.33
Interest accrued but not due on margin money	Level 3	251.69	140.02
Interest accrued and due on Deposit with Punjab State Power Corporation Limited	Level 3	3.86	2.42
Receivable from Hero Cycles Limited for sale of shares	Level 3	-	1,110.00
Other Receivable	Level 3	1,821.90	2,138.83
Trade receivables	Level 3	19,478.69	25,100.98
Cash and cash equivalents	Level 3	4,226.09	755.79
Bank balances other than cash & cash equivalents	Level 3	4,600.00	8,555.18
Receivables from related party	Level 3	-	0.83
Total Financial Assets		32,076.48	40,638.51
Financial assets measured at fair value through profit and loss			
Forward contract payable	Level 1	-	19.98
Financial liabilities valued at amortized cost			
Borrowings	Level 3	30,399.63	26,960.94
Security Deposits payable	Level 3	2.15	413.40
Lease Liabilities	Level 3	-	-
Interest accrued but not due on borrowings	Level 3	42.97	361.36
Interest accrued and due on borrowings	Level 3	-	125.11
Trade payables	Level 3	13,624.28	14,851.43
Employee Benefit Payable	Level 3	296.41	258.38
Liability for Acquisition of Spur Technologies Private Limited	Level 3	-	950.00
Payable to Related parties	Level 3	1,346.70	1,765.37
Bill Discounting / Factoring	Level 3	7,568.93	8,856.59
Lease Liabilities	Level 3	2,999.28	1,502.54
Creditors for capital goods	Level 3	1,408.87	336.57
Total Financial Liabilities		57,689.22	56,401.67

c) Capital management

The group's capital management objectives are:

(a) to ensure the group's ability to continue as a going concern

(b) to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

For the purpose of Group's capital management, capital includes equity attributable to the equity shareholders of the group and other equity reserves. The primary objective of the group capital management is to ensure that it maintains an efficient capital structure and maximize shareholders value.

Gearing Ratio

The Group has outstanding long term debt of ₹ 8,175.29 lakhs at the end of reporting year (previous year ₹ 7,167.51 lakhs) and short term debt of ₹ 22,224.34 lakhs at the end of reporting period (previous year ₹ 19,793.43 lakhs). Accordingly, the gearing ratio is worked out as follows:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Long term Borrowing (Refer Note 23)	8,175.29	7,167.51
Short Term Borrowing (Refer Note 24)	22,224.34	19,793.43
Total Debt	30,399.63	26,960.94
Less: Cash and bank balances	8,826.09	9,310.97
Adjusted Net Debt	21,573.54	17,649.97
Total Equity	37,481.60	33,732.25
Adjusted Net Debt to Equity	57.56%	52.32%



45 Financial risk management objectives and policies

The Group's principal financial liabilities comprises of trade and other payables, borrowings, current maturity of borrowings, interest accrued and capital creditors. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Groups' principal financial assets includes Investment in mutual funds, loans to related parties, security deposits, trade receivables, cash and cash equivalents, deposits with bank, interest accrued in deposits, receivables from related and other parties and interest accrued thereon.

The Group has exposure to the following risks arising from financial instruments:

- credit risk,
- liquidity risk and
- market risk.

The Group's senior level management oversees the management of these risks and is supported by finance department that advises on the appropriate financial risk governance framework.

A. Credit Risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in finance loss to the Group. Credit risk arise from Cash and cash equivalents, deposit with banks, trade receivables and other financial assets measure at amortised cost. The Group continuously monitors defaults of customers and other counterparties and incorporate this information into its credit risk control.

The Parent Company also uses expected credit loss model to assess the impairment loss in Trade Receivables and makes an allowance of doubtful trade receivables using this model.

B. Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Group's objective is to, maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans from banks at an optimised cost.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

As at March 31, 2024	Less than 1 year	1 to 5 years	> 5 years	Total
Borrowings	22,224.34	8,175.29	-	30,399.63
Trade payables	13,624.28	-	-	13,624.28
Lease liabilities	691.76	2,193.05	667.05	3,551.85
Other financial liabilities	10,195.33	470.70	-	10,666.03
Total	46,735.71	10,839.04	667.05	58,241.79
As at March 31, 2023	Less than 1 year	1 to 5 years	> 5 years	Total
Borrowings	19,793.43	7,167.51	-	26,960.94
Trade payables	14,851.43	-	-	14,851.43
Lease liabilities	1,372.00	130.54	-	1,502.54
Other financial liabilities	12,673.36	413.40	-	13,086.76
Total	48,690.22	7,711.45	-	56,401.67

Reconciliation of liabilities whose cash flow movements are disclosed as part of financing activities in the Statement of Cash Flows :

Balance sheet caption	Statement of cash flows line item	As at April 1, 2023	Cash Flows	Non Cash Changes				As at March 31, 2024
				Non Cash Changes	Forex	Interest Expenses	Other	
Non current borrowings	Proceeds from non-current borrowings	7,167.51	964.18	-	43.60	-	-	8,175.29
Current borrowings	Repayment of non-current borrowings	19,793.43	2,430.91	-	-	-	-	22,224.34
Lease liability	Payment / proceed from lease liability	1,502.54	(364.99)	-	-	-	1,861.73	2,999.28
Interest paid	Interest paid	486.47	(2,375.34)	-	-	1,931.84	-	42.97
Balance sheet caption	Statement of cash flows line item	As at April 1, 2022	Cash Flows	Non Cash Changes				As at March 31, 2023
				Non Cash Changes	Forex	Interest Expenses	Other	
Non current borrowings	Proceeds from non-current borrowings	6,333.33	825.60	-	8.58	-	0	7,167.51
Current borrowings	Repayment of non-current borrowings	20,204.88	(411.45)	-	-	-	0	19,793.43
Lease liability	Payment / proceed from lease liability	-	(482.12)	-	-	-	1,984.66	1,502.54
Interest accrued	Interest paid	470.66	(1,799.48)	-	-	1,815.29	0	486.47

C. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.



i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group manages its net exposure to interest rate risk related to borrowings, by balancing a proportion of fixed rate and floating rate borrowing in its total borrowing portfolio.

Interest Rate Sensitivity: The sensitivity analysis in the following sections relate to the position as at Mar 31, 2024 and March 31, 2023. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the portion of borrowings affected. With all other variables held constant, the Group profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase or decrease in basis points	Decrease (increase) in profit before tax
March 31, 2024	+50	156.44
	-50	(156.44)
March 31, 2023	+50	168.76
	-50	(168.76)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Unhedged foreign currency exposure

The carrying amount of the Company's unhedged foreign currency denominated monetary assets and liabilities at the end of the reporting period are as follows:

Particulars	As at March 31, 2024			As at March 31, 2023		
	CCY	INR	Foreign currency	CCY	INR	Foreign currency
Trade payables and Other financial liabilities						
	EUR	(99.48)	(1.11)	EUR	(132.67)	0.51
	SGD	-	-	SGD	(0.64)	(0.01)
	USD	(70.73)	(0.85)	USD	(485.31)	1.95
	TWD	(31.25)	(11.99)	-	-	-
Advance To Vendor						
	EUR	1170.33	13.02	EUR	87.07	0.97
	JPY	-	-	JPY	2.73	4.41
	USD	30.09	0.36	USD	162.31	1.98
	CHF	1.61	0.02	-	-	-
Trade Receivables						
	EUR	699.07	7.78	EUR	708.04	8.04
	USD	3,204.37	38.42	USD	6,377.42	77.41
	GBP	-	-	GBP	219.24	2.16
Advance from Customer						
	EUR	-	-	EUR	(96.51)	(1.08)
	USD	(18.59)	(0.22)	USD	(287.96)	(3.50)

Note: External commercial borrowing is not prone to foreign exchange sensitivity risk as the same has been hedged.

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's functional currency, hence exposure to exchange rate fluctuations arises. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates. The following tables demonstrate the sensitivity (strengthening or weakening of Indian Rupee) to a reasonably possible change in exchange rates, with all other variables held constant.

USD sensitivity
Increase by 5 %
Decrease by 5 %

Impact on Profit before tax		Impact on total equity	
Year ended March 31, 2024	Year ended March 31, 2023	As at March 31, 2024	As at March 31, 2023
157.26	(319.80)	157.26	(319.80)
(157.26)	319.80	(157.26)	319.80
-	-	-	-



	Impact on Profit before tax		Impact on total equity	
	Year ended March 31, 2024	Year ended March 31, 2023	As at March 31, 2024	As at March 31, 2023
EURO sensitivity				
Increase by 5 %	88.50	(33.39)	88.50	(33.39)
Decrease by 5 %	(88.50)	33.39	(88.50)	33.39
	-	-	-	-
GBP sensitivity				
Increase by 5 %	71.92	(1.63)	71.92	(1.63)
Decrease by 5 %	(71.92)	1.63	(71.92)	1.63
	-	-	-	-
SGD sensitivity				
Increase by 5 %	-	0.03	-	0.03
Decrease by 5 %	-	(0.03)	-	-0.03
	-	-	-	-
TWD sensitivity				
Increase by 5 %	(1.56)	-	(1.56)	-
Decrease by 5 %	1.56	-	1.56	-
	-	-	-	-
CHF sensitivity				
Increase by 5 %	0.08	-	0.08	-
Decrease by 5 %	(0.08)	-	(0.08)	-
	-	-	-	-
JPY sensitivity				
Increase by 5 %	-	0.14	-	0.14
Decrease by 5 %	-	(0.14)	-	-0.14
	-	-	-	-

Note: External commercial borrowing is not prone to foreign exchange sensitivity risk as the same has been hedged.

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46 Segment Reporting

The primary reporting of the Group has been performed on the basis of business segment. The Group is organised into key business segments – Power Train & Alloy & Metallics. Segments have been identified and reported based on the nature of the products, the risks and returns, the organisation structure and the internal financial reporting systems.

The following is the segment information :

Particulars	Power Train		Alloy & Metallics		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1. REVENUE						
External sales (Gross)	51,429.35	45,463.16	53,268.18	58,166.37	1,04,697.53	1,03,629.53
Other Operating Income	593.72	555.60	1,147.34	1,277.14	1,741.06	1,832.74
Total revenue	52,023.07	46,018.76	54,415.52	59,443.51	1,06,438.59	1,05,462.27
2. RESULTS						
Segment results	6,400.72	6,527.96	2,852.71	2,981.06	9,253.43	9,509.02
Unallocated expenses (net of income)	-	-	-	-	(3,827.60)	(1,602.29)
Operating profit	6,400.72	6,527.96	2,852.71	2,981.06	5,425.83	7,906.73
Finance costs (Subsidiary)	193.02	-	234.78	133.09	427.80	133.09
Unallocable Finance Cost (Parent)	-	-	-	-	2,566.62	2,560.07
Profit before tax	6,207.71	6,527.96	2,617.92	2,847.97	2,431.41	5,213.56
Provision for taxation	-	-	-	-	-	-
- Current and deferred tax (Subsidiary)	180.64	(27.46)	28.03	29.15	208.67	1.69
- Current and deferred tax (Parent)	-	-	-	-	519.11	1,161.06
Net profit after tax	6,027.07	6,555.42	2,589.89	2,818.82	1,703.63	4,050.81
3. OTHER INFORMATION						
A. ASSETS						
Segment assets	46,106.03	46,356.23	28,688.09	31,665.15	74,794.12	78,021.38
Unallocated assets	-	-	-	-	31,190.59	21,179.68
Total assets	46,106.03	46,356.23	28,688.09	31,665.15	1,05,984.71	99,201.06
B. EQUITY AND LIABILITIES						
Equity (Share Capital & Other Equity)	-	-	-	-	37,481.60	33,732.25
Segment liabilities	20,107.30	17,184.38	16,982.79	18,907.53	37,090.09	36,091.89
Secured and unsecured loans	2,944.20	2,979.13	1,103.66	2,660.20	4,047.86	5,639.33
Unallocable Secured and unsecured loans	-	-	-	-	26,351.77	21,321.61
Unallocated liabilities	-	-	-	-	1,013.39	2,415.98
Total liabilities	23,051.50	20,163.51	18,086.45	21,567.73	1,05,984.71	99,201.06
C. OTHERS						
Capital expenditure	4,531.95	8,016.72	221.60	1,313.16	4,753.55	9,329.87
Unallocated capital expenditure	-	-	-	-	8,945.99	6,300.16
Depreciation and amortisation expense	1,249.17	31.65	119.56	72.23	1,368.73	103.88
Unallocated depreciation and amortisation expense	-	-	-	-	1,486.41	1,724.58
Unallocated non cash expenses other than depreciation	-	-	-	-	3,946.17	1,334.99

Geographical information

Secondary segment reporting is performed on the basis of geographical location of customers. The operations of the Group are 59% in India, with exports contributing to approximately 41% (Previous Year 37%) of its annual sales. The management views the Indian market and export market as distinct geographical segments.

Revenue from external customers (Refer note 31)

Non-current operating assets:	₹ in lakhs	
	As at March 31, 2024	As at March 31, 2023
India	37,157.93	27,140.87
Outside India	10,705.77	7,700.03
Total	47,863.70	34,840.89

Non-current assets for this purpose consist of Property, Plant and Equipment, Right of Use Assets, Capital work in progress and Intangible assets.

Segment accounting policies:

In addition to the material accounting policies applicable to the operating segments as set out in note 2.1, the accounting policies in relation to segment accounting are as under:

(i) Segment revenue and expenses:

Joint revenue and expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segments.

(ii) Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of operating cash, trade receivables, inventories and property, plant and equipment, which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consists principally of trade payables. Segment assets and liabilities do not include deferred income taxes. While most of the assets/ liabilities can be directly attributed to individual segment, the carrying amount of certain assets/ liabilities pertaining to two or more segments are allocated to the segments on a reasonable basis.

Segment revenue and profit

The expenses that are not directly attributable to the business segments are shown as unallocable expenses.

Segment assets and liabilities

Segment assets include all operating assets used by a segment and consist principally of debtors, inventories, advances and Property Plant and Equipments. Assets at the unallocable level including cash and bank balances, Loans, other financial asset, investment and tax assets are not allocable to segments on a reasonable basis and thus the same have not been allocated.

Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities.

The Group largest customers who represents more than 10% of the total revenues are as follows;

Particulars	Type of Customer	As at	
		March 31, 2024	March 31, 2023
Customer A	Domestic	41,347.60	24,243.73
Customer B	Export	9,483.89	23,689.16



47 Scheme of Arrangement

The Board of Director of Hero Cycle Limited (HCL) ("Transferor Company") as its meeting held on August 27, 2021 has approved a scheme and subsequently filed with National Company Law Tribunal (NCLT) for demerger of Auto business of HCL into Parent Company (Hero Motors Limited) ("resulting Company").

Pursuant to the scheme approved by the National Company Law Tribunal, Chandigarh Bench on November 09, 2022 for which the certified copy of the order dated November 09, 2022 was received on November 16, 2022, the Demerged Undertaking (Primarily related to Auto Business consisting, inter-alia, of all assets including movable and immovable properties and liabilities related thereto) was demerged from the Demerged Company and transferred to the Resulting Company, with effect from April 01, 2021, the appointed date.

Shareholders of the Demerged Company will receive 81,174 share of the Resulting Company for every 100 share they hold in the Demerged Company.

As per the Scheme, all assets and liabilities of the Auto Business ("Demerged Undertaking") stand transferred to the Resulting Company from the appointed date. The employees of the Demerged Undertaking have also moved to the Resulting Company and consequently the employee related benefits and all contracts and agreements in relation to them have been taken over by the Resulting Company. The approved Scheme has accordingly been given effect to in these standalone financial statements as on the appointed date.

During the year, pursuant to the approved Scheme, the Resulting Company has given effect to the scheme in the standalone financial statements for demerger of Demerged Undertaking. Further, as per the requirements of Appendix C to Ind AS 103 "Business Combination", the comparatives for the year ended March 31, 2021 have been restated as if the common control business combination had occurred from the beginning of the earliest period presented. The Accounting treatment includes the following:

1. Assets, Liabilities and Reserves of the Demerged Undertaking transferred to and vested in the Resulting Company were recorded at their carrying values as appearing in books of the Demerged Company at the time of the demerger effective date and in accordance with requirements of relevant Ind AS.

2. The Resulting Company will issue new equity shares pursuant to the approved Scheme to the shareholders of the Demerged Company

3. The inter-company balances between Demerged Company and Resulting Company relating to Demerged Undertaking, if any, in the books of accounts of Demerged Company and Resulting Company got cancelled.

4. The difference between assets, liabilities and reserves transferred and the purchase consideration on Demerger is recorded as "Demerger Adjustment Deficit Account" of Resulting Company.

5. As per para 43 of Ind-AS 7 - Statement of Cash Flows, transactions that do not require the use of cash and cash equivalents (i.e. the above transfer of assets and liabilities under the scheme of demerger) have been excluded from the standalone cash flow statement for the year ended March 31, 2022.

The details of Demerged Undertaking as per the scheme approved by National Company Law Tribunal into Resulting Company is as follows:

Particulars	As at April 01, 2021
Assets	
Non-current assets	16,627.33
Current assets	31,231.48
Total assets	47,858.80
Equity and liabilities	
Equity	
Other equity	3,214.36
Total equity	3,214.36
Liabilities	
Non-current liabilities	13,860.89
Current liabilities	30,783.55
Total equity and liabilities	47,858.80
Excess of assets over liabilities	Nil
Less: Issue of equity share capital of the Company due to demerger (Refer Note 22)	75,279.98
Amount credited to Demerger Adjustment Deficit Account pursuant to the above scheme of demerger	(75,279.98)

Note : Equity shares pending for issuance at the end of previous year i.e. March 31, 2022 has been issued in previous financial year ended March 31, 2023.



48 Acquisition of Spur Technologies Private Limited

On November 29, 2023 the Hero Motor Limited has acquired 100% share in Spur Technologies Private Limited from Hero Cycles Limited pursuant to which Spur Technologies Private Limited has become an subsidiary of Hero Motor Limited.

The acquisition transaction has been evaluated as a business combination under common control. Accordingly, in compliance with Appendix C of Ind AS 103 'Business Combination' read with Ind AS 1 'Presentation of financial statements', the consolidated financial statements have been restated as if business combination has occurred from the beginning of the preceding period (i.e. April 1, 2022).

Balance Sheet

Particulars	Current reported Number Revised in March 31, 2023 (Excluding Impact of Business Combination)	Spur Technologies Balances As At March 31, 2023	Elimination Related to Spur Technologies	Impact on account of Common control	Current reported Number Revised in March 31, 2023 (Comparative)
Assets					
Non-current assets					
(a) Property, plant and equipment	23,529.08	2,183.47	-	-	25,712.55
(b) Right of Use Assets	1,486.98	382.97	-	-	1,869.95
(c) Capital work in progress	6,787.22	76.42	-	-	6,863.64
(d) Other Intangible assets	335.29	59.46	-	-	394.75
(e) Goodwill	797.25	-	-	-	797.25
(f) Financial assets	-	-	-	-	-
(i) Investments	-	-	-	-	-
- Other investment	113.16	5.00	-	-	118.16
(ii) Loans	252.32	-	(250.00)	-	2.32
(iii) Other financial assets	397.14	-	-	-	397.14
(h) Deferred Tax Asset (Net)	36.94	-	-	-	36.94
(g) Non current tax assets (net)	88.76	6.23	-	-	94.99
(h) Other non current assets	1,047.23	48.26	-	-	1,095.49
Total Non-current assets	34,871.37	2,761.81	(250.00)	-	37,383.18
Current assets					
(a) Inventories	19,158.61	420.68	-	-	19,579.29
(b) Financial assets	-	-	-	-	-
(i) Investments	1,530.26	-	-	-	1,530.26
(ii) Trade receivables	25,229.01	153.04	(281.07)	-	25,100.98
(iii) Cash and cash equivalents	755.79	-	-	-	755.79
(iv) Bank balances other than cash and cash equivalents	8,555.18	-	-	-	8,555.18
(v) Loans	33.57	-	-	-	33.57
(vi) Other financial assets	2,966.97	68.13	-	1,110.00	4,145.10
(c) Other current assets	1,897.38	220.33	-	-	2,117.71
Total Current Assets	60,126.77	862.18	(281.07)	1,110.00	61,817.88
Total Assets	94,998.14	3,623.99	(531.07)	1,110.00	99,201.06
Equity and liabilities					
Equity					
(a) Equity share capital	35,357.84	1.00	(1.00)	-	35,357.84
(b) Other equity	(401.94)	(253.00)	-	160.76	(494.18)
(c) Non controlling Interest	(1,131.41)	-	-	-	(1,131.41)
Total Equity	33,824.49	(252.00)	(1.00)	160.76	33,732.25
Liabilities					
Non-current liabilities					
(a) Financial liabilities					
(i) Borrowings	6,063.95	1,103.56	-	-	7,167.51
(i)a) Lease Liabilities	882.48	142.22	-	-	1,024.70
(ii) Others financial liabilities	413.40	-	-	-	413.40
(b) Other Non-current Liabilities	-	-	-	-	-
(c) Provisions	6,780.13	22.20	-	-	6,802.33
(d) Deferred tax liabilities (net)	399.48	29.06	-	-	428.54
Total Non-Current Liabilities	14,539.44	1,297.04	-	-	15,836.48
Current liabilities					
(a) Financial liabilities					
(i) Borrowings	18,236.89	1,806.54	(250.00)	-	19,793.43
(i)a) Lease Liabilities	347.30	130.54	-	-	477.84
(ii) Trade payables	-	-	-	-	-
- Total outstanding due of micro enterprises and small enterprises	1,591.76	7.32	-	-	1,599.08
- Total outstanding due of creditors other than micro enterprises and small enterprises	13,100.69	432.73	(281.07)	-	13,252.35
(iii) Other financial liabilities	11,577.03	146.09	-	950.24	12,673.36
(b) Other current liabilities	1,472.37	54.03	-	-	1,526.40
(c) Provisions	308.17	1.70	-	-	309.87
Total Current Liabilities	46,634.21	2,578.95	(531.07)	950.24	49,632.33
Total Equity and Liabilities	94,998.14	3,623.99	(532.07)	1,111.00	99,201.06



49 Transfer Pricing:

The Parent Company has established a comprehensive system on maintenance of information and documents as required by the transfer pricing legislation under 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions entered into with the associated enterprises during the year and expects such records to be in existence latest by the due date as required under law. The management is of the opinion that its international transactions are at arm's length and the aforesaid legislation will not have any impact on the financial statements.

50 There are no amounts which were required to be transferred to the Investor Educational and Protection Fund by the Group.

51 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment received Presidential assent in September 2020 and was published in the Gazette of India. However, the date on which the code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

52 As per section 135 of the Companies Act, 2013, a CSR committee has been formed by the Parent Company. The CSR activities and spend are as per the CSR Policy recommended by the CSR Committee and approved by the Board.

53 All the amounts included in the consolidated financial statements are reported in Lakh of Indian Rupees ('INR' or 'Rs.') and are rounded to the nearest lakh, unless stated otherwise.

54 Relationship with Struck-off Groups

The Group has not incurred any transaction with struck-off companies i.e., investments in securities, receivables, payables, shared held by struck off companies and other balances during the period.

55 Registration of charges or satisfaction with Registrar of Companies

There is no charge created on the assets of the Group with the Registrar of Companies other than those disclosed in note number 23 and 24.

56 Inclusion of Prior period errors

No prior period items have been recorded or exists as on date.

57 Details of Crypto Currency or Virtual Currency

The Group has not done any investment or trading in crypto and virtual currencies.

58 The Group does not have any Benami property, where any proceedings has been initiated or pending against the Company for holding any Benami property.

59 The Group has not been declared as a wilful defaulter by any lender who has powers to declare a Company as a wilful defaulter at any time during the financial year or after the end of reporting period but before the date when financial statements are approved.

60 The Parent company does not have any transaction which is not recorded in the books of account but has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961).

61 The Parent company has declared and paid dividend ₹ 935.70 lakhs (₹0.25 per share) during the year.

62 The Parent Company is in the process of launching its initial public offer (IPO), accordingly the Parent Company is in the process of filing the DRHP with Securities and Exchange Board of India (SEBI). The Parent Company has incurred initial public offer related expenses of ₹ 232.00 lakhs in connection with proposed public offer of equity shares. The initial public offer related expenses shall be shared in proportion mutually agreed between the Parent Company and the Selling Shareholders in accordance with applicable law. The Parent Company's share of expenses will be adjusted against securities premium to the extent permissible under Section 52 of the Companies Act, 2013 on successful completion of initial public offer.

63 The Parent Company had entered into agreement of lease of land from Hero Cycles Limited for 10 years which was expiring on March 31, 2032; During the year, the Company has entered into an agreement to buy this land at a consideration of ₹ 2,282.00 lakhs and continued to hold the possession of the land and accordingly has terminated the land lease agreement. The Company has paid ₹ 2053.00 lakhs towards purchase consideration of the land and has disclosed the balance amount payable under the head capital creditors and has capitalized the land as free hold land and has reclassified the building constructed on this land from leasehold improvements to buildings. The Parent Company is currently in the process of getting the land registered in its name at the Sub registrar. Further, net gain on account of cancellation of land lease agreement (accounted as right of use assets and lease liability) has been credited under the head 'Other income' in Note 32.

64 Previous year's numbers have been regrouped/reclassified, wherever necessary, to conform to current year classification.

65 The group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

66 The Ministry of Corporate Affairs (MCA) vide its notification No. GSR 206(E) dated March 24, 2021 has issued the "Companies (Audit and Auditors) Amendment Rules, 2021" read with sub-section 3 of Section 143 of the Companies Act, 2013 (hereinafter referred as "the Act") introducing Rule 11(g). As per this rule, every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

During the year, the Parent Company and its subsidiary Companies incorporated in India, maintained its books of account in SAP S4 Hana accounting software where audit trail feature (edit log facility) was not enabled during the year ended March 31, 2024. The Company is evaluating implementation of audit trail feature in accounting software used for maintaining its books of account to comply with the requirements of Proviso to Rule 3(1) of the Companies (Account) Rules, 2014.



67 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entity	As at March 31, 2024		For the year ended March 31, 2024		For the year ended March 31, 2024		For the year ended March 31, 2024	
	Net assets, i.e., total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount in ₹ Lakh	As % of consolidated profit or loss		As % of total comprehensive income	Amount in ₹ Lakh	As % of total comprehensive income	Amount in ₹ Lakh
Parent Company								
Hero Motor Limited	108.16%	40,538.60	111.35 %	1,896.98	(7.51)%	70.23	256.07 %	1,967.21
Subsidiary Companies								
Hero Motors Thai Limited	3.98 %	1,492.49	12.61 %	214.89	0.00 %	(0.00)	27.97 %	214.89
HYM Drive Systems Private Limited	7.37 %	2,761.35	(18.43)%	(314.06)	0.02 %	(0.16)	(40.90)%	(314.22)
Hero EDU Systems Private Limited	0.24 %	91.72	(0.34)%	(5.77)	-	-	(0.75)%	(5.77)
Hewland Engineering Limited	(7.42)%	(2,780.91)	47.10 %	802.46	62.47 %	(584.34)	28.39 %	218.12
Spur Technologies Private Limited	6.04 %	2,264.80	(31.49)%	(536.42)	(0.27)%	2.55	(69.49)%	(533.87)
Inter Company Elimination and Consolidation Adjustments								
Inter Company Elimination and Consolidation Adjustments	(15.43)%	(5,784.13)	(42.04)%	(716.23)	9.73 %	(90.99)	(105.08)%	(807.22)
Non Controlling Interest								
Non Controlling Interest	(2.94)%	(1,102.33)	21.24 %	361.79	35.57 %	(332.71)	3.79 %	29.08
TOTAL	100.00%	37,481.60	100.00%	1,703.64	100.00%	(935.42)	100.00%	768.22

Name of the entity	As at March 31, 2023		For the year ended March 31, 2023		For the year ended March 31, 2023		For the year ended March 31, 2023	
	Net assets, i.e., total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount in ₹ Lakh	As % of consolidated profit or loss	Amount in ₹ Lakh	As % of total comprehensive income	Amount in ₹ Lakh	As % of total comprehensive income	Amount in ₹ Lakh
Parent Company								
Hero Motor Limited	105.68%	35,560.90	120.03%	4,862.23	63.49 %	(481.75)	133.06 %	4,380.48
Subsidiary Companies								
Hero Motors Thai Limited	4.01%	1,350.41	(1.32)%	(53.29)	(33.81)%	256.53	6.17 %	203.23
HYM Drive Systems Private Limited	9.14%	3,075.55	(2.63)%	(106.69)	-	-	(3.24)%	(106.69)
Hero EDU Systems Private Limited	0.29%	97.49	(0.06)%	(2.51)	-	-	(0.08)%	(2.51)
Spur Technologies Private Limited	(0.75)%	(252.00)	(12.01)%	(486.44)	0.28 %	(2.11)	(14.84)%	(488.55)
Associate Company								
Hewland Engineering Limited	(8.63)%	(2,904.19)	(4.01)%	(162.48)	70.04 %	(531.49)	(21.08)%	(693.97)
Inter Company Elimination and Consolidation Adjustments								
Inter Company Elimination and Consolidation Adjustments	(13.10)%	(4,327.32)	(0.26)%	(10.68)	-	-	(0.32)%	(10.67)
Non Controlling Interest								
Non Controlling Interest	3.36%	1,131.41	0.26 %	10.67	-	-	0.32 %	10.67
TOTAL	100.00%	33,732.25	100.00%	4,050.81	100.00%	(758.82)	100.00%	3,291.99

68 As per the notification of the Ministry of Corporate Affairs (MCA) dated August 05, 2022, the Central Government has notified the Companies (Accounts) Fourth Amendment Rules, 2022 which amended the Companies (Accounts) Rules, 2014 (hereinafter referred as 'Rules'). As per said Rules, the Companies are, inter-alia, required to maintain back-up of the books of accounts and other relevant books and papers in electronic mode in servers physically located in India on a daily basis. The books of account along with other relevant records and papers of the Companies which are part of the group and incorporated in India are maintained in electronic mode and the same is physically located in India and backups are being carried out on a daily basis.

69 The group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

For and on behalf of Board of Directors of
Hero Motors Limited

Keshav Misra

Keshav Misra
Non-Executive and
Non-Independent Director
(DIN: 00133702)
Place: Noida
Date: July 16, 2024

Amit Gupta
Managing Director and
Chief Executive Officer
(DIN: 02997032)
Place: Noida
Date: July 16, 2024



Ritesh Kumar Agrawal
Ritesh Kumar Agrawal
Chief Financial Officer
Place: Noida
Date: July 16, 2024

Sheeba Dhamija
Sheeba Dhamija
Company Secretary
M. No. 29705
Place: Noida
Date: July 16, 2024